

SECOND CONSULTATION PAPER AND RESPONSE TO FEEDBACK RECEIVED

February 2017

Proposed Revisions to MAS Notice to Banks 610 and MAS Notice to Merchant Banks 1003 - Submission of Statistics and Returns

MAS

Monetary Authority of Singapore

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1 Preface

1.1 On 31 December 2014, the Monetary Authority of Singapore (“MAS”) issued the first consultation paper on proposed revisions to the MAS Notices on Submission of Statistics and Returns (“the Notices”). The consultation period closed on 5 February 2015.

1.2 MAS would like to thank all respondents for their contributions. We have considered the feedback received carefully, and will incorporate them where appropriate. In particular, taking into account the feedback and other considerations, MAS has decided to remove the distinction between the Domestic Business Unit (“DBU”) and Asian Currency Unit (“ACU”) in its banking regulations¹ and the requirement to report on the DBU and ACU separately. Other feedback deemed to be of wider interest and MAS’ responses are elaborated in the following paragraphs and in Appendix 2.

1.3 MAS is conducting a second public consultation on the revised proposals. We invite comments from all banks, merchant banks, public accounting firms and any other interested party on the proposals made in this document.

1.4 MAS is also in the process of reviewing MAS Notice 612 and MAS Notice 1005 and their implications on MAS Notice 610 and MAS Notice 1003. MAS will consult the industry when ready.

1.5 Please submit written comments by 20 March 2017 to:

Data Governance & Analytics Unit

Monetary Authority of Singapore

10 Shenton Way

MAS Building

Singapore 079117

Email: 610_1003consultation@mas.gov.sg

¹ The response to the consultation paper on “Removing DBU-ACU Divide – Implementation Issues” can be found on MAS’ website.

1.6 Electronic submission is encouraged. We would appreciate that you use the suggested template on MAS' website for your submission.

1.7 Please note that all feedback received will be published and attributed to the respective respondents unless they expressly request MAS not to do so. As such, if respondents would like (i) their whole submission or part of it, or (ii) their identity, or both, to be kept confidential, please expressly state so in the submission to MAS. In addition, MAS reserves the right not to publish any submission received where MAS considers it not in the public interest to do so, such as where the submission appears to be libellous or offensive.

2 Implementation of MAS Notice 610/1003²

2.1 MAS recognises that banks and merchant banks (collectively referred to as “banks” henceforth) will need to build systems to track and compile data at the required level of granularity to implement the proposed revisions to MAS Notice 610/1003. MAS will work closely with banks to ensure that these systems are in place.

Implementation and Testing Period

2.2 Several respondents requested adequate lead time for implementing of the revisions. MAS had initially proposed a period of 18 months from the issuance of the Notices to allow banks sufficient time to modify their systems. Taking into consideration the industry feedback, MAS is proposing a longer period of 24 months from the issuance of the Notices for banks to implement the revisions. MAS is also proposing a 6-month testing period for banks to ensure that data is correctly collected and submitted. The revised MAS Notice 610/1003 will therefore take effect 30 months from the issuance of the Notices.

2.3 As the removal of the DBU-ACU divide will also require banks to make system changes, MAS will look to align the implementation timeline for the revised MAS Notice 610/1003 and removal of the DBU-ACU divide. This is so that banks need to make only a one-time change to their systems.

2.4 To further ease banks’ implementation of the revised MAS Notice 610/1003, MAS is considering requiring that banks book only SGD transactions (including deposits and loans) in the DBU in the interim. All foreign currency transactions should be booked only in the ACU. This approach could ease implementation by simplifying system development requirements.

Question 1. MAS seeks comments on the proposed implementation and testing period following the issuance of the revised MAS Notice 610/1003.

Question 2. MAS seeks banks’ estimates on the expected cost of system modification to support the revisions to MAS Notice 610/1003.

Question 3. MAS seeks comments on the approach of booking only SGD transactions in the DBU in the interim, prior to the implementation of the revised 610/1003. In particular, banks should comment on any operational

² Please note that all references are in relation to the proposed revised Notices and the accompanying reporting forms (Appendices 4 to 7) in this current second consultation paper and not to the first consultation paper.

difficulties they may face in doing so, including the time needed to transfer any existing foreign currency transactions in the DBU to the ACU.

Progress Monitoring

2.5 MAS will monitor banks' progress in modifying their systems closely, to ensure that all banks are ready to submit data when the revised MAS Notice 610/1003 take effect. Banks will be required to update MAS on their progress every six months. These updates should include any issues faced by banks and action plans to address the issues.

2.6 In addition, MAS is considering setting up an industry working group with the Association of Banks in Singapore to monitor the implementation of the revised MAS Notice 610/1003. The working group will meet regularly, identify common issues and requirements, and where possible, propose solutions to such issues.

Question 4. MAS seeks comments on the frequency of progress updates to MAS.

Question 5. MAS seeks comments on the proposed industry working group.

Publication of Statistics

2.7 To provide value to the banking industry, MAS is considering publishing more aggregated statistics from the banking industry's submissions. This could allow banks to better benchmark themselves against the industry and identify potential business opportunities.

Question 6. MAS seeks banks' feedback on which aggregated statistics from the revised MAS Notice 610/1003 would be most relevant and useful for the industry.

3 Reporting Deadline

3.1 The respondents would like MAS to consider longer submission deadline than that proposed in the first consultation paper given the expanded scope of data to be submitted under the revised MAS Notice 610/1003. Some respondents suggested the use of “business” rather than “calendar” days to manage collection of certain data which is available only after the global closing of books.

MAS’ Response

3.2 MAS notes the respondents’ comments. Except for Appendix B1 Annex 1 on Cash which is required to be submitted by the 10th calendar day of the month, all monthly submissions will be required to be submitted by the 14th calendar day of the month. If the 10th calendar day or the 14th calendar day does not fall on a business day, a bank may submit the return on the next following business day.

4 Basis of Preparation

4.1 A respondent commented that there would be changes in the Singapore Financial Reporting Standards over time. Banks may also adopt these standards at different times. If these reporting standards are not implemented at the same time in the revised MAS Notice 610 /1003, it would not be possible to reconcile the audited financial statements with MAS Notice 610/1003 returns.

MAS’ Response

4.2 Notices such as MAS Notice 610/1003 are reviewed periodically to bring them in line with industry developments, including changes in accounting standards. MAS will work with the industry to resolve potential inconsistencies between audited financial statements and returns submitted under MAS Notice 610/1003.

5 Frequently-asked-questions (“FAQ”)

5.1 Many respondents supported MAS’ suggestion to publish FAQs on MAS Notice 610/1003 reporting to provide guidance to the industry. However, some respondents suggested that interpretation should rest solely with the public accounting firms as the returns are prepared in accordance with Singapore Financial Reporting Standards.

MAS’ Response

5.2 Reporting forms are to be prepared in accordance with Singapore Financial Reporting Standards unless otherwise stated. With the alignment of MAS Notice 610/1003 reporting with financial reporting, MAS expects banks to perform the necessary due diligence including working with their auditors in ensuring compliance with the Notices.

5.3 MAS also agrees with respondents that FAQs on MAS Notice 610/1003 reporting will be helpful. The FAQs will serve to provide guidance for common issues while implementing the revised MAS Notice 610/1003. MAS will work with the industry to provide appropriate guidance. This would facilitate a robust reporting environment. Notwithstanding this, banks are expected to perform their own due diligence in ensuring compliance with the Notices.

6 Notes for Completion

6.1 Some respondents asked if the current Notes for Completion remain applicable to the revised MAS Notice 610/1003.

MAS’ Response

6.2 Banks should follow the instructions in the proposed reporting forms, which will replace the current Notes for Completion. The respondents should take note that accounting instructions have been removed from the revised MAS Notice 610/1003 so that banks can follow generally accepted accounting practices.

7 Reporting Forms

7.1 MAS sought industry feedback on their preference for standardised reporting forms in Appendix D2 for ease of reporting, or currency-specific reporting forms Appendix D2 (Annexes 2 to 8) to reduce reporting burden.

MAS' Response

7.2 More respondents have indicated their preference for the currency-specific reporting forms. MAS will therefore implement the currency-specific reporting forms.

7.3 MAS is further reviewing whether to collect data on GBP and CHF exposures in Appendix D2 (Annexes 6 and 7) and Appendix D4 (Annexes 6 and 7). Such data may not be relevant if banks do not have significant exposures denominated in these currencies. On the other hand, if systems are already being built to support reporting in Appendices D2 and D4, the marginal cost of reporting these currencies as well might be minimal.

Question 7. MAS seeks feedback on whether banks have significant exposures denominated in GBP and CHF.

Question 8. MAS seeks comments on whether removing reporting for GBP and CHF exposures would reduce reporting burden significantly.

8 Definitions

8.1 Some respondents sought clarifications on the definitions used in the reporting forms. MAS' clarifications on key definitions are provided in the paragraphs below.

Residency of Individuals

8.2 When determining the residency of individuals (via centre of economic interest), the "country/economy where the person lives in" should take precedence, followed by "place of work". If the above information is not available, then "main source of income" can be used. Please see our response to the scenarios provided by one respondent.

Citizenship	Living in	Place of Work	Main source of income	Residency to be used for MAS Notice 610/1003
Singaporean	New York	New York	New York	US
Singaporean	New York	-	Singapore	US
Singapore PR	Malaysia	Singapore	Singapore	Malaysia
Singapore PR	Singapore	-	China	Singapore
Thai	Singapore	Singapore	Singapore	Singapore
Thai	Thailand	-	Singapore	Thailand
Malaysian	-	Singapore	Hong Kong	Singapore
Malaysian	-	-	Hong Kong	Hong Kong

Gradable Assets

8.3 “Gradable assets” refers to Loans and advances, Bills discounted or purchased, Debt securities, Amounts receivable under reverse repurchase agreements, Negotiable certificates of deposit held, as well as Balances and Positive fair values for financial derivatives.

Assets Pledged

8.4 In Appendix B3 (Annex 6), “Assets pledged” refers to assets (other than cash collaterals) that are pledged for transactions where these assets cannot be withdrawn freely. Cash collaterals pledged with MAS for FAST are to be reported under “Cash and Balances”. Other cash collaterals pledged should be classified as “other assets” in the same appendix.

Deposit Rate of Singapore Dollar Denominated Deposits

8.5 In Appendix B2 Annex 2 Part II, MAS proposes to collect data on both “Weighted Average Rate for Outstanding Deposits” as well as “Weighted Average Rate for New Deposits Collected during the Reporting Period”.

Question 9. MAS seeks feedback on the collection of data on “Weighted Average Rate for Outstanding Deposits” and “Weighted Average Rate for New Deposits Collected during the Reporting Period”.

9 Groupings and Presentations

Accrued Interest Receivable and Payable

9.1 The respondents suggested that MAS reconsider the proposal for accrued interest to be included in the outstanding amounts of the financial assets and financial liabilities that give rise to the accrued interest.

9.2 After due consideration, MAS proposes that accrued interest be included only in the underlying assets/liabilities for presentation on the Statements of Financial Position (Appendices B1 and B2). Items in Appendices B1 and B2 are presented in distinct groupings or categories that mirror the items in the published financial statements of banks. Assets and liabilities in Appendices B1 and B2 should also be presented net of individual allowance, collective allowance, impairment loss or accumulated depreciation where applicable.

9.3 For detailed analyses of certain asset and liability items, these items should be reported before accrued interest, individual allowance, collective allowance, impairment losses or accumulated depreciation where applicable in the accompanying annexes to Appendices B1 and B2. For example, in the case of non-accrued loans (loans which are fully impaired), these loans are required to be reported in the accompanying annexes on a gross basis, even though they will not be reported in Appendices B1 and B2.

Cash and Balances

9.4 In traditional interbank placements, banks lend money to other banks for liquidity management, including regular balancing of cash books. Borrowers do not generally tell lenders how these funds will be used. Such interbank placements are often on an overnight basis and are usually unsecured.

9.5 In recent years, banks have increasingly lent money to other banks for specific purposes. In such transactions, borrowers will inform lenders how such funds will be used. For example, a borrower might inform its lender that the funds will be used to facilitate the borrower's or its customers' trade financing activities.

9.6 A respondent has suggested that where the lending bank is aware of the purpose for which its loaned funds will be used, such interbank loans should be

classified as “Loans and Advances” instead of “Balances”.³ MAS agrees with this approach. Interbank placements would continue to be reported as “Balances”, regardless of the manner, channel or platform by which such placements are conducted. The difference between interbank loans and interbank placements would lie in the nature of the transaction, and whether the borrowing bank has informed the lending bank of the purpose for which the loaned funds will be used.

9.7 The December 2014 Consultation Paper proposed to distinguish between interbank placements (“Balances”) and interbank loans (“Loans and Advances”) based on the tenor of the instrument. However, some respondents have pointed out that there are interbank loans that are shorter than 3 months and there are also interbank placements that are longer than 3 months. Therefore, MAS has decided not to implement the proposed classification by tenor. Banks should be guided by the nature rather than maturity of interbank instruments in their reporting.

9.8 Banks should also note that the accounting concept of “cash and cash equivalents” includes highly liquid investments that should be classified as “Debt Securities” or “Equity Investments” for MAS Notice 610/1003 reporting purposes. These instruments should not be reported under “Cash and Balances”.

9.9 “Cash and Balances” includes the minimum cash balance that banks maintain with MAS.

Other Assets and Other Liabilities

Gold, Precious Metals and Commodities

9.10 Reporting of gold, precious metals and commodities should include physical holdings as well as nostro accounts or placements denominated in these items. If the nostro accounts or placements are due from the banks’ related parties, the amounts should be reflected in the respective line items on Appendix B1 and under “Other Assets” for Appendix C1 Annex 4 to 6.

³ For example, bank-to-bank trade financing or risk participation in loans to corporates.

Receivables and Payables from/to Head Office and Related Concerns

9.11 Receivables (e.g cross border recharges) and payables (e.g reserve for expenses, outsourcing cost payable) from/to Head Office and related concerns (both banks and corporations) should be reported under “Other assets” and “Other liabilities” respectively. “Other assets” and “Other liabilities” have been added to Appendix C1 Annex 4 to 6 so that all items due from/to Head Office and related concerns can be aggregated for proper disclosure.

Cash and Other Collaterals

9.12 In Appendix B1, all cash collaterals paid on securities borrowed and derivative contracts should be reported under “Other Assets”. Likewise, all cash collaterals received on securities lent and derivative contracts should be reported under “Other Liabilities” in Appendix B2. Cash collaterals including those with central clearing counterparties of OTC derivative contracts should be reported under “Other assets - Cash and other collaterals paid” in Appendix B1.

Deposits

9.13 Capital contributions from Head Office or Head Office funds should be reported under “Deposits”, similar to takings from related concerns.

Others

9.14 Brokerage for listed futures and cash equities, security deposits, staff housing rental deposits, or rental deposits for premises are to be reported under “Other assets” or “Other liabilities” depending on whether these items are receivable or payable respectively.

Bank Holding Companies

9.15 One respondent pointed out that for the purpose of Basel reporting, exposures to bank holding companies owning or controlling one or more banks and designated by MAS are classified as “bank exposures”. However, such exposures form part of corporate (other than banks and households) exposures in MAS Notice 610/1003.

9.16 Classifications in MAS Notice 610/1003 are mainly guided by the Singapore Standard Industrial Classification Industry Code. Although bank holding companies control one or more banks, they do not engage in banking activities themselves. Bank holding companies will be treated as “Corporates” for the purpose of MAS Notice 610/1003 reporting.

Aggregation Principles

9.17 A respondent commented that the requirement to split the deposit amount for joint accounts on top of the other requirement to aggregate the arbitrary split amount if one or both the joint account holders also have other accounts may not be practicable.

MAS’ Response

9.18 The proposed reporting will allow the banks to more appropriately assess the deposits attributable to each depositor where joint depositors have other accounts. This is also consistent with the aggregation principles under MAS Notice DIA-N01 – Deposit Insurance Returns.

Question 10. MAS seeks feedback from merchant banks on adopting the aggregation principles under MAS Notice DIA-N01 – Deposit Insurance Returns.

10 Ultimate Risk Reporting

10.1 Some respondents provided feedback that it would be challenging to report on an ultimate borrower basis, especially for borrowers with complex holding structures. The respondents suggested that MAS provide more guidance.

10.2 After due consideration, MAS proposes that banks report ultimate risk information according to their internal credit practices. In evaluating the credit worthiness of any borrower, in group structure or otherwise, banks would evaluate, to the best of their knowledge, the credit risk associated with lending to the borrower. Even where the credit facility is granted to a group of borrowers with operations in various countries, banks would endeavour to identify the party in the group whose cash flow would ultimately service the

credit facility. Banks can rely on such assessments for reporting ultimate risk information.

10.3 To illustrate, a corporate borrower in Singapore has a parent in Malaysia. This borrower has an operating subsidiary in Indonesia. The credit facilities are collateralised by the group's factory in Philippines. In granting the credit facilities to the borrower in Singapore, if the party that the bank looks to for repayment of the credit facilities is the Indonesia subsidiary generating sufficient cash flows to service the loans, then the ultimate risk in this illustration is to Indonesia. The ultimate risk will be to Philippines if the group can no longer service the credit facilities, and the bank is looking to sell the factory in Philippines to recover on the loans⁴. Hence, MAS has included the following instruction for ultimate risk reporting:

“The counterparty-country breakdown should be reported after taking into consideration all available information to determine where the final credit risks reside. In particular, the counterparty to report is the party the Bank looks to for repayment or the party whose creditworthiness is assessed by the Bank when deciding whether to grant the credit facilities.”

10.4 Solely for ultimate risk reporting, when banks earmark bank counterparties' credit limits in granting trade finance loans to non-bank customers, these trade finance loans should be reported as bank loans and advances instead of as loans and advances to non-bank customers.

10.5 In a situation where a credit facility is granted to a customer of a sister branch of a bank, ultimate risk reporting would require reporting the sister branch as the counterparty in Appendix D1 of the revised MAS Notice 610/1003 because its limits would have been earmarked in approving the credit facility.

10.6 In principle, banks should consider the financing structure in determining the counterparty to report in Appendix D1 of the revised MAS Notice 610/1003.

⁴ For avoidance of doubt, the Singapore borrower in the illustration is to be reported in all the annexes to Appendix D2 on an immediate borrower basis.

Other examples are provided in Appendix 3 to illustrate scenarios of ultimate risk reporting.

MONETARY AUTHORITY OF SINGAPORE

10 February 2017

APPENDIX 1

LIST OF RESPONDENTS TO THE CONSULTATION PAPER

1. AGRICULTURAL BANK OF CHINA LIMITED
2. BANK OF CHINA LIMITED
3. BANK JULIUS BAER & CO. LTD.
4. BANK OF AMERICA SINGAPORE LIMITED
5. BANK OF SINGAPORE LIMITED
6. BARCLAYS BANK PLC and BARCLAYS MERCHANT BANK (SINGAPORE) LIMITED
7. BNP PARIBAS
8. BSI BANK LTD
9. CIMB BANK BERHAD
10. CITIBANK N.A. and CITIBANK SINGAPORE LIMITED
11. COMMERZBANK AKTIENGESELLSCHAFT
12. CREDIT SUISSE AG
13. CTBC BANK CO., LTD.
14. DBS BANK LTD
15. DEUTSCHE BANK AKTIENGESELLSCHAFT
16. ICICI BANK LIMITED
17. JPMORGAN CHASE BANK, N.A.
18. KPMG SERVICES PTE. LTD
19. LGT BANK (SINGAPORE) LTD
20. MIZUHO BANK LIMITED

21. NATIXIS
22. NOMURA SINGAPORE LIMITED
23. OVERSEA-CHINESE BANKING CORPORATION LIMITED
24. SOCIETE GENERALE
25. SUMITOMO MITSUI BANKING CORPORATION
26. STANDARD CHARTERED BANK and STANDARD CHARTERED BANK (SINGAPORE)
LIMITED
27. THE BANK OF TOKYO-MITSUBISHI UFJ, LTD
28. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED
29. THE NORINCHUKIN BANK
30. THE ROYAL BANK OF SCOTLAND N.V
31. THE TORONTO-DOMINION BANK and TORONTO DOMINION (SOUTH EAST ASIA)
LIMITED
32. UNITED OVERSEAS BANK LIMITED
33. WESTPAC BANKING CORPORATION
34. 2 respondents requested for confidentiality of their identity

APPENDIX 2

RESPONDENTS' COMMENTS AND MAS' RESPONSE⁵

	RESPONDENTS' COMMENTS TO MAS⁶	MAS' RESPONSE
General		
1.1	<p>Could MAS provide us with the excel template for our internal testing and trial run for the implementation?</p> <p>It would be useful if the MAS could clarify whether banks should expect email notification from the MAS to download and complete the forms for submission prior to each submission deadline.</p> <p>In addition, it would be useful if the MAS could clarify whether, for submission via XML, the MAS would be providing specifications with instructions on how the data should be created and represented.</p>	<p>The existing data collection infrastructure will be revamped. MAS will engage the industry on the IT implementation.</p>
1.2	<p>MAS may wish to consider reflecting the reporting frequency on each Appendix for easy referencing.</p>	<p>The reporting frequency is dependent on the type of bank and is set out in the table on "Reporting Frequency".</p>
1.3	<p>In accordance with FRS, Trading Assets and Liabilities should be reported gross. However, we noted that there is no separate classification for the reporting of debts securities – short positions in "Liabilities" list. Please advise the reporting classification for these short positions, if any.</p>	<p>Short positions in debt securities are to be reported under "Debt securities" in "Liabilities" in relevant reporting forms such as item 19 in Appendix B2 and item 17 in Appendix E Annex 1.</p>
1.4	<p>Merchant bank in DBU appears to be considered as a bank under the proposed revisions. Please clarify if the proposed classification will be applicable to the qualifying liabilities classification under MAS 613 where Merchant bank in DBU is being reported as non-bank customer deposits and hence not subjected to the 30 days ruling.</p>	<p>MAS 613 has been cancelled with effect from 1 January 2016. All liabilities to merchant banks are treated as liabilities to banks under MAS Notice 649.</p>
1.5	<p>The current MAS Notice 610 Appendix 1, paragraph 7.1 (b) states that "Gross figures are to be reported. Do not offset overdrawn vostro accounts of other banks, ACUs and the bank's head office and branches, but report them under item 14 "Amounts</p>	<p>All accounting instructions have been removed from the revised MAS Notice 610/1003 to allow banks to follow the generally accepted accounting practices. If offsetting of</p>

⁵ Please note that all references are in relation to the proposed revised Notices and the accompanying reporting forms (Appendices 4 to 7) in this current second consultation paper and not to the first consultation paper.

⁶ Some comments have been paraphrased.

	<p>due from banks". Is this statement still applicable for the proposed MAS610?</p>	<p>overdrawn vostro accounts of other banks and the banks' head office and branches is not allowed under accounting practices, banks should not offset such accounts.</p>
<p>1.6</p>	<p>We note from the General Instructions that where the transactions do not involve SGD, the foreign currency amount must be converted into Singapore dollars using the Bank's internal currency conversion rates. Can we confirm that the Bank does not need to use rates published by MAS for foreign currency conversion for the revised notice? If so, does this guidance applies to all reports submitted to MAS?</p> <p>The revised MAS Notice 610 return requires banks to report the numbers in SGD by using the banks' internal exchange rates for conversion. This will lead to following reconciliation issues:</p> <p>a) The numbers disclosed in MAS Notice 610 return will not tally with the numbers disclosed in the other MAS Notices which are using MAS exchange rates for conversion.</p> <p>b) The numbers disclosed as balances from other banks will not cross tally with the numbers disclosed by those banks as due to reporting Bank. MAS may consider continuing with using the MAS exchange rates until all the other MAS returns are completely revamped, then the Bank's exchange rates can be used but the tally and cross check of balances with other FIs based in Singapore will not be possible.</p> <p>We recommend MAS to align the conversion approach for reporting requirements in the other Notices (e.g. MAS 613, MAS 637, MAS 639A, Quarterly Income & Expenditure). This will allow for consistency and cross-validation of reporting items between returns, where applicable.</p> <p>We refer to General Instructions no. 18 regarding the conversion of the foreign currency amount into SGD. Our understanding is that we must use the Bank's internal currency conversion rates and we</p>	<p>MAS notes the respondent's comments. Banks are required to use internal exchange rates for conversion under the revised MAS Notice 610/1003. This guidance will apply to all other Notices upon the issuance of the revised MAS Notice 610/1003.</p>

	<p>can no longer use the MAS month-end currency conversion rates. Is our understanding correct?</p> <p>Will MAS exchange rates still have to be used for other MAS reports other than MAS610? If yes, SGD equivalent will be different for the same foreign currency balance across MAS reports.</p>	
1.7	<p>The revised notice has dedicated annexes for RMB reporting and we note that there are overlaps between the required data in the current monthly collection of RMB statistics and the revised notice. We propose that the current monthly collection of RMB statistics be ceased following the implementation of the revised notice to reduce reporting burden.</p>	<p>We note that there could be potential overlaps in information collected under MAS Notices 650 and 1117 on Collection of Statistical Returns for Renminbi Business Activities (the “Renminbi Notices”). We will review the integration of the Renminbi Notices with the revised MAS Notice 610/1003 to remove overlaps in information requested.</p>
1.8	<p>We take it that the preparation of the submission at consolidated level means the consolidation of the Bank and its subsidiaries according to how we present the Group consolidated financial statements. Please confirm.</p>	<p>Yes. The consolidation of the Bank and its subsidiaries should be the same as how it is presented in Bank’s group consolidated financial statements.</p>
1.9	<p>We note that the detailed business rules will be published and disseminated to the banks via MASNET in due course. We would like to request MAS to provide the detailed business rules at the earliest possible opportunity, as we may require the detailed business rules during the enhancement of systems in order to extract the correct data required.</p> <p>Cross referencing between the respective annexes can be made clearer so that the Bank is able to appreciate the linkages of the balances on the main schedule (Appendix B1 and B2) with the corresponding annexes.</p> <p>We would like to check whether the reporting forms will contain checksum logic as in the current reporting template.</p>	<p>MAS notes the respondent’s request. The broad level rules and the cross-referencing between the main appendices and annexes are provided in the reporting templates. We will provide the detailed business rules as soon as they are ready.</p>
Categorisation of Items		
2.1	<p>Per the categorisation of the proposed new MAS Notice 610 reporting, central banks are classified as non-banks customers. We would like to seek</p>	<p>The MAS Notice 610 definitions generally apply for the computation of Qualifying Liabilities under MAS</p>

	clarification does this definition apply to MAS 613/649 and MAS 640 – Asset Maintenance Requirement when we compute the qualifying liabilities due to non-bank customers and deposits liabilities incurred with non-bank customers respectively.	613/649, except for liabilities to MAS which are classified in a standalone category. Deposits from central banks do not form part of deposit liabilities for the purpose of MAS 640.
2.2	As there is no specific guidance on how to report "principal activity" of Special Purpose Entity "SPE", we propose to report SPE under "Others" in slide 3 of "Categorisation of items for the purpose of MAS Notice 610 reporting". Can MAS advise if our proposal is acceptable?	SPEs should be classified as "Corporates" as their assets and liabilities can be separated from the personal assets and liabilities of the owners. An SPE acting as a primary borrower should be classified based on the profile of the SPE. For example, if the SPE is involved in transport, it should be classified as a "corporate" in the "transport and storage" sector.
Definitions & Instructions (Appendix A1 Annex 1)		
3.1	<p>Please confirm that the definition of "New loans and advances" refers to the total amount approved and accepted regardless of their disbursement, and does not include uncommitted facilities.</p> <p>New uncommitted facilities approved and accepted on credit card, money line and uncommitted mortgage loan are not required to be reported as "New loans and advances". Please confirm.</p> <p>Certain facility limits are granted across multiple products including loans. Hence, it would be useful if MAS could clarify whether, in such an instance, the full facility limit should be reported as "new loans and advances".</p> <p>Similarly, the MAS could clarify whether facility limits that are granted for contingent items (which exclude loans) should be reported as "new loans and advances".</p>	<p>Yes. "New loans and advances" refers to the total amount approved and accepted regardless of their disbursement and does not include uncommitted facilities.</p> <p>Yes. New uncommitted facilities/mortgage loans should be excluded from "New loans and advances".</p> <p>Yes. In general, the full facility limits should be included in "new loans and advances".</p> <p>No. Facility limits that are granted for contingent items should not be reported as "new loans and advances".</p>
3.2	Definition 9 – To clarify: With reference to "Limits related to those that are contractually committed by the bank", does it refer to instances whereby	Please see the revised Definition for "Limits". All limits that meet the definition should be reported,

	customer drawdown is initiated? Or does it encompass all approved credit limits notwithstanding that no customer drawdown has been made?	regardless of whether any customer drawdown has been made.
3.3	Please confirm whether Debt securities and Equity holdings that are supported by a physical title document (e.g. a share certificate) are considered "secured". Does the physical title document constitute a tangible asset?	"Secured" refers to assets that are pledged to the reporting bank as collateral for granting of credit facilities.
3.4	<p>Please confirm that the definition of "unsecured" has changed from the current MAS 610 Appendix 3. All types of guarantees – including guarantee by banks and governments are now not considered "collateral" and to be reported into "unsecured". Please clarify if bankers guarantee can be considered as collaterals.</p> <p>Please advise whether Banker's Guarantees and Standby Letters of Credit can be considered as collaterals. Please clarify if insurance coverage by Insurance Companies can be considered as collaterals.</p> <p>The loans guaranteed by banks and Government are considered as unsecured, which differ from the definition of secured under the existing MAS 610. To clarify it is the intention of MAS to change the definition of "secured" and "unsecured" from the current MAS 610.</p>	All types of guarantees including guarantee by banks and governments, insurance coverage by insurance companies and standby letters of credit are not to be considered as "collaterals" for the purpose of the new MAS Notice 610/1003 reporting. The Definitions has been amended to reflect the intention.
3.5	<p>"and the value of collaterals can be more or less than the outstanding loans" – does this mean that irrespective of the security value as far as we have some underlying collateral, we should consider the asset as secured? We may have 1% security value, is this still considered secured?</p> <p>Note 14 and 15: Does "unsecured" cover a scenario where collateral values (eg \$20) are less than outstanding loans (eg \$100)? That is whether the</p>	<p>As long as the loan agreement with the borrower stipulates the pledging of some securities as necessary for the granting of the credit facilities, these credit facilities are to be reported as "secured" regardless of the value of the securities. MAS expects banks to be prudent in their lending practices which include assessing the adequacy of security before granting any credit facilities.</p> <p>No. The full outstanding loan is considered "secured" if the loan agreement requires collaterals for the credit facilities.</p>

	<p>shortfall (\$80) should be reported as "unsecured" credit facilities?</p>																						
<p>3.6</p>	<p>To clarify on our interpretation on the reporting of "secured" and "unsecured" for performing loans and non-performing loans under the New MAS 610, based on the example below:</p> <table border="1" data-bbox="300 483 904 898"> <thead> <tr> <th></th> <th>Performing loan</th> <th>Non-performing loan</th> </tr> </thead> <tbody> <tr> <td>Loans outstanding</td> <td>100</td> <td>100</td> </tr> <tr> <td>Collateral Market Value</td> <td>80</td> <td>110</td> </tr> <tr> <td>Collateral Forced Sale Value</td> <td>NA</td> <td>80</td> </tr> </tbody> </table> <p>Amounts to be reported:</p> <table border="1" data-bbox="300 943 895 1070"> <tbody> <tr> <td>Secured</td> <td>100</td> <td>80</td> </tr> <tr> <td>Unsecured</td> <td>-</td> <td>20</td> </tr> <tr> <td>Total</td> <td>100</td> <td>100</td> </tr> </tbody> </table> <p>Based on the example given above, we noted different measurement basis is used for performing and non-performing credit facilities. Propose to use consistent basis for determining whether a facility is secured or unsecured i.e. as long as an asset is secured by tangible assets, the entire loan is considered as "secured", regardless of whether the loan is a performing loan or non-performing loan.</p> <p>The above definition (whether NPL or non-NPL) can then be consistently applied across all annexes. For example, in App D3 Annex 2, the unsecured column is blanked-out for motor vehicle loans, properties loans and shares financing loans which suggest that the Bank should report the entire loans outstanding as "secured" regardless of whether a loan is NPL or non-NPL and whether their Market Value/Force Sale Value, where applicable, is more or less than the outstanding loans.</p> <p>When credit facilities become non-performing, banks would have to change from using market value to forced sale value. Can banks choose to use</p>		Performing loan	Non-performing loan	Loans outstanding	100	100	Collateral Market Value	80	110	Collateral Forced Sale Value	NA	80	Secured	100	80	Unsecured	-	20	Total	100	100	<p>In assessing whether credit facilities should be granted, the primary consideration should be the customer's ability to service the interest and principal. Credit facilities should not be granted on the sole basis of collaterals provided.</p> <p>The recoverability of non-performing credit facilities is dependent on the value of the collaterals provided. When the value of the collaterals falls below the outstanding amounts, the "secured" credit facilities would be overstated using the measurement basis for collaterals for performing credit facilities. As such, when credit facilities are graded as non-performing, conservatism is applied and a different measurement basis is required.</p> <p>The "blanked-out" unsecured columns in App D3 Annex 2 have been removed to facilitate the reporting of NPL and non-NPL.</p> <p>No. Banks should follow the instructions provided in the revised MAS Notice 610/1003.</p>
	Performing loan	Non-performing loan																					
Loans outstanding	100	100																					
Collateral Market Value	80	110																					
Collateral Forced Sale Value	NA	80																					
Secured	100	80																					
Unsecured	-	20																					
Total	100	100																					

	forced sale value for the performing credit facilities so that there is only one type of value used?	
3.7	<p>Please confirm that for “New Debt Securities for the month/quarter”, the amount to be reported would be the new purchases made during the reporting period and still outstanding as at period end. Would this basis also apply to bills discounted or purchased, i.e. a bill discounted or purchased in January and still outstanding in January would be reported for January month reporting. But if the bill is settled in March, would it still be considered a new “bills discounted or purchased” for the quarter?</p> <p>Please clarify what constitutes “New debt securities”. For example, the bank had reported a purchase of SGD 20m SGS issue BQ 1234 under new debt securities in May 2014. If, during the month of June, the bank sells SGD 5m of the SGS issue BQ 1234 and makes a further purchase of SGD 10m of the same SGS BQ 1234, what is the amount reportable as new debt securities in the month of June? Should it be</p> <p>(i) SGD 10m (Only purchases are considered) (ii) SGD 5m (Only net amount purchased is considered) (iii) SGD 0m (Only purchases of new debt securities not previously held is considered?)</p>	<p>“New Debt Securities/bills discounted or purchased” refer to those debt securities/bills discounted or purchased that are newly acquired during the reporting month or quarter. The instruments need not be outstanding at the reporting date. For the example provided, the new bill discounted or purchased in January is considered “new” for January month-end reporting. In February, this item should not be reported as “new” although it remains “outstanding”. For the quarterly reporting in March, this bill is “new”.</p> <p>SGD 10m.</p>
3.8	We seek clarification if Merchant Banks outside Singapore are similarly considered as “banks”.	Yes, merchant banks outside of Singapore are to be reported as “banks”, for the purpose of MAS Notice 610/1003 reporting.
3.9	Definition 14b – Could you provide more guidance on what constitutes “market”.	Non-performing credit facilities - secured portion refers to the amount from the realisation of the collaterals in the event of a force sale. Typically, such value refers to the forced sale value of properties and net asset values for securities that do not have a readily available price at which the

		securities can be bought or sold between willing buyers and willing sellers.
3.10	Note 4: Do non-profit institutions serving households include company recreational clubs or private societies of a company serving employees?	Yes. The recreational clubs or private societies of a company serving employees are to be classified as “households – other loans”.
3.11	Definition 3 and 4 – Please elaborate further how distinction can be drawn between the unincorporated enterprises mentioned under “corporate” and “household”. Should small family offices set up for wealth management purposes be classified under “corporate” or “household”? Is “Singapore Bank Employee Union” considered non-bank “household” or “others”?	Small family offices set up for wealth management purposes are “corporate - NBF1”. “Singapore Bank Employee Union” is “household” according to Definitions and Instructions in Appendix A1 Annex 1.
3.12	We would like to clarify what are the guidelines to be used to determine whether an unincorporated enterprise should be classified as “corporate” or “households”, respectively. E.g. doctor, law firm or business consultants may practice as sole proprietor or partnership or incorporated entities and the business activities are similar regardless of the legal form of the business.	We have amended the definitions of “corporate” to include sole-proprietorships. Regardless of the legal form of business, they are to be excluded from “households” for the purpose of reporting under the Notices. The examples of doctors, law firms or business consultants are to be categorised as “corporate”.
3.13	<u>Appendix B2 Annex 2 – Instructions</u> Can MAS clarify our understanding from Note 5 & 8 of the instruction for deposits - should clubs and associations that are not linked to government be reported under “household”? To clarify: Para 5 states that for clubs, societies and unions of government departments, these should be reported under “others”, whereas Para 8 states that clubs, associations etc. should be reported under “households”. “Households” has been defined as “...non-profit institutions serving households such as charities, religious institutions, trade unions and consumer associations”. Based on the above, does it mean that there is a need to differentiate between government owned and non-government owned non-profit institutions in order to classify into “others” or “household – others”?	All non-profit institutions such as clubs, societies and unions, whether of government departments or otherwise, are to be reported as “households – others”.

3.14	<p><u>Appendix B1</u> Loans – Households Does this category include schools, or should schools be reported under “others”?</p>	<p>All private schools including tuition centres and pre-schools are to be classified as “corporates” for the purpose of reporting as they are legal entities created for the purpose of providing educational services.</p>
3.15	<p><u>Appendix B2 Annex 2</u> Can MAS clarify what constitutes “household” other than individuals and sole proprietors? Where should we report trust companies owned by individual and PIC?</p>	<p>The definition of households can be found in Definitions. Sole Proprietors, trust companies owned by individuals and PICs are classified as “corporates”. Trust companies owned by individual and PIC are classified under “non-bank financial institutions”.</p>
Statement of Financial Position – Assets (Appendix B1)		
4.1	<p>We would like to clarify which are the items to be reported for amount due from Head Office/branches/subsidiaries?</p>	<p>Unlike the current Appendix 1 where the amounts due from/to “Head Office/branches/subsidiaries” are presented as separate line items, the items on the proposed Appendix B1 and Appendix B2 may consist of amount receivables from “Head Office/branches/subsidiaries” as well as other counterparties.</p>
4.2	<p>Can MAS clarify on the definition and scope of “foreclosed assets”?</p> <p>On “foreclosed assets”, where the Bank took possession of the assets, accounting wise it will be reported in the financial instruments under the respective instruments. For example, foreclosed assets on Debt Securities will be reflected under the Debt Securities line. Is the Bank expected to break out this amount and reclassify to “Foreclosed Assets” on this page? That would be a misalignment from financial statement reporting standard.</p> <p>Assets acquired in foreclosures or in settlement of debts – does this mean security invoked assets</p>	<p>“Foreclosed assets” refer to the assets which Bank acquires by way of enforcement of interest in or right over the assets.</p> <p>Banks should report foreclosed assets in line with financial reporting, i.e. under the respective instruments. In addition, details of such “foreclosed assets” are required to be disclosed under Appendix K.</p> <p>The reporting of assets acquired in foreclosures or in settlement of debts follows accounting rules as such</p>

	<p>need to be disclosed here and not in relevant Debt/ Equity Securities?</p> <p>The bank would like to clarify the definition of “Foreclosed assets”. For example, in a mortgage repossession situation, does the bank report the balance when the key to the property is in bank’s possession or upon legal title transfer? In general, the physical possession happens before the latter.</p> <p>We seek clarification if this reporting item includes properties acquired through foreclosures.</p>	<p>assets are to be recognised as part of the banks’ assets, i.e. reported under the respective instruments. In the case described by the respondent, these assets are to be reported as Debt Securities or Equity Investments in Appendix B1. In addition, details of such “Foreclosed assets” are to be disclosed in Appendix K.</p> <p>In the mortgage repossession situation provided, the bank should report the balance in Appendix K once the key to the property is in the bank’s possession.</p> <p>Yes. “Foreclosed assets” includes properties acquired through foreclosures.</p>
<p>4.3</p>	<p>Our DTA/DTL calculation is updated every quarter due to the nature and immaterial changes in the calculation. Is this acceptable for MAS that the balances are only updated every quarter in the MAS returns?</p>	<p>Yes, as long as such treatment is in line with accounting practices.</p>
<p>4.4</p>	<p>Please provide the definition of “assets held for sale”.</p> <p>For example, we have invoked security for a bad loan and obtained equity. We will be selling such equity in the near future. Should we report the same under assets held for sale?</p> <p>We seek clarification if the reporting of “assets held for sale”:</p> <ol style="list-style-type: none"> 1) is at cost, carrying amount or fair value? 2) has to consider net of costs to sell such assets? 3) contains guidance on when an asset can be classified as held for sale? 4) includes only fixed assets? <p>Please define item 11, “assets held for sale”. Should the Bank’s securities/loans which are classified as available-for-sale/held-for-sale be reported in item 5 “Debt securities”/item 7 “Loans and advances” or item 11 “Assets held for sale”?</p>	<p>Banks should prepare the reporting forms in accordance with the Singapore Financial Reporting Standards, unless otherwise stated by the MAS. As such, for the definition of “assets held for sale”, please refer to Financial Reporting Standard 105, Non-current Assets Held for Sale and Discontinued Operations.</p>

	<p>Item 20, Liabilities of disposal groups held for sale – Please provide a definition/example to confirm what needs to be included here.</p>										
4.5	<p>Can MAS clarify the scope and context under which we are to report for “item 13 – Insurance fund investment assets” and “item 22 – Liabilities under insurance contracts”? We understand the items are only applicable for banks that have insurance business.</p> <p>The bank would appreciate if MAS could provide the definition of “Insurance fund investment assets”.</p> <p>Item 22 – Please define liabilities under insurance contracts.</p>	<p>Items 13 and 22 are applicable only to banks that engage in insurance business and should be left blank by banks that do not engage in insurance business.</p>									
4.6	<p><u>Item 7: Loans and Advances and Item 8: Bills discounted or purchased</u></p> <p>If a client had an overdrawn current account during the month which was subsequently covered by month-end, for month-end reporting, the client’s current account balance would be a liability on the bank’s balance-sheet while the accrued overdraft interest receivable is an asset on the same.</p> <p>Example:</p> <table border="1"> <thead> <tr> <th>Client</th> <th>Current A/c Bal</th> <th>Accrued Overdraft Interest</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>S\$1,000,000</td> <td>\$10,000</td> </tr> <tr> <td>B</td> <td>-S\$50,000</td> <td>\$5,000</td> </tr> </tbody> </table> <p>Which of the following reporting is correct?</p> <p>i) Deposits (Item 14) – S\$1,000,000 (Being client deposit of S\$1,000,000) and Loans and advances (Item 7) – S\$ 65,000 (Being S\$50,000 overdraft and \$15,000 accrued interest on overdraft)</p> <p>ii) Deposits (Item 14) – S\$ 990,000 (Being client deposit of S\$1,000,000 less S\$10,000 accrued overdraft interest) and Loans and advances (Item 7) – S\$ 55,000 (Being S\$50,000 overdraft and \$15,000 accrued interest on overdraft)</p>	Client	Current A/c Bal	Accrued Overdraft Interest	A	S\$1,000,000	\$10,000	B	-S\$50,000	\$5,000	<p>Appendix B2_1 Deposits (Outstanding Amount): S\$1,000,000</p> <p>Appendix B1_2 Loans and Advances (Outstanding Amount): S\$50,000</p> <p>Appendix B1_2 Accrued interest receivable: S\$15,000</p> <p>Appendix B1 item 7 Loans and Advances: S\$65,000</p>
Client	Current A/c Bal	Accrued Overdraft Interest									
A	S\$1,000,000	\$10,000									
B	-S\$50,000	\$5,000									

		Appendix B2 item 14 Deposits: S\$1,000,000
4.7	<p>We have been reporting buyers credit / Import Financing under Item 14 “Due from Banks” in the existing MAS Notice 610. Please confirm whether we should report the same in “Cash and Balances” or under “Loans and advances” in the new proposed return. If “Loans and advances” – whether we should report the same under which asset type?</p> <p><u>Appendix C1 Annex 1</u> Loans and advances (Trade finance) – We disclose Buyers Credit/Import Financing as “due from banks”. Should we disclose the amount under Cash and Balances column or the Loans and Advances-Trade Financing column? And whether MMT placements to be disclosed under “cash and balances” or under “Loans and advances” or whether we should go by the underlying arrangement with the counter-party?</p>	<p>Banks should report buyers’ credit/import financing due from banks under “Loans and advances”. In Appendices C and Appendix D1, buyers’ credit/import financing figure is also to be reported under “of Loans and Advances: trade financing”.</p> <p>For interbank placements, the respondent is correct in classifying the transactions by referring to the underlying arrangement with the bank counterparty.</p>
Statement of Financial Position – Liabilities & Equity (Appendix B2)		
5.1	Item 19 – Presently, we disclose the debt issuances at fair value (for hedged assets). Should we continue to report the same at Fair value in the new report too? As per SFRS we are reporting at Fair value too.	Yes. Banks should prepare the reporting forms in accordance with the Singapore Financial Reporting Standards, unless otherwise stated by the MAS.
5.2	Item 21 Please define Suspense Account.	A suspense account is a temporary account pending clearance. These accounts must be cleared regularly to ensure that internal controls over reconciliation are performed and are not compromised.
5.3	Please confirm whether the capital contribution from HO needs to be reported under share capital or under deposits, in the case of banks incorporated outside Singapore.	The concept of “share capital” is only applicable to banks incorporated in Singapore. For Singapore branches of banks incorporated outside Singapore, capital contributions from Head Office are to be reported under “deposits”.
5.4	Can MAS advise where Head office fund of foreign Bank Branch, which is capital in nature, will be reported? Would it be under "Item 14 Deposits ", and not in Equity section? If this is correct, we note there is inconsistency in disclosure between: i)	The presentation of Appendix B1 and B2 is more in line with the financial statement of a bank that is incorporated in Singapore. For foreign bank branches, funds from

	retained profit which is reported under reserves in Equity section; and ii) Head office fund which is reported under Deposit.	Head Office which are capital in nature should be reported under "Deposits" and retained profits should be reported under "Equity". The above balances are part of Head Office Account in the financial statement, details of which are to be reported in Appendix C1 Annex 6.
Cash and Balances (Appendix B1 Annex 1 and Annex 2)		
6.1	Should this item include Buyers' credit whereby reporting bank provides short term funding to importer's bank and the corresponding accrued interest receivables?	No. Buyers' credit and its accrued interest receivables should be reported under "loans and advances".
6.2	Balances with Corporates and Others – Please confirm whether any item in the nature of Security Deposit, Staff Housing Rental Deposits, Rental deposits for premises, etc with Others & Corporates should be included here as well?	No. Security deposits, staff housing rental deposits and rental deposit for premises should be classified as "other assets".
6.3	There are two sub-categories provided for reporting of Balances – Banks. If the reporting bank has balances due from its Head Office (e.g. expenses recoverable), we seek clarification where this item should be reported under. "Balances" should be based on the nature of transaction that is nostro or overdrawn nostro, and placements with other banks and ACU. Cross border recharges, amounts for Head Office expenses, and provision for Head Office expenses should not be included under "balances"; they should be reported under "Other Liabilities".	MAS agrees with the respondent. Balances due from Head Office on recoverable expenses should be reported under "other assets". Cross border recharges, amounts and provision for Head Office expenses should be reported under "other liabilities".
6.4	We seek clarification if Minimum Cash Balances maintained with MAS is to be reported under Balances – Central Banks & Official Monetary Authorities.	The reporting form has been revised. Minimum Cash Balances maintained with MAS are to be reported under "Balances" in Appendix B1 Annex 2. For reporting of other appendices such as Appendix D2 Annex 1, the amount is to be reported under the "Central Banks and Official Monetary Authorities" column and the row on "Monetary Authority of Singapore".
6.5	Should the overdraft of Corporate counterparty be reported in "Loans and Advances" instead of "Cash and Balances"?	Overdrafts of corporate counterparties should be reported in "Loans and Advances".

	In paragraph 4.6 (pg5) of the consultation paper, it states that “Banks’ nostro accounts and interbank lending are to be reported under “cash and balances” “, which means that all interbank lending will be reported in “Cash and Balances” instead of “Loans and Advances”. If so, what will typically be “Other lending to be reported as Bank counterparty type” in “Loans and Advances”?	An example is a trade financing loan for the purpose of facilitating the borrowing banks’ or their customers’ trade financing activities.
Cash and Balances, Amounts Receivable under Reverse Repurchase Agreements, Negotiable Certificates of Deposit, Debt Securities, Equity Investments, Loans and Advances and Bills Discounted or Purchased (Appendix B1 Annex 2)		
7.1	<p>To clarify that the amounts to be reported under Part II of Appendix B1 Annex 2 and Appendix B2 Annex 1 is the amounts receivable/ payable under reverse repo and repo and not the values of the underlying assets purchased/sold under resale/repurchase agreement.</p> <p>To clarify for Securities borrowed/lent, the amounts to be reported is the cash collaterals paid and received, respectively. No reporting of securities lent/ borrowed that are secured by other securities is required in this annex.</p>	<p>The relevant information to be reported under the revised Appendices refers to the amount receivable/payable under reverse repo and repo.</p> <p>The “cash and other collaterals” of Securities borrowed and lent have been included in Appendix B1 and B2.</p>
7.2	We seek clarification if “Securities Borrowed/Lent” is to be reported based on latest market valuation.	The “Securities borrowed/lent” in Appendix K is to be reported based on fair value.
7.3	Is the minimum cash balance of 2% (including cash collateral pledged with MAS for FAST) in scope for reporting in this annex?	Minimum cash balance maintained with MAS is to be reported under “Cash and Balances”. For reporting of other appendices such as Appendix D2 Annex 1, the amount is to be reported under “Central Banks and Official Monetary Authorities” column and the row on “Monetary Authority of Singapore”. The cash collateral pledged with MAS for FAST is to be reported in Appendix B3 Annex 6.
7.4	Regarding repo transactions where the central clearing party is, for example, FICC (Fixed Income Clearing Corporation), we would like to clarify with MAS which counterparty type should apply to these repo transactions. Is the counterparty type based on the central clearing party or based on the original repo counterparty?	The counterparty type should be based on the central clearing party.

7.5	Please clarify which are the items to be reported for Loan granted to Inter branch? Is it possible to report under Banks?	Loans and advances granted to other branches in the same banking group are to be reported as “Loans and Advances (related banks)”.
7.6	Please confirm whether the interest receivable also needs to be included here? “Analysis is to be performed at a gross basis i.e. without inclusion of accrued interest receivable” – Please clarify whether you are referring to only “Limits granted” amount to be reported without accrued interest?	As set out in para 9.2 of this consultation paper, accrued interest is only to be included in the underlying assets/liabilities for presentation on the Statements of Financial Position (Appendix B1 and B2). “Limits granted” does not include interest accrual.
7.7	Is “Amount outstanding” for Appendix B1 Annex 2 to be reported at gross, or without inclusion of accrued interest receivable?	The sample formula has been amended to exclude accrued interest receivable. The “amount outstanding” for Appendix B1 Annex 2 is to be reported gross without inclusion of accrued interest receivable.
7.8	Current MAS Notice 610 item 20 indicates that “Bills discounted or purchased” is to be reported net of discount whereas in the new return, we are required to split between “gross” and “accrued interest receivable”. Bills that are purchased at a discount will be amortised till the maturity of the bill. Unamortised amount on balance sheet are reflected as a credit balance and thus not considered accrued interest receivable. We will like to confirm with MAS that banks can continue to report amount net of discount under the “gross” field and no accrued interest receivable will need to be reported. Example: Consideration Paid (net of discount): SGD 850 Bills Purchased: SGD 1,000 Unamortised Discount: SGD -150 <u>Appendix B1, Annex 2, Part I: By Account Type</u> Gross: SGD 850 Accrued interest receivable: 0	Reporting of “bills discounted or purchased” should follow that of financial reporting. The current MAS Notice 610 instruction for item 20 on the reporting of “bills discounted or purchased” at net of discount will no longer apply for the revised MAS Notice 610/1003. Hence, the amount under “bills discounted or purchased” should be SGD 1,000 for the case cited by the respondent. The unaccreted discount should be reflected as a credit balance according to financial reporting. As such, the “bills discounted or purchased” in the accompanying annexes should be reported as SGD 1,000 as “outstanding amount” with the exception of Appendix B1 where the SGD 850 would be reflected after deducting the unaccreted discount in Appendix B1 Annex 2. The “accrued interest receivable” cells for “bills discounted or purchased” have been blanked out in the relevant reporting forms.

7.9	To confirm if the amounts to be reported under “Syndicated loans of which the Bank acts as lead arranger” is in respect of the outstanding loans taken up by the Bank?	Yes. Banks should report the amount of loans taken up in their books that remains outstanding as at reporting date.																			
Loans and Advances and Bills Discounted or Purchased (Appendix B1 Annex 3)																					
8.1	For the three tables, A = B + C. Under the “Total” table, we are required to report all limits granted. For a case where the customer’s amount outstanding is zero or in credit balance, the amount outstanding will be reported as zero and the customer count as 1 under the “Resident” or “Non-Residents” table accordingly. Please confirm our understanding.	Yes. All limits granted should be reported. Where the customer’s amount outstanding is zero, banks should report the amount outstanding as zero and the customer count as 1 under the “Total” table, as well as under “Resident” or “Non-Residents” table accordingly.																			
8.2	<p>For group obligor, to clarify that the determination of the resident and non-resident will be based on the country of resident of the parent company at the highest hierarchy within the grouping.</p> <p>To clarify how the number of customers, limits granted and amount outstanding for joint customers’ accounts for loans and advances should be reported under this example - Individual A & Individual B jointly have a housing loans with outstanding limits of S\$10m. Individual A & individual B has a personal loan of S\$200,000 and S\$100,000, respectively. Should the joint borrowers be counted as a distinct customer and all loans granted to the same joint customer be counted as 1 customer while the individual customer as a separate customers from the joint customers?</p> <p>To confirm that for the joint customer accounts, the entire loan balance should be classified according to the attributes of the main borrower e.g. country of residence for the amount outstanding to residents or non-residents.</p>	<p>Yes. The determination of residency should be based on the country of residence of the parent company at the highest hierarchy within the grouping.</p> <p>For the example provided, the following should be reported under the “Above S\$5million but not > S\$50million” category: -Amount Outstanding – “10,300” -Number of customers – “2”</p> <p>Yes. If customer A is the main borrower and a non-resident, the bank should report as follows:</p> <table border="1" data-bbox="946 1720 1394 1910"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Residents</th> <th colspan="2">Non-Residents</th> </tr> <tr> <th>Amount Outstanding</th> <th>Number of customers</th> <th>Amount Outstanding</th> <th>Number of customers</th> </tr> </thead> <tbody> <tr> <td>Up to but not > S\$500,000</td> <td>100</td> <td>1</td> <td></td> <td></td> </tr> <tr> <td>Above S\$5 million but not > S\$50 million</td> <td></td> <td></td> <td>10,200</td> <td>1</td> </tr> </tbody> </table>		Residents		Non-Residents		Amount Outstanding	Number of customers	Amount Outstanding	Number of customers	Up to but not > S\$500,000	100	1			Above S\$5 million but not > S\$50 million			10,200	1
	Residents			Non-Residents																	
	Amount Outstanding	Number of customers	Amount Outstanding	Number of customers																	
Up to but not > S\$500,000	100	1																			
Above S\$5 million but not > S\$50 million			10,200	1																	
8.3	If the bank only grants uncommitted credit limits and where we are only to report committed credit limits, should the a) banding/counts of customers	Yes, the count of customers and limit amount should be based on the outstanding amount under this scenario. Please also refer to the																			

	<p>and b) limit column amounts be then based on the outstanding amounts of loans and advances?</p> <p>With regard to the reporting of new loans whereby the reference is made to “Total amount approved and accepted regardless of their disbursement for committed limits”, we would like to seek clarification on how the bank is to report if only uncommitted limits are granted.</p>	<p>responses to feedback items 30.17 and 30.19 for further illustrations.</p>																
8.4	<p>a) Aggregation by Parent group: Please confirm that the classification of the group between "Residents" vs "Non-Residents" should follow the residency of the Parent company.</p> <p>b) If the Parent company does not have credit facilities, but the subsidiaries do - should the subsidiaries be grouped?</p> <p>Example:</p> <table border="1"> <thead> <tr> <th>Entity</th> <th>Relationship</th> <th>Loans</th> <th>Domicile</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>Parent</td> <td>S\$0m</td> <td>Singapore</td> </tr> <tr> <td>B</td> <td>Subsidiary of A</td> <td>S\$10m</td> <td>Malaysia</td> </tr> <tr> <td>C</td> <td>Subsidiary of A</td> <td>S\$5m</td> <td>Indonesia</td> </tr> </tbody> </table> <p>In the above example, will the entire S\$15m exposure be classified under Singapore? If not, should amounts due from entity B and C be reported separately i.e. S\$10m under Malaysia and S\$5m under Indonesia? Will the reported figures be different if entity A (i.e. the Parent company) is not a client of the Bank?</p>	Entity	Relationship	Loans	Domicile	A	Parent	S\$0m	Singapore	B	Subsidiary of A	S\$10m	Malaysia	C	Subsidiary of A	S\$5m	Indonesia	<p>a) Yes. The determination of residency should be based on the country of residence of the parent company at the highest hierarchy within the grouping.</p> <p>b) The entire \$15m exposure should be classified under Singapore. Even if entity A is not a client of the Bank, the reporting banks should ensure that they take a holistic approach to credit risk management when evaluating the credit worthiness of entity B and entity C.</p>
Entity	Relationship	Loans	Domicile															
A	Parent	S\$0m	Singapore															
B	Subsidiary of A	S\$10m	Malaysia															
C	Subsidiary of A	S\$5m	Indonesia															
8.5	<p>How should we report the Special Purpose Vehicle (SPV) which is the primary borrower? Should we classify under “Non-Banks” or “Others”?</p>	<p>SPVs should be reported under “Corporates - Non-Bank Financial Institutions (NBFIs)”. We have included a definition for NBFIs in Appendix A1 Annex 1 – Definitions and Instructions. Please note that the classification of “Loans and Advances” into various counterparty groups is subsumed under other Appendices such as Appendix D.</p>																

Listed and Unlisted Investments, Intangible Assets and Properties and Equipment (Appendix B1 Annex 4)		
9.1	<p>Please confirm that debt securities including the MTM adjustment should be reported under “gross” in Part I: Debt Securities by Counterparty Type.</p> <p>Please confirm the Gross Amount of Debt Securities and Equity Investments should be at the Fair Value. Presently we report the fair value (i.e net of MTM).</p> <p>Please clarify where debt securities are held in a “Trading portfolio” and accounted as mark to market; the mark to market balance will be reported in the “Gross” balance as no accrued interest receivable is recorded.</p> <p>Part I: To clarify if we should report trading debt securities which are marked to market in Part I. If it should be included here, what should be reported under “Gross Amount”.</p> <p>Under the category “of which: unquoted”, the Bank seeks to clarify if the reported balance here includes only Notional or Notional + Mark to Market adjustments.</p>	<p>Yes, the carrying value of the debt securities and equity investments should be reported. As such, if the debt securities are marked to market, the amount would include the mark-to-market adjustment. The description in the reporting form has been amended to “outstanding amount” instead of “gross” to allow reporting of different measurement bases including fair value basis.</p>
9.2	<p>The allowance for impairment losses for debt securities is grey and does not exist for equity. Please confirm whether we can include our permanent impairment allowance for non performing investments under specific allowances? And the MTM will be part of Gross value?</p>	<p>Appendix B1 Annex 2 has been revised to allow banks to report impairment losses for debt securities. The “gross” value has been amended to “outstanding amount” to allow reporting of different measurement bases. As such, mark-to-market adjustments are part of “outstanding amount”. Impairment allowance is to be reported in the “Allowance for impairment losses” data field.</p>
9.3	<p>We would like MAS to confirm that “Quoted” refers to quoted on exchange.</p> <p>Quoted vs Unquoted information are currently reported in the annual audited statutory accounts disclosure where submission to MAS is due on end of March. As such, we suggest that submission deadline be shifted to last calendar day following</p>	<p>“Quoted” refers to instruments whose prices are quoted in any active market, including an exchange. “Listed” refers to instruments that are listed on any exchange. An annual form has been created to coincide with section 26 of the Banking Act reporting deadline.</p>

	<p>the reporting quarter to allow banks to leverage off that process and ease the reporting burden on banks.</p> <p>The current audited financial statements reports debt securities / equity investment based on Listed / Unlisted categorisation. We would like to clarify if the definition for Quoted / Unquoted is the same as Listed / Unlisted per IFRS.</p>	
9.4	<p>Part I Item 7 - We understand that for loans and advances, Non-bank Financial Institutions ("NBFI") are classified under Corporate. Regarding debt securities where the issuer is a NBFI, we would like to clarify if this transaction should be classified under Corporate.</p>	<p>Loans and advances to, and debt securities issued by, an NBFI should be classified under "Public Sector Entities" or "Corporates". An example of an NBFI classified as a "Public Sector Entity" is an export credit agency and an example of that classified as a "Corporate" is a hedge fund. Banks should classify based on whether the issuer is a public sector entity or a corporate.</p>
9.5	<p>If the bank reports computer software under Property, Plant and Equipment ("PPE") in the statutory accounts, for purpose of MAS Notice 610 reporting, should it be under Intangibles or PPE (under "Others")?</p>	<p>For MAS Notice 610/1003 reporting, the treatment should follow the classification in the statutory accounts.</p>
9.6	<p>Propose to have Intangible Assets streamlined to Consolidated and Standalone levels only which are on annual basis.</p>	<p>The reporting requirement on Intangible Assets has been reduced to an annual basis as set out in the table on "Reporting Frequency".</p>
9.7	<p>Please clarify which category should Office renovation be reported, and whether it is possible to report this under category: Owner occupied including bank premises.</p>	<p>Office renovation should be reported under "Others".</p>
9.8	<p>Please clarify which category should furniture & fittings, computer and software be reported, and whether these can be classified under category: Others.</p>	<p>Furniture & fittings, and computer should be reported under "Others". The treatment of "software" should be aligned with the classification in the statutory accounts.</p>
9.9	<p>Where should we report the other fixed assets like computer hardware, software, office equipment etc. which previously had a separate line item on fixed assets? Whether the same should be net of depreciation?</p>	<p>Computer hardware and office equipment should be reported under "Others". The "original cost", "accumulated depreciation" and "allowances for impairment losses" for these assets are to be separately reported in the revised Appendix B1</p>

		<p>Annex 4. The assets are to be reported net of depreciation and impairment losses in Appendix B1.</p> <p>The treatment for computer software should be aligned with the classification in the statutory accounts.</p>
9.10	<p>If we obtain any property in satisfaction of a debt (i.e invocation of security/collateral), where should it be disclosed for such a property?</p> <p>The current reporting of fixed assets includes Other Immovable Properties such as properties acquired through foreclosures. To clarify if properties acquired through foreclosures:</p> <p>1) are to be reported in this Annex, and 2) if so, do we report this under the “Others” category?</p>	<p>Banks should report foreclosed assets in line with financial reporting, i.e. under the respective instruments. The reporting form has been amended to provide for “Other immovable properties”. In addition, details of such “foreclosed assets” are required to be disclosed under Appendix K.</p>
<p>Deposits, Amounts Payable under Repurchase Agreements, Bills Payable, Negotiable Certificates of Deposits and Debt Securities - Deposits by Type and by Source – Deposits by Size and Deposit Rate of Customers Other Than Banks (Appendix B2 Annex 1 & Annexes 2)</p>		
10.1	Does NBFi include SPV?	Yes, NBFIs include SPVs. We have included a definition for NBFIs in Appendix A1 Annex 1 – Definitions and Instructions.
10.2	Should private investment corporations (PICs) be reported under NBFi or Corporate Others?	PICs should be classified as NBFi.
10.3	Is tenor defined as original tenor or outstanding tenor?	The tenor refers to outstanding tenor.
10.4	<p>In Appendix B2 Annex 2 Part I, does "NBFi: Clearing houses" have the same definition as "NBFi: Central counterparty clearing house" in Appendix D3 Annex 1 Part I?</p> <p>Further clarification is required on the definition and scope of Clearing House customers. The bank currently has a few types of clearing customers, eg.</p> <ul style="list-style-type: none"> - Cash Clearing - ACH, Euro Clear-stream - CDP - SGX - SGX DL - Securities clearing 	<p>Yes. The term has been synchronised with Appendix D3 Annex 1 Part I as “NBFi: Central counterparty clearing houses”.</p> <p>Cheque/payments clearing houses are to be recorded under “NBFi: Others”, while securities and derivatives clearing houses are under “NBFi: Central counterparty clearing house”.</p>
10.5	To confirm that fiduciary deposits takings by Recipient bank from Agent bank should be	No. Fiduciary deposits takings by a Recipient bank from an Agent bank

	<p>reported as deposits against the Agent bank and not against the customer of Agent bank.</p> <p>In Deposit instruction notes, item 10 example 1(d), can you confirm that Bank Y is to report the \$900,000 in “Banks” (against the agent bank).</p>	<p>are required to be reported as deposits of the customer of the Agent bank. In item 10 example 1(d), Bank Y is to report the \$900,000 as a deposit from Customer A.</p>
10.6	<p>Presently, non-principal protected structured deposits are reported in other liabilities (other than dual currency investments which is reported in item 4 non-bank deposits in the current 610). Whether we should now include the same under deposits or continue to report it under other liabilities?</p> <p><u>Non-Principal Protected structured deposits</u> Dual Coupon Structure “DCS” is a non-principal structured deposit as the payment of the interest/coupon and the principal on these investments are linked to the credit risk of underlying entity, the “Reference entity.” The client places his funds with the Bank on which the client earns a deposit rate. The Bank offers leverage against the collateral for this investment. The Bank in turn hedges on an aggregate basis the investment amount via Credit Default Swap with an inter-bank counterparty. The premium fee income is passed on to the client resulting in a higher investment yield for assuming additional credit risk on the underlying reference entity.</p>	<p>Non-principal protected structured deposits should be reported as “other liabilities”.</p>
10.7	<p>The requirement to split the deposit amount for joint accounts does not appear to be practicable, on top of the other requirement to aggregate the arbitrary split amount if one or both the joint account holders also have other accounts with the Bank. We therefore suggest that we continue treating joint accounts as a single depositor.</p>	<p>The proposed reporting will allow the Bank to more appropriately assess the deposits attributable to each depositor where joint depositors have other accounts with the Bank. This is also consistent with the aggregation principles under MAS Notice DIA-N01 – Deposit Insurance Returns.</p>
10.8	<p>Appendix B2 Annex 2 Part I – How should Singapore PRs be classified? Should it be included under “Singapore citizens”?</p>	<p>No. Singapore PRs should be classified as “Individuals” under “Resident of Singapore”.</p>
10.9	<p>Are Unencumbered Deposits and Dual Currency Investments to be viewed on a “of which” basis? That is, the balances are included in Appendix B2</p>	<p>Yes. Unencumbered Deposits and Dual Currency Investments should be included in Appendix B2 Annex 1 (Part I) and Appendix B2 Annex 2 Part</p>

	Annex 1 (Part I) & Appendix B2 Annex 2 Part II (Part I) and separately reflected here for information.	II (Part I), and separately disclosed under “of which” of Appendix B2 Annex 1 (Part IV).
10.10	<p>We would like to clarify if the statutory fixed deposits placed by insurance companies with the Bank in the name of the Monetary Authority of Singapore are “Demand deposits”. Also, should such deposits be classified against “bank” counterparty or “insurance companies”? In the existing MAS 610, such balances are reportable under item 7 Amounts due to banks. Propose to include such clarification in the Instruction.</p> <p>We would like to clarify if the fixed deposits held for the Bank’s head office and branches outside Singapore be reported as “Demand Deposits” or “fixed deposits”?</p> <p>Does “sundry deposits of customers” refer to sundry deposits received from tenancy agreements etc.?</p> <p>To clarify on the count of number of account of the multi-currency account where customer open 1 account but is allowed to deposit in multi-currencies. Should each of the currency be counted as a separate account?</p> <p>To clarify if the number of accounts only includes those with outstanding balances as of the reporting date i.e. deposit accounts not yet closed but with zero balance as of the reporting date will be excluded from the count of number of accounts.</p> <p>To clarify if the fiduciary deposits placed by an agent bank for its customers which is to be reported under “Deposits” should be based on the attributes of the agent bank (e.g. country of residence, counterparty types)?</p> <p>For fiduciary placements or fiduciary deposits, please confirm that the counterparty type, to be reported under Recipient bank's books, refers to</p>	<p>Yes, they should be classified as “Demand deposits” under “Monetary Authority of Singapore”.</p> <p>Such deposits are to be reported as “Demand deposits”.</p> <p>The deposits received from tenancy agreements should be reported under “other liabilities”.</p> <p>The Bank should only report one account for the example given.</p> <p>The number of deposit accounts should include all accounts as of the reporting date, including accounts with zero balances, whether active or dormant.</p> <p>The classification of fiduciary deposits placed by an Agent bank for its customers should be based on the bank’s knowledge of the attributes of the underlying customers of the agent bank.</p> <p>The counterparty type for fiduciary placements or fiduciary deposits</p>

	that of the Agent bank and not the Agent bank's customers.	refers to that of the Agent bank's customers.
10.11	<p>To clarify whether the attributes (resident/non-resident, nationality and industry type) of the joint deposit account should be based on the primary account holder or it should be based on the each joint holder's attributes based on their equal share of the deposit balances?</p> <p>To clarify for the deposits held under Trust Account e.g. XX Trustee Ltd – Mr Y or XXX Unit Trust Funds should be based on the country of residence, country of incorporation and industry type of the Trustee or the beneficiary owners of the account?</p>	<p>As stated in the Instructions, banks should split the deposit amount for a joint account into equal shares and report each amount according to each joint account holder's attributes.</p> <p>For deposits held under trust accounts, please classify them under the trustee instead of the beneficiary owners.</p>
10.12	<p>Appendix B2 Annex 2 requires the amounts and number of depositors for Related Party. The definition for Related party under item 10d of Deposits instructions is "Related parties' deposits refer to deposits of any of the Bank's directors, their family members and companies which the directors have an interest (as defined under Section 28 of the Banking Act)." – Please confirm whether for Banks incorporated outside Singapore, the Senior Management (CEO etc) are also to be considered like MAS 643.</p>	<p>MAS has decided to drop this line item on related parties.</p>
10.13	<p>The Bank seeks to clarify if the size of the deposits is based upon the aggregation of each individual depositor or the aggregation is based upon single counterparty grouping.</p> <p>What grouping concept should we use? Can we follow what is applied for loans (i.e. MAS 639 grouping etc)?</p> <p>Aggregation of deposits: If a corporate depositor belongs to 2 groups (Group 1 & Group 2) and if the parent and other related companies of the two groups do not have any outstanding deposits as of the reporting date, should the deposits of this company be reported as its owned deposit (i.e. reported as once as individual company) or reported two times under Group 1 & Group 2, respectively?</p>	<p>Deposits should be aggregated based on individual depositor.</p>

	<p>Note: This situation should not happen if the related company is based on subsidiaries as 1 company cannot be subsidiary of 2 groups.</p> <p>On the other hand, we may want to appeal to MAS to remove the requirement to disclose deposits by group customers as the holding group tagging for customers with non-borrowings relationship are not available. Substantial effort to tag the customer grouping.</p>	<p>Having considered the feedback, we have removed the Instruction on group concept for deposits under the revised reporting form.</p>
10.14	<p>To distinguish between ‘depositor’ and ‘account’ we have 2 possible scenarios that we would like seek your clarification:</p> <p>Scenario 1: Customer A maintains 1) individual deposit account and 2) partnership account with Customer B. Would this be considered as ‘2 accounts’ (individual + partnership, not aggregated) and ‘3 depositors’ (individual-Customer A + partnership-Customer A + Customer B)?</p> <p>Scenario 2: Customer A maintains 1) individual deposit account and 2) sole proprietor account. Would this be deemed as ‘1 account’ (individual/sole proprietor, aggregated) and ‘1 depositor’ (individual/sole proprietor- Customer A)?</p>	<p>Yes, the Bank should report 2 accounts and 3 depositors in Scenario 1.</p> <p>No, the Bank should report 2 accounts and 1 depositor in Scenario 2.</p>
10.15	<p>To clarify if the number of customers for Group depositors should be counted as 1 for a group companies.</p>	<p>For “Group Depositors”, the number of depositors will be more than 1. For example, if depositor A and depositor B open a joint account, the “number of depositors” is 2.</p>
10.16	<p>The Consultation Paper proposed that for the purpose of reporting the number of accounts for the reporting form “deposits by size and deposit rate of customers other than banks”, a joint account is to be counted as 1 deposit account with more than 1 depositor.</p> <p>It would be useful if the MAS could clarify that a joint account with three customer names will be reported as 1 account with 3 depositors, and the intention is to reconcile the numbers to the Annual Deposit Insured Base return.</p>	<p>Yes, a joint account with three customer names will be reported as 1 account with 3 depositors.</p> <p>MAS does not intend to reconcile the values in Appendix 2 Annex 2 Part II with the Annual Deposit Insured Base return. This annex includes all deposits, including deposits which are not covered by deposit insurance</p>

		such as foreign currency or dual currency investments. However, for ease of implementation by banks, the calculation of the number of depositors has been made consistent with the aggregation principles under MAS Notice DIA-N01.																																			
10.17	<p>Please clarify if our understanding of the reporting basis for number of accounts as shown in the examples below is correct.</p> <p>Based on the Bank's account structure,</p> <table border="1"> <thead> <tr> <th>Scenario - Mr Tan Relationship</th> <th>Account Number</th> <th>Account Type</th> <th>Currency</th> <th>Amount (in SGD)</th> </tr> </thead> <tbody> <tr> <td>Mr Tan</td> <td>123456-100-1-SGD</td> <td>Current account</td> <td>SGD</td> <td>500,000</td> </tr> <tr> <td>Mr Tan</td> <td>123456-100-1-USD</td> <td>Current account</td> <td>USD</td> <td>1,000,000</td> </tr> <tr> <td>Mr Tan</td> <td>123456-100-2-USD</td> <td>Current account</td> <td>USD</td> <td>125,000</td> </tr> <tr> <td>Mr Tan</td> <td>123456-200-1-SGD</td> <td>Fixed Deposit account</td> <td>SGD</td> <td>200,000</td> </tr> <tr> <td>Mr Tan</td> <td>123456-200-1-EUR</td> <td>Fixed Deposit account</td> <td>EUR</td> <td>350,000</td> </tr> <tr> <td>Mr Tan</td> <td>123456-300-1-EUR</td> <td>Call Deposit</td> <td>EUR</td> <td>60,000</td> </tr> </tbody> </table> <p>Mr Tan is a client of the bank and the relationship he has with the bank is identified as 123456. He opens multiple accounts with the bank. Following the basis of reporting, the number of accounts Mr Tan has with the bank is 3 based on the account type (i.e. current account, fixed deposit account and call deposit).</p>	Scenario - Mr Tan Relationship	Account Number	Account Type	Currency	Amount (in SGD)	Mr Tan	123456-100-1-SGD	Current account	SGD	500,000	Mr Tan	123456-100-1-USD	Current account	USD	1,000,000	Mr Tan	123456-100-2-USD	Current account	USD	125,000	Mr Tan	123456-200-1-SGD	Fixed Deposit account	SGD	200,000	Mr Tan	123456-200-1-EUR	Fixed Deposit account	EUR	350,000	Mr Tan	123456-300-1-EUR	Call Deposit	EUR	60,000	No. The Bank should report based on the number of distinct accounts held by the customer and not based on the number of account types. Where a customer has multiple accounts of the same type, each should be reported separately.
Scenario - Mr Tan Relationship	Account Number	Account Type	Currency	Amount (in SGD)																																	
Mr Tan	123456-100-1-SGD	Current account	SGD	500,000																																	
Mr Tan	123456-100-1-USD	Current account	USD	1,000,000																																	
Mr Tan	123456-100-2-USD	Current account	USD	125,000																																	
Mr Tan	123456-200-1-SGD	Fixed Deposit account	SGD	200,000																																	
Mr Tan	123456-200-1-EUR	Fixed Deposit account	EUR	350,000																																	
Mr Tan	123456-300-1-EUR	Call Deposit	EUR	60,000																																	
10.18	<p>With regard to MAS Notice to Banks 610 Appendix B2 Annex 2 Part II, kindly clarify if the weighted average rate represents weighted average rate of new deposits rate offered to customers during the period.</p> <p>Is the weighted average rate computation only for new deposits? Or does it include all existing deposits?</p> <p>Calculation of "Weighted Average Rate (%)" - For SGD fixed deposits, is the above calculated based on new deals booked within the reporting period for the quarter or on all outstanding deals as of the reporting month?</p>	The weighted average rate refers to the weighted average rate of all outstanding deposits (i.e. new and existing) as of the reporting period.																																			
10.19	To clarify the weighted average interest rate on deposits to be reported in this annex is "as of the reporting date" i.e. the weighted average interest rate of all outstanding deposits as of the reporting date.	Yes. The weighted average rate refers to the weighted average rate of all outstanding deposits as of the reporting period.																																			

	<p>To clarify that the size (> \$50,000 or ≤S\$50,000) of savings deposits is based on the outstanding balances as of the reporting date.</p> <p>To clarify if the scope of “savings deposits” under Part II (b) excludes savings deposits with checking facilities?</p>	<p>Yes. The size of savings deposits is based on the outstanding balances as of the reporting date.</p> <p>No. “Savings deposits” includes all forms of savings deposits, including savings deposits with checking facilities.</p>
10.20	<p><u>Deposit Rate of Singapore Dollar Denominated Deposits</u></p> <p>In MAS’ response to feedback, it was clarified that “FD exceeding \$50,000 and/or in tenors other than 3 months, 6 months and 12 months and/or placed with the bank outside of the reporting period should be excluded from the report”.</p> <p>We would like to clarify :</p> <ol style="list-style-type: none"> For Item (a), whether only new fixed deposits, S\$ 50,000 and placed within the reporting period (quarter) are to be reported. Whether the fixed deposit tenor here refers to original tenor (and not remaining tenor). For Item (b), should we report all outstanding savings deposits or only new savings deposits opened during the reporting period (quarter)? <p>We would like to propose that the above reporting scope and definition be clearly stated in the instructions.</p>	<ol style="list-style-type: none"> Reporting requirement is based on all outstanding fixed deposits as of the reporting period. We have also included a separate line item for banks to report on new fixed deposits opened during the reporting period. Fixed deposit here refers to the original tenor. Reporting requirement should include all outstanding savings deposits as of the reporting period. We have also included a separate line item for banks to report on new savings deposits opened during the reporting period.
10.21	<p>Part II of Appendix B2 Annex 2 Part II requires FD which are of 3 months, 6 months and 12 months.</p> <p>Do we need to report for FDs which have tenors other than 3/6/12, i.e. rollover of 2 months or 9 months. If yes, how are these tenors reported.</p>	<p>No. Reporting of FDs with other tenors is not required.</p>
10.22	<p>Please confirm our below understanding</p> <ol style="list-style-type: none"> We take a listing of all Fixed deposits Exclude all accounts that have balance>50k 	<p>Steps 1 to 3 are correct. Reporting should be based on all outstanding fixed deposits below S\$50,000 for the</p>

	<p>3) Exclude all accounts which have original maturity other than 3, 6 and 12 months</p> <p>4) For the remaining population, then arrive at the weighted average rate</p>	<p>specified tenors as of the reporting month.</p> <p>In Step 4, there should be a weighted average rate for each specified tenor.</p>
10.23	<p>Bank will not know at the start of the DCI if settlement will be in SGD. The current requirement (where deposit is received in SGD, report in DBU) should stay.</p> <p>In this example, the number of accounts in the 2 scenario are: Joint account (Depositor A and B) but with no other accounts under their own names: Number of account is 1. If A has another account in his own name, A has 2 accounts and B has 1. Total number of accounts is 3.</p> <p>Please confirm if this is correct.</p>	<p>As mentioned in paragraph 1.2, MAS has decided to remove the distinction between DBU and ACU in its banking regulations. As such, requirements to report DBU and ACU separately will no longer be applicable.</p> <p>With the removal of the DBU-ACU divide, dual currency deposits can be included in the definition of SGD deposit liabilities as long as SGD is either the base or the alternate currency.</p> <p>1) Yes, the Bank should report 1 account in this scenario.</p> <p>2) No, the Bank should report 2 accounts in this scenario.</p>
10.24	<p>To clarify if the size of deposits should be determined based on the gross amount inclusive of the accrued interest?</p>	<p>No. Deposit size is determined based on gross amount, which does not include accrued interest.</p>
10.25	<p>Please confirm that a foreign bank branch which does not do retail business is not required to complete this Part II Deposit Rate of Singapore Dollar Denominated Deposits.</p>	<p>Yes. Part II is only applicable for full banks in Singapore as set out in the table on "Reporting Frequency".</p>
<p>Adjusted Capital Funds – For Banks Incorporated Outside Singapore (Appendix B2 Annex 3 Part I)</p>		
11.1	<p>The Consultation Paper proposes for accrued interest to be included in amount due to/from Parent, head office and branches and own ACU (applicable to CF only) in the computation of Adjusted Capital Funds (Appendix B2 Annex 3 Part I).</p> <p>It would be useful if the MAS could clarify whether the principle of including accrued interest would</p>	<p>Accrued interest should be included in the computation of Adjusted Capital Funds.</p> <p>Yes.</p>

	mean that all other accruals (e.g. accrued expenses due to/from Parent, head office, branches and related corporations) should also be included in the computation of ACF under “Adjustments”.	
Capital Funds and Adjusted Capital Funds – For Foreign-Owned Banks Incorporated in Singapore (Appendix B2 Annex 3 Part II)		
12.1	Please confirm definition of Related Party for a Bank incorporated outside Singapore (whether local management is to be considered and up to what level and what relatives are to be included?)	We have replaced “Related party” with “Related corporations” in the revised reporting form. “Related corporations” has the same meaning as in section 4(1) of the Companies Act (Cap. 50).
12.2	Please confirm whether due to HO and Branches will include interest accrual.	Yes, accrued interest should be included in the balances in the computation of Adjusted Capital Funds.
12.3	Please advise if trades booked in a broker/dealer subsidiary i.e. non-bank subsidiary of the group by a SG trader employed by the Bank are to be reported?	Yes. The non-bank subsidiary is a related corporation.
Reserves by Type (Appendix B2 Annex 4)		
13.1	Are transfers between Revenue and Other reserves to be included in Adjustments? Movements in “other reserves” typically also comprise reclassification transfers between Revenue and Other reserves / movements in the share option and share plan reserves / changes in non-controlling interest. Are these to be included in Adjustments?	The reporting form has been revised. Such transfers are to be reported under item 1(iv) – “Transfers (to)/from reserves”. The reporting form has been revised. “Other reserves” are outstanding amounts as at the reporting date.
Contingent Liabilities (Appendix B3 Annex 1)		
14.1	Please confirm if Bank Payment Obligations (BPO) should be classified as “other obligations” or “letters of Credit”.	BPO should be classified under item 9 “others”. The nature and outstanding amount should also be disclosed.
14.2	Please confirm if MAS deems export / import bills for collection (i.e. Documentary collection) as “short-term self-liquidating items”? These have no contingent liability on the bank as the bank is just performing a collection service. Please provide definition of “Short-term self-liquidating items”. We seek further clarification,	Export/import bills for collection should be captured under Letters of Credit (please see the revised Annex 1 to Appendix B3). The sub-category for “short-term self-liquidating items” has been removed.

	<p>definition and examples of self-liquidating items required to be reported for transaction-related contingents.</p> <p>Please provide more clarity / definition on “Transaction related contingent items – of which short term self-liquidating items”</p> <p>Further, “For example, documentary credits collateralised by underlying shipments” forms part of the short term self-liquidating items”. However documentary credits are to be reported under item 1 and item 2 would not contain the same?</p>	
14.3	<p>For underwriting commitments with original maturity of one year or less – We noted that there will be duplicate reporting for this under both Appendix B3 Annex 1 (Contingent Liabilities) and Appendix B3 Annex 2 (Commitments).</p> <p>We noted “underwrite debt and equity securities” in “Others” under “Transaction-related contingent items” in Contingent Liabilities. Can MAS clarify where “underwrite debt and equity securities” will be reported?</p> <p>To clarify if the commitments to underwrite debt and equity securities is to be reported under “Contingent Liabilities” or “Commitments”?</p>	<p>Underwriting commitments have been removed from the Contingent Liabilities and Commitments tabs. Please report these commitments under the Corporate Finance tab.</p>
14.4	<p>Please confirm whether the unfunded risk participation means our risk participations in other counter-parties contingent items, or it means our contingent liability items where we have received unfunded risk participation from other counter-parties.</p>	<p>Please refer to the Instructions on unfunded risk participation.</p>
14.5	<p>We seek clarification if the reporting requirement for this Annex includes bank-type customers.</p>	<p>All contingent liabilities reportable under financial reporting, regardless of whether the customer is a bank or non-bank, are to be included in this Annex.</p>
14.6	<p>Contingent liabilities from accounting perspective refer to irrevocable commitment only. Can MAS clarify if the commitment and contingent liabilities reported here are supposed to be in line with accounting view?</p>	<p>Commitments (in Appendix B3 Annex 2 Part I) and contingent liabilities are to be reported in accordance with financial reporting. Therefore, in line with financial reporting, contingent</p>

	Please also confirm whether other contingent assets like purchased guarantee is out of scope for this Annex.	assets such as purchased guarantees are not to be reported.
Commitments (Appendix B3 Annex 2 Part I & II)		
15.1	<p>For mortgage facilities on progressive payment, the bank treats the facility amount as uncommitted until all legal documents are presented to the bank at each stage of the disbursement.</p> <p>We seek MAS confirmation that the following assessment and treatments are correct:- Letter of Loan Offer provides the customer a facility of SGD3 million to be disbursed over various stages until building completion, subject to all required documents to be presented at each stage of disbursement. The Letter of Loan Offer contains clauses that give the bank an unconditional cancellable right at each stage. Assuming SGD1 million has been disbursed till date and reported on balance sheet – the remaining SGD2 million is not required to be reported in commitments.</p> <p>The customer presented all required documents to the Bank, pending disbursement which happens in the next few days after the month end – the undrawn commitment to be disbursed for that stage of the building completion will be reported under “conditional cancellable” at month end.</p>	<p>The Instruction has been expanded to include “These commitments do not include any arrangement where the drawdown or utilisation is subject to the approval of the Bank at the point of drawdown, and the Bank has the unconditional right to refuse drawdown.” The notion of commitments in Part I follows financial reporting. For the example provided, commitment in Part I is zero and commitment in Part II (to be reported under “of which: unconditionally cancellable at any time”) is SGD2 million.</p> <p>Please refer to the additional definitions provided in the instructions for the reporting of commitments.</p> <p>If the terms of the contract allow for the facility to be unconditionally cancellable and the facility has yet to be disbursed as of the reporting date, it should be reported under 9(a) of Appendix B3 Annex 2 Part II.</p>
15.2	Please confirm whether the lease commitments – future minimum lease payments under non-cancellable operating lease will be reported in above.	This should be reported under “Others” in “other commitments” under Part I.
15.3	Can MAS clarify Part I: Item 3 – Other commitments “of which: sale and repurchase agreements and asset sales with recourse (other than SFTs), where the credit risk remains with the	The reporting field ‘Sales and Repurchase Agreements and Asset Sale with Recourse’ is now in Part II of Annex 2 to Appendix B3.

	<p>Bank” only refers to securities vs. securities repo transactions, since securities vs cash repo has been reported on balance sheet under Appendix B1, Annex 2? Please also advise which leg of securities vs. securities repo transactions (lending/borrowing or collateral) will be reported here.</p> <p>Can MAS also confirm our understanding that sale and repurchase agreement vs. cash will be reported under Appendix B1, Annex 2?</p>	<p>Items reported under this Annex should not be reported on the balance sheet of the reporting Bank. For a securities repo transaction, the reporting Bank should report the value committed in the repurchase agreement.</p> <p>Yes, the sale and repurchase agreement vs cash will be reported under Appendix B1 Annex 2 (the reporting form has been revised).</p>
15.4	<p>Forward deposit placed: Can MAS provide scope for forward dated deposits reporting? In practice, the trade date-settlement date gap for deposit traded but pending for settlement can be up to two business days (e.g. trade date on T, settlement date/effective date of deposit T+1/T+2). Those transactions are excluded as forward date deposit placed from an accounting perspective. Can MAS confirm if those transactions can be excluded from this annex as well?</p> <p>“of which: Forward asset purchases” & “Forward deposit placed”: Those forward dated transactions are reported as derivatives in in the financial statement. Can MAS clarify those transactions should be reported here as well? We wish to highlight that there would be double accounting if they are reported here.</p> <p>Please confirm if trade dated/ forward dated repos are reportable in this Annex.</p>	<p>Banks should follow their financial reporting in Part I of this Annex. For example, if trade date accounting is adopted where trades are booked on the Statements of Financial Position on trade date, these repos are not to be reported under Part I.</p>
15.5	<p>(a) Are money market forward dated loans and deposits to banks to be reported under “Forward Asset Purchases” and “Forward Deposits Placed” respectively?</p> <p>(b)Where should forward dated loans granted to non-bank customers drawn under uncommitted facility be reported?</p>	<p>Please refer to the additional definitions provided in the Instructions for the reporting of commitments.</p>

15.6	<p>Part I [of which: Singapore Dollars] Does this include multi-currency facilities which allow drawdown in SGD?</p> <p>Should forward value commitment (available drawdown date is a future date) be reported under “1 Committed but unutilised/undrawn credit facilities”?</p> <p>Part II “Unconditionally cancellable at any time without prior notice, or that effectively provide for automatic cancellation due to deterioration in an obligor’s creditworthiness” & “Conditionally cancellable”. We are supposed to report committed facilities for both categories – are contracts entered with counterparties containing a clause stipulating that the Bank is able to withdraw its commitment at any time to be classified under ‘unconditionally cancellable’?</p>	<p>Yes.</p> <p>Please refer to the additional definitions provided in the Instructions for the reporting of commitments.</p> <p>Contracts which banks can cancel unconditionally should be reported under 9(a) of Appendix B3 Annex 2 Part II, unless the facility can be classified under (1) to (8).</p>
Corporate Finance Activity (Appendix B3 Annex 3)		
16.1	<p>MAS clarified that the "reporting is for all underwriting commitments entered into/commenced during the reporting period i.e. half yearly from 1 January to 30 June". However, under Appendix B3 Annex 3, the header indicated "Outstanding underwriting commitment at reporting date".</p> <p>Given the need to furnish a total position for commitments, we are of the view that the reported figure should be based on the outstanding amount as at reporting date and not the cumulative underwriting commitments over the reporting period. Please clarify.</p>	<p>The numbers reported as “outstanding underwriting commitment at reporting date” should only reflect the commitments that are outstanding as at the reporting date. The details of the corporate finance activities undertaken by the Bank during the reporting period are required to be reported in the other columns. Also, the numbers reported under “Outstanding underwriting commitment at reporting date” for deals that are booked in Singapore should comply with Singapore Financial Reporting Standards.</p>
16.2	<p>With respect to Policy on Chinese Wall on the handling of unpublished price sensitive information, we would like seek clarification on the definition of “Deals have not been completed”. Please clarify at which stage of the deal it will be required to be reported (e.g. mandated or signed).</p>	<p>As subsequently clarified by the respondent, the underwriting commitment will be booked in the accounting system when the underwriting agreement is signed and executed. The Instructions have</p>

		been expanded to include this clarification.
16.3	If the Corporate Finance activities are booked outside of Singapore and revenue is derived via transfer pricing, are those transactions required to be reported?	Yes. The Instructions have been expanded to provide clarity on the reporting scope.
16.4	Please confirm if we are required to report all activities that commenced during the reporting period (6 months), including those that have NIL underwriting commitment as of reporting date?	Yes. Banks are required to report all activities that commenced during the reporting period including those that have no outstanding underwriting commitment.
16.5	To clarify if “share of issuance underwritten or allocated” refer to all the deals that were underwritten during the 6 months’ period or refer only to underwriting deals that are outstanding as at 30 Jun/31 Dec. Instruction 2: What are uncompleted deals, please give some examples.	“Share of issuance underwritten or allocated” refers to all the deals underwritten during the reporting period. The reporting period is set out in the table on “Reporting Frequency”. Uncompleted deals include transactions where agreements have been signed but the transactions have not yet been completed, but exclude potential business prospects where no agreement has been entered into.
16.6	<u>Outside Singapore</u> Does the scope of reporting only refer to the entities in Singapore or will it cover entities outside Singapore, for e.g a CF deal mandated to the bank in the home jurisdiction, booked outside Singapore but some processing related aspects are carried out in Singapore. Our understanding is that such deals are out of scope for reporting under Appendix B3 Annex 3.	Please refer to the revised Instructions on the scope of reporting for Appendix B3 Annex 3. The example cited should be reported.
16.7	To clarify the reporting treatment for “back to back” underwriting transactions whereby the Bank effectively is not exposed to underwriting risk but only settlement risk of the secured buyers for the equities/notes/others. We have confirmed with MAS previously that these are excluded in the existing MAS610 returns.	Please refer to the revised Instructions.
16.8	Note 2: We note that MAS has provided for confidentiality of customer’s identity. However, it would be inconvenient for us as we will need to maintain two sets of record (one with customer’s	MAS expects the banks to take the necessary precautions to ensure the confidentiality of customer’s identity in underwriting deals, especially

	<p>name and one without) for audit trail purposes. Instead, MAS may wish to give banks an option to not to disclose the identity of customers in instances where a customer's name is price sensitive or the deal has not been made public.</p>	<p>when the deal has not been made public. For this reason, MAS does not require such customers' name to be reported.</p>
16.9	<p>Note 1: Can MAS clarify the definition of "full list of customers involved in corporate finance activities"? We note that the scope in Note 1 and Note 7 are contradictory to the reporting requirements in the template as it requires underwriting information only. Can MAS clarify on the relevance of these 2 notes to the Corporate Finance Activity reporting template?</p> <p>We suggest to report the list of underwriting activity/transactions completed by the Bank during the reporting period (e.g. in the last 6 months for half yearly submission) where the amount underwritten was not fully syndicated, the list of customers which the Bank has transacted with and the size of these deals.</p> <p>Note 1 – Can MAS clarify scope on what the Bank is required to report? To report the number of deals which the customers have mandated the bank but deals are not booked in the Bank's book in Singapore is voluminous and requires significant resource to maintain.</p>	<p>There is no contradiction: the reporting form should have the full list of corporate finance activities (not limited to underwriting activities). If a deal has an underwriting leg, the numbers are to be reported in column "Booked in Singapore" that comply with Singapore Financial Reporting Standards or "Booked outside Singapore". Corporate finance activities do not include loan syndication.</p> <p>Regardless of booking, all deals where agreements have been signed and executed by the Bank or its related corporation group where the Bank is involved in the corporate finance activities should be reported.</p>
Financial Derivatives (Appendix B3 Annex 4) – Instructions		
17.1	<p>Paragraph 5 in the instructions for Financial Derivatives reporting advises that in transactions where foreign currencies are bought or sold against an institution's base currency, include only that side of the transactions that involves the foreign currency. Please advise how should transactions where both legs are not in the base currency be reported?</p> <p>With regard to point 5, we seek further clarification if for FX contracts not involving the institution's base currency, can the "Buy" leg of the contract be used for reporting.</p> <p>Instruction #5 – For foreign exchange contracts bought or sold against the Bank's base currency,</p>	<p>The Instructions have been revised. Only one side of a foreign currency transaction should be reported. If the transaction involves SGD, only the SGD side should be reported. For transactions that do not involve SGD, only the purchase side of a foreign currency transaction should be reported.</p>

	the Instruction requires the Bank to include the side of the transactions that involves the foreign currency. To clarify if the Bank can use a basis that is consistent with other foreign exchange contracts that do not involve the base currency e.g. use the buy legs of the contracts for consistency in the basis of reporting across all foreign exchange contracts?	
17.2	<p>With reference to the first instruction note: “Bank should classify the derivative contracts into six broad risk categories and according to trading and non-trading purposes.”</p> <p>We would like to highlight that there could be some challenges involved in determining the intention of customers for such trades. In particular, when the trades are booked outside Singapore but executed in Singapore. Customers may not declare their intention to FIs on trade by trade basis as well. In event, banks are unable to determine the customer’s intention, will it be possible for banks to report the contract as non-trading?</p>	Whether a derivative contract is for trading or for non-trading purposes should be assessed from the Bank’s perspective and not from the customers’ perspective.
17.3	Please confirm whether the amounts need to tally to DTCC reporting as at the month-end.	MAS does not require reconciliation of transactions reported in Trade Reporting with the revised MAS Notice 610/1003 currently. However, we may ask for reconciliation if the need arises.
17.4	Please provide definition of Trading Book and Non trading book.	Please refer to MAS637 Part VIII Market Risk Sub Division 3.
17.5	Presently, we report the hedge trades under non-trading. Whether the trades done for hedging the borrowing should be treated as hedge deals or trading deals?	Please refer to MAS637 Part VIII Market Risk Sub Division 3.
17.6	What should be the treatment for swaps disclosure in a case where both legs of the swaps are outstanding? Presently, the far leg of swap is reported, but in accounting both the legs are accounted as contingent liability.	For the revised MAS Notice 610/1003, only the far leg of all foreign exchange swaps (both spot/forward and forward/forward) should be reported, i.e. each transaction is only recorded once.
17.7	As stated in instructions, the gross amount for a derivative contract with a multiplier component is the contract’s effective notional amount or par	We note the observation. However, we have decided to retain the current basis of reporting to reflect the effective amount.

	value. Such effective notional will not tie with financials.	
17.8	<p>Reference to the current MAS Notice 610 Appendix 1A: Notes for Completion of Appendix 1 and Annexes, Paragraph 29.3 states that: “Derivative contracts with multiple risk characteristics should be categorised based on the predominant risk characteristics at the origination of the contract.”</p> <p>We noted that the above point has been removed from Financial Derivatives Instructions of the Proposed Revision to MAS610. With this change, we interpreted that a derivative contract with multiple characteristics would be classified under “Others”, i.e. per point 9 of the Financial Derivatives Instructions. Please confirm.</p> <p>We wish to highlight that there is no specific guidance from accounting standard on the subject matter.</p>	The Instructions have been revised to re-insert the current Paragraph 29.3, as it provides useful guidance.
17.9	<p>Instruction # 11 (b) - Would like to clarify the reasons why trade 2 which is traded by a trader in Singapore between Singapore branch and London Branch which are booked in Singapore Branch and London Branch is to be excluded from the scope? Is this based on the assumption that both books are controlled by the Singapore trading location?</p>	<p>Part II is not applicable to locally incorporated banks.</p> <p>Where Part II is applicable, trades that are conducted to facilitate the passing of positions from one book to another, whereby both books are controlled by the Singapore trading location, should be excluded. This is because when aggregated, these trades will be offset.</p>
17.10	<p>Under the “MAS response to Respondents’ Comments to MAS” #20(a), it is stated that “Overseas incorporated banks are required to complete Part I and Part II. Locally incorporated banks are required to complete Part I and Part III”. However, we noted this is not consistent with the Reporting Frequency table for App B3 Annex 4 Part II where Singapore Operations of Banks incorporated in Singapore needs to submit the return on a monthly basis. To seek clarification on whether Part II is required for locally incorporated banks.</p>	Part II is not applicable to locally incorporated banks.

17.11	<p>There is a disclosure on total volume of foreign exchange business transactions done for the month in this Annex. Please confirm our understanding that the sum of this total volume of transactions done for the respective months (e.g. February, March and April) will not tie to the grand total of foreign exchange business reported in Appendix I Parts I, II and III for the respective quarter (e.g. Q2 April) due to the different month-end conversion rates used.</p>	<p>We have shifted the “Total Volume of Foreign Exchange Business Transactions” to Appendix L.</p>
17.12	<p>Under the new reporting under Annex 4 Part II, MAS would require reporting of the notional value of the outstanding contracts and the regrossed mark-to-market (MTM) of the derivatives for outstanding derivatives contracts traded in Singapore but booked in other location.</p> <p>(i) The MTM exposures and counterparty risk are monitored on a booking location basis, and not based on trading location. This allows banks to consolidate and manage its exposure effectively on a location basis. As such the split of the deals by “traded location” is not available readily.</p> <p>The regross MTM information and the outstanding deals is not representative of the resultant profit and loss attributed to the Singapore Branch as there may be other contributions that are also showing the profit or loss of the particular deal. The portion of profit retroceded to Singapore is not computed based on individual deals which can be broken down by products to the local contributors, as this information is not available.</p> <p>As it is not relevant to monitor this exposure, only turnover information is collected in the past. We seek MAS understanding and exempt this specific split in the reporting requirements for trades booked outside Singapore which is currently and practically not available.</p> <p>(ii) Also, taking the perspective that market risk and henceforth trading profit/loss is taken on by staff solely for trading, we seek to confirm</p>	<p>We understand that such information is currently not available. Banks will be given time to build the required reporting system.</p> <p>We note that the regross MTM information may not always be an accurate indicator of the actual profit/loss retroceded to Singapore for some banks. Nevertheless, it is one of the indicators of the level of financial derivatives activities in Singapore.</p> <p>Yes. Trades where the Singapore entity’s involvement is purely in the capacity of sales function, i.e. without</p>

	“trades executed in Spore” does not include deals for which the local contributor acts in the capacity of sales.	managing the positions, are not required to be reported under Part II.
17.13	With regard to instruction 12(b), we seek further clarification on the meaning of “... Both books are controlled by the Singapore trading location...”.	<p>Trades which are conducted to facilitate the passing of positions from one book to another, whereby both books are controlled by the Singapore trading location, should be excluded. When aggregated, these trades will be offset.</p> <p>Books “controlled by the Singapore trading location” refer to cases where the Singapore entity is responsible for managing the positions in both books.</p>
17.14	We seek clarification whether internal counterparties, i.e. CSA agreements signed between the bank in the home jurisdiction and SG subsidiary are in scope of reporting.	<p>For Part I, the Bank is to report all transactions that are booked in Singapore regardless of the where the transactions are transacted. This includes trades transacted by the Singapore operations with overseas branches, subsidiaries and head office</p> <p>For Part II, the Bank is to report all transactions transacted in Singapore regardless of where the transactions are booked. Trades which are conducted to facilitate the passing of positions from one book to another, whereby both books are controlled by the Singapore trading location, should be excluded. The Bank should report any other trades between the Bank’s local entity and other branches/ entities.</p>
Financial Derivatives by Type and Risk Category (trades booked in Singapore) (Appendix B3 Annex 4 Part I)		
18.1	Scenario (a): Trades booked by Singapore trader in Singapore books within Singapore entity.	(a) If it is not an internal trade within the Singapore entity, it is required to be reported under Part I. For avoidance of doubt, trades booked into the Singapore entity that face

	<p>Scenario (b): Trades booked by Singapore trader in Singapore books in an offshore entity (London/Toronto branch) under a centralised booking arrangement. Please clarify if Scenario (a) is to be reported in Part I and Scenario (b) is to be reported in Part II.</p>	<p>other branches should also be reported under Part I.</p> <p>(b) Yes.</p>
18.2	<p>Please clarify if there is any reconciliation required for item 3 and 16 (Positive/Negative fair values for financial derivatives) of Appendix B1/B2- Balance Sheet to Appendix B3 Annex 4 Part I and/or Part II.</p> <p>Also, will there be any other schedules which are required to be reconciled to item 3 and 16 – Positive/Negative fair values for financial derivatives of Appendix B1/B2- Balance Sheet.</p>	<p>Yes, please refer to the “Formula Notes” reconciling item 3 and 16 of Appendix B1 and B2 to Part I of Appendix B3 Annex 4.</p> <p>Yes. Another example is Appendix D3 Annex 1 Part II with Appendix C1 Annex 1.</p>
18.3	<p>If both legs are foreign currency, does the bank report the buy leg?</p> <p>Should the bank report only outstanding Financial Derivatives as of the month end?</p>	<p>We have revised the Instructions to clarify the reporting requirement. For transactions that do not involve SGD, only the purchase side of a foreign currency transaction should be reported.</p> <p>Yes.</p>
18.4	<p>Page 26 of the consultation paper sets out the various scenarios in terms of how trades should be reported under Appendix B3 Annex 4 Part I and II. While we note that the explanations provided by MAS provide some clarity in terms of how trades should be reported in various scenarios, we note that this approach does not necessarily reflect the true substance of a transaction. For example, in the scenario of “Case 4” as set out in page 26 of the consultation paper, there will be a total of 4 trades reported (i.e. 2 trades reported under Part I and 2 trades reported under Part II).</p> <p>In view of the foregoing, we would like to propose that the MAS consider aligning reporting requirements and definitions such as “booked in Singapore” and “trade in Singapore”, with that of the OTC derivative reporting requirements as set</p>	<p>We have revised the Instructions to align the definitions of “booked in Singapore” and “traded in Singapore” to the OTC derivative reporting requirements set out in the Securities and Futures (Reporting of Derivatives Contracts) Regulations 2013.</p>

	<p>out in the Securities and Futures (Reporting of Derivatives Contracts) Regulations. This will help to ensure that trades reported under the 2 reporting regimes/frameworks are consistent, and thereby eliminates the need for further reconciliation. This will certainly help reduce the reporting burden.</p>	
18.5	<p>For case 3 as outlined in page 26 of the consultation paper, the bank would like to confirm that there are 2 separate, distinct and unique trades.</p>	<p>Yes, for reporting under Part II.</p>
18.6	<p>For the following products, we seek confirmation from MAS on how should the respective notional amounts be reported</p> <ul style="list-style-type: none"> a) structure products with multiple fixing/settlement periods b) basket options c) index options d) string of options e) Quanto/bermuda and Digital 	<p>The gross amount should reflect the effective amount based on which the returns will be calculated.</p> <p>As an illustration, for the purpose of this reporting form, the gross amount for a derivative contract with a multiplier component is the contract's effective notional amount or par value. For example, a swap contract with a stated notional amount of S\$1,000,000 whose terms call for quarterly settlement of the difference between 5% and LIBOR multiplied by 10 has an effective notional amount of S\$10,000,000.</p>
18.7	<p>Would "Foreign exchange and Interest Rate Derivatives Turnover" be reportable under this section? If yes, we believe there will be a conflict on notional calculated if it is based on base currency, rather than reported using the Purchase leg.</p>	<p>Please provide examples.</p>
18.8	<p>Following on the above, if it is calculated using the base currency, we wish to seek MAS' clarification on how the following should be reported under Part III, e. For example, the base currency is USD and there are 3 trades, (i) buy AUD sell USD, (ii) buy USD sell GBP, (iii) buy AUD sell GBP. For (i) report AUD converted to USD, (ii) report GBP converted to USD, (iii) which currency do we report?</p>	<p>We have revised the Instructions to clarify the reporting requirement.</p> <p>For the purpose of supervisory reporting, only one side of a foreign currency transaction should be reported. If the transaction involves SGD, only the SGD side should be reported. For transactions that do not involve SGD, only the purchase side of a foreign currency transaction should be reported.</p>

		<p>For the cases provided:</p> <ol style="list-style-type: none"> i. report AUD ii. report USD iii. report AUD <p>The figures should be reported in terms of SGD. Where the transactions do not involve SGD, the foreign currency amount must be converted into SGD using the Bank's in-house currency conversion rates.</p>
18.9	<p>Exchange Traded derivatives include not only Futures but other products like listed options. The formula for Exchange trades gross amount (BU=BY+BZ) only refers to Futures. Can MAS clarify only Futures (not listed options) is in the scope of the reporting?</p>	<p>All derivative products that are traded on exchanges, including but not limited to futures and listed options, are within the scope of "Exchange traded" in this Annex. The formula has been removed in the reporting form.</p>
<p>Financial Derivatives by Type and Risk Category (Singapore as a trading location) (Appendix B3 Annex 4 Part II)</p>		
19.1	<p>For Part II on Singapore as trading location, as most of the derivative transaction booked in SG are managed by traders located in HK office, who would also managed all the transaction for Asia branches, can we say if the counterparties are the Asia branches which would be looked after by the same trader, no matter where the trader is located, we should net off the transaction to zero?</p>	<p>Yes.</p>
19.2	<p>For Part II, Bank is to report all transactions transacted in Singapore regardless of where the transactions are booked. Hence, Bank should report a trade transacted in Singapore even if the trade is booked into the book outside Singapore e.g. the parent/head office of the Bank. When trades are conducted to facilitate the passing of positions from one book to another, whereby both books are controlled by the Singapore trading location, these trades should be excluded because when aggregated, these trades will get offset.</p> <ul style="list-style-type: none"> - Do we also include trades transacted by the Singapore operations with overseas branches, subsidiaries and head office? - If there are no traders located in Singapore, does it mean that Part II will be nil? 	<p>On the question of reporting requirement if there are no traders located in Singapore, please refer to the OTC derivative reporting requirements as set out in the Securities and Futures (Reporting of Derivatives Contracts) Regulations 2013 for the definition of "traded in Singapore".</p> <p>The Bank must assess whether it was executed or caused to be executed by a trader in Singapore, who is the responsible person to the trade. The trader is the person who conducts activities relating to the execution of trades in Singapore. Examples of such</p>

	<p>- where trades are conducted to facilitate the passing of positions from one book to another, whereby both books are controlled by non-Singapore trading location, can we offset the trades ?</p> <p>To illustrate, in the case of the following trades being entered by a trader located in Singapore:</p> <p>1) Customer A and Singapore branch (booked in the book of Singapore branch)</p> <p>2) Singapore branch and London branch (booked in the book of Singapore branch and London branch)</p> <p>3) London branch and external counterparty (booked in the name of the London branch)</p> <p>Bank should report trade 1 and trade 3 for the purpose of reporting under Part II.</p> <p>- Does it mean trade 1, 2 (booked in Singapore trade) will be reported for purpose of Part I?</p>	<p>activities could include the offering of quotes, or making decisions to enter into trades. The trader should also be the person bearing responsibility for or who is able to address any queries from MAS relating to details of the trade. Accordingly, the Bank should assess whether there are such traders executing trades in Singapore, whether electronic or otherwise.</p> <p>For the cases provided by the Bank,</p> <p>Yes, Trades 1 and 2 (booked in Singapore trade) will be reported under Part I.</p> <p>Trade 1 and 3 will be reported under Part II.</p>
19.3	<p>Please confirm if the total volume of foreign exchange business transactions in Appendix B3 Annex 4 Part II should match to the total sum of Appendix I Part I. MAS may wish to consider adding a column for the total in Appendix I Part I to reflect a summation of the figures across the columns.</p> <p>As FX volume will be reported in Appendix I, we request MAS to consider excluding this requirement?</p>	<p>We have shifted the “Total Volume of Foreign Exchange Business Transactions” to Appendix L.</p>
19.4	<p>Part II is required for overseas banks. Part III is required for locally incorporated banks and the reporting requirements appear to be applicable for locally incorporated banks with branches and subsidiaries. Is a merchant bank, which is incorporated in Singapore, does not have any subsidiary/branch, and its parent company is</p>	<p>Merchant banks are required to complete Part I and Part II.</p> <p>Part I – trades booked in Singapore.</p> <p>Part II – Singapore as a trading location.</p>

	incorporated overseas, required to submit Part II and/or Part III?	
19.5	<p>The bank would like to suggest changing the frequency of this report to quarterly since the trades may not be booked in Singapore books and hence would require significant efforts and time to gather the information required.</p> <p>We would like to request that the MAS to consider revising the frequency of Part II to a quarterly delivery (as opposed to monthly). This would align to the updated statistical reporting for derivative trade volumes captured under Appendix I.</p>	The reporting frequency of Part II has been changed to quarterly.
19.6	<p><u>Trades executed in Singapore but not booked in Singapore</u></p> <p>We would like to appeal to MAS to re-consider this reporting requirement as the completeness of trades executed in Singapore but not booked in Singapore may be difficult to track or for auditors to validate.</p>	We have reviewed this issue carefully. We acknowledge that it is not a straight forward process. However, as such trades are transacted by the Singapore banks, we expect these banks to have processes to ensure the reasonableness of the figures reported. For this purpose, the Singapore banks will need to work with its Head Office/sister branches and external auditors.
19.7	Please advise if trades booked in a broker/dealer subsidiary i.e. non-bank subsidiary of the group by a SG trader employed by the Bank are to be reported?	Yes.
19.8	<p>Item 20e, MAS' response in the consultation paper - MAS commented in respect of trades struck in a concerted manner by two or more group entities, it should be reported as a percentage to the P&L sharing. We wish to clarify whether internal trades between branches and the group entities should be eliminated first before allocating the portion to Singapore as a trading location.</p> <p><u>"Global trades" to apportion by P&L allocation</u></p> <p>We would like to suggest MAS to re-consider the reporting of "global trades" (CP page 25, Point 20(e)) by apportionment of the position according to P&L allocation to Singapore as trading location. Since P&L allocation is an internal sharing arrangement, it may be agreed and applied</p>	MAS has decided that for reporting under Part II, banks are not required to report positions in the global books if such positions are not transacted by the Singapore entity.

	<p>retrospectively e.g. agreed during the year, applicable to start of year. It would be operationally burdensome if MAS requires a re-submission for such instances.</p> <p>For practical implementation reasons, we suggest such trades to be reported on gross basis (i.e. without apportionment) if the intent is to continue with this reporting requirement.</p>	
19.9	<p>How would the identification of trades executed in Singapore but booked outside Singapore be done, and whether this is applicable for Singapore Branch?</p> <p>For example:</p> <p>1) Whether a deal booked in Bank A, United States with a Singapore client needs to be reported under this header.</p> <p>2) How the example will be applicable from the Singapore branch prospective. For example, Bank A, Singapore Branch takes deal with Singapore client and same is covered with Bank A, United States. Bank A, United States covers the same deal with interbank counterparty Bank B, London. Whether deal taken between Bank A, United States and Bank B, London should be reported in books of Bank A, Singapore.</p>	<p>1) If the transaction is done by a trader in SG, it should be reported under Part II.</p> <p>2) For reporting under Part I, two deals need to be reported.</p> <ul style="list-style-type: none"> •Bank A SG with customer •Bank A SG with Bank A United States <p>For reporting under Part II, if all three trades are managed by the trader in SG, two of the trades need to be reported:</p> <ul style="list-style-type: none"> •Bank A SG with customer •Bank A United States with Bank B London.
19.10	<p>Please confirm this is not applicable for locally incorporated banks as highlighted in Appendix 2 of the Public Consultation document. If so, should it be removed from reporting frequency for Singapore Operations under Banks incorporated in Singapore?</p>	<p>Part II is not applicable to locally incorporated banks. The reporting frequency for Singapore Operations under Banks incorporated in Singapore has been removed.</p>
19.11	<p>Reporting other non-Singapore entities' positions is subject to following data issues:</p> <p>1) numbers may not be finalised by Calendar Day 10 as these entities do not adhere to MAS reporting deadlines and may close their books much later;</p> <p>2) there are GAAP differences in reporting between the GAAPs prepared by the various entities versus Singapore FRS prepared by Singapore entities; and</p>	<p>(1) We have considered your feedback. Banks will be given more time to report. Except for Appendix B1 Annex 1 on Cash which is required to be submitted by the 10th calendar day of the month, all monthly submissions will be required to be submitted by the 14th calendar day of the month. If the 10th calendar day or the 14th calendar day does not fall</p>

	<p>3) notional computation is driven mainly by HO regulators and differs from the notional requirements stipulated by MAS (e.g. FX spot notional are not captured and reported in other entities) etc.</p> <p>Currently, the bank does not have the ability to collate information to meet the requirements of this Annex. We are of the view that this requirement is too onerous for a foreign bank branch to implement.</p>	<p>on a business day, a bank may submit the return on the next following business day.</p> <p>(2) and (3) We appreciate that the bank has highlighted potential differences in reporting standard between the GAAPs prepared by various entities versus Singapore FRS prepared by Singapore entities; as well as the potential differences of reporting notional between HO regulators and MAS. We have chosen this approach to better monitor the level of activities transacted in Singapore.</p>
19.12	<p>By making reference to the consultation paper (pg 24 – 20c), “Transacted in Singapore” refers to deals contracted in Singapore – but does the staff who closes this deal have to be a staff hired locally, i.e. by the SG Branch (as opposed to a staff hired by another Branch but performs the deal in SG)?</p>	<p>Please refer to the OTC derivative reporting requirements as set out in the Securities and Futures (Reporting of Derivatives Contracts) Regulations 2013 for the definition of “booked in Singapore” and “traded in Singapore”.</p>
19.13	<p>The Consultation Paper proposes for separate reporting forms on trades booked in Singapore and Singapore as a trading location.</p> <p>We thank the MAS for providing useful examples to explain how trades should be reported, and would like to highlight that more unique scenarios are expected to surface as Financial Institutions begin to implement the requirements. In this regard, we will like to request for the MAS to continue providing timely clarification through the implementation period.</p> <p>It would be useful if the MAS could provide clarification for a scenario where a SG trader has been seconded to an overseas location for a short-term period, on whether the trades conducted by the trader during the secondment period are required to be reported as a trade with “Singapore as a trading location” (i.e. Appendix B3 Annex 4 Part II).</p>	<p>We will continue to provide clarification through the implementation period.</p> <p>Please refer to “Traded in Singapore” as defined in Securities and Futures (Reporting of Derivatives Contracts) Regulations 2013.</p> <p>In the case where a trader is seconded out of Singapore, trades that were entered into by the trader would not need to be reported as these trades would not be deemed as “traded in Singapore”. However, if these trades are “booked in Singapore”, they would still need to be reported accordingly.</p>

	<p>We would like to highlight that the proposed requirements may have a downstream impact due to the fact that the figures to be reported as proposed in the Consultation Paper may not reconcile to the OTC derivative reporting requirements.</p> <p>We would like to appeal for the MAS to reconsider the requirement to report trades executed in Singapore (i.e. Appendix B3 Annex 4 Part II) as the completeness of trades executed in Singapore but not booked in Singapore may be difficult to track and for auditors to validate.</p>	<p>We have reviewed this issue carefully. We acknowledge that it is not a straight forward process. However, as such trades are transacted by the Singapore banks, we expect these banks to have processes to ensure the reasonableness of the figures reported. For this purpose, the Singapore banks will need to work with its Head Office/sister branches and external auditors.</p>
<p>Financial Derivatives by Type and Risk Category (Standalone and Consolidated levels) (Appendix B3 Annex 4 Part III)</p>		
20.1	<p>For MAS 1003, Merchant banks are required to complete Part I & III of the schedule. However, Part III cannot be found in the schedule. Please provide an example for Part III.</p> <p>Template for “Part III – Financial Derivatives by Type and Risk Category (solo and group)” was not provided in Annex 4.</p>	<p>Merchant banks are required to complete Part I and Part II only.</p>
<p>Assets Under Management and Assets Held Under Custody (Appendix B3 Annex 5)</p>		
21.1	<p>Does the bank need to report fiduciary deposits as an agency bank?</p>	<p>Yes. The Agent bank needs to report fiduciary deposits that it has placed with recipient bank as its customer’s assets under management.</p>
21.2	<p>We require clarification as to:</p> <p>1) whether non-discretionary customer portfolio (where we do not manage the fund/investment) will be considered</p> <p>2) NAV of investment funds are obtained from the counterparty fund house a month lag, would this suffice for NAV for reporting purpose</p> <p>3) sometimes customers invest directly to the fund investment (ie via the direct route) but these are our customers and we manage their corporate action</p>	<p>1) Yes. Non-discretionary customer portfolios are to be reported under “Advisory” in the reporting form. The definition of “Advisory” has been revised in the Instructions.</p> <p>2) Yes.</p> <p>3) Investments via direct route or omnibus route are required to be reported.</p>

	<p>The respondent referred to close ended funds in its private banking business where customer's transactions can be conducted via 2 routes:</p> <p><u>Omnibus</u> The Bank invests with the fund house collectively on behalf of various underlying customers and the fund house only deals with the Bank (i.e the Bank is the customer for the fund house). The details of underlying customers are maintained by the Bank and the Bank collects and distributes coupon and undertakes the corporate action for the customers.</p> <p><u>Direct</u> The Bank acts as a referring party and the customers directly invest with the fund house. All collection and distribution of coupon and corporate actions are done directly by the fund house with the customer.</p>	
<p>21.3</p>	<p>For AUM and AUC, can MAS provide further guidance on the scope and definition of:</p> <p>a) Contracted by Bank</p> <p>b) Relationships managed or serviced by Bank</p> <p>Is AUM booked in other booking centres required to be reported under (b) when the only nexus with Singapore is that the relationship manager is located here? Please note that the Bank does not allocate AUM of such accounts.</p>	<p>a) This refers to funds contracted to the Bank or its related corporation group where the AUM agreement is contracted in the Bank's name.</p> <p>b) This refers to AUM contracted to and managed or serviced by the Bank as well as the AUM that is allocated to the reporting bank in Singapore by its related corporation group.</p> <p>The AUM of customers will be required to be reported under (a) "contracted by Bank" if the AUM agreement is contracted in the Bank's name. (b) "not contracted by Bank but relationships managed or serviced by Bank" will only be applicable if the customers of related corporation group are serviced by the relationship manager who is located in the reporting banks. If the reporting banks do not have the</p>

		practice of allocating the AUM of such accounts, the full AUM amount will need to be reported.
21.4	In PB context, our assumption is AUM includes client's securities placed with the Bank for collateral of the credit facilities. Please clarify if our understanding is not in line with MAS' intention.	AUM includes collaterals placed with banks to secure credit facilities.
21.5	Can MAS clarify - Client's assets in Note 1 of instruction "Some assets under AUM are also assets under custody and should be included in Assets held under Custody (AUC)" will be reported under AUC, and not under AUM?	The Instructions have been revised to require such assets to be reported under both AUC and AUM.
21.6	<p>To clarify if Part I: Item (a) AUM contracted in Singapore is not applicable for Bank, Group, Banking Subsidiaries and overseas branches. If this is applicable, how shall the amounts of AUM contracted by the Bank's subsidiaries or overseas branches and their customers in their respective countries be reported?</p> <p>Relationships managed or serviced by Bank: To clarify if the AUM contracted outside Singapore should be reported under Item (b)?</p> <p>To clarify if Part I: Item (a) AUC contracted in Singapore is not applicable for Bank, Group, Banking Subsidiaries and overseas branches? If this is applicable, how shall the amounts of AUC contracted by the Bank's subsidiaries or overseas branches and their customers in their respective countries be reported?</p> <p>Relationships managed or serviced by Bank: To clarify if the AUC contracted outside Singapore should be reported under Item (b)?</p>	<p>The reporting form has been revised such that Banks incorporated in Singapore (other than a foreign-owned bank incorporated in Singapore) only need to complete the applicable rows.</p> <p>The reporting form has been revised such that Banks incorporated in Singapore (other than a foreign-owned bank incorporated in Singapore) only need to complete the outstanding amount of AUC without providing further details.</p>
21.7	<p>What is the scope and definition of AUM? Does it refer to selected portfolio eg wealth management portfolio or does it include that of assets management?</p> <p>Please confirm that if discretionary management service is outsourced to a third party and the bank does not have the authority or any substantial input in the investment process but is the Principal facing the client with regard to the contractual</p>	<p>Funds contracted to the reporting banks under discretionary management or advisory service are AUM regardless of the portfolio.</p> <p>The Instructions have been revised such that funds managed or advised by third parties are to be included as part of AUM. Please also report such funds under Item (a) (ii).</p>

	<p>agreement/arrangement, the Bank is exempted from reporting (refer to instruction note 1 which states "Funds contracted that are not managed or advised, but managed by third parties should be excluded").</p> <p>Please clarify if AUM includes UT managed by the Group. For such cases, the UT is marked-to-market on a regular basis and customers' investments are tracked by the number of units rather than by the amount invested.</p>	<p>Yes. AUM includes Unit Trusts managed by the reporting banks. The amounts equivalent to the number of units will need to be reported.</p>																																																												
<p>21.8</p>	<p>The Consultation Paper proposes that for Assets under management arising from relationships management or serviced by the bank and its related corporation group, the amount that is allocated to the bank is required to be reported.</p> <p>To report the amount attributable to the Bank as set out in the instruction note 3, it would be useful if the MAS could clarify whether Bank refers to solely the Singapore Branch or it includes the Head office as well.</p>	<p>The term "Bank" refers to the reporting bank.</p>																																																												
<p>21.9</p>	<p>(a) In the example provided whereby customer A with an initial Assets under Management (AUM) of S\$10m has a mark-to-market gain of S\$2m on his securities as at reporting date. The reporting bank is to report Customer's AUM as S\$10m.</p> <p>(b) In the Instructions, the following is mentioned:</p> <p>(i) If the AUM agreement is contracted in the Bank's name with the customer, the customer's AuM is reported under the "contracted by Bank" row</p> <p>(ii) If the AUM agreement is contracted with Bank's related corporation group, indicate the amount of the customer's AUM under the "relationship managed or serviced by bank" row</p> <p>If the bank has the following customers:</p> <table border="1" data-bbox="300 1839 887 2074"> <thead> <tr> <th>Client</th> <th>AuM SGDm</th> <th>Relationship Mgr Location</th> <th>Booking Center Location</th> <th>Amount Allocated to Singapore</th> <th>AuM to be reported SGD m</th> <th>Category to be reported</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>10</td> <td>Singapore</td> <td>Zurich</td> <td>100%</td> <td>10</td> <td>Relationship managed or service by the bank</td> </tr> <tr> <td>B</td> <td>20</td> <td>Hong Kong</td> <td>Singapore</td> <td>100%</td> <td>20</td> <td>Contracted in Singapore</td> </tr> <tr> <td>C</td> <td>30</td> <td>EAM</td> <td>Singapore</td> <td>0%</td> <td>0</td> <td>N/A as assets are managed by third party</td> </tr> <tr> <td>D</td> <td>40</td> <td>Singapore</td> <td>Singapore</td> <td>100%</td> <td>40</td> <td>Contracted in Singapore</td> </tr> <tr> <td>E</td> <td>100</td> <td>Singapore / Zurich</td> <td>Zurich</td> <td>50%</td> <td>50</td> <td>Relationship managed or service by the bank</td> </tr> </tbody> </table>	Client	AuM SGDm	Relationship Mgr Location	Booking Center Location	Amount Allocated to Singapore	AuM to be reported SGD m	Category to be reported	A	10	Singapore	Zurich	100%	10	Relationship managed or service by the bank	B	20	Hong Kong	Singapore	100%	20	Contracted in Singapore	C	30	EAM	Singapore	0%	0	N/A as assets are managed by third party	D	40	Singapore	Singapore	100%	40	Contracted in Singapore	E	100	Singapore / Zurich	Zurich	50%	50	Relationship managed or service by the bank	<p>(a) The bank is to report AUM of S\$12m.</p> <p>(b)(i) Yes.</p> <p>(b) (ii) Under "not contracted by Bank but relationships managed or serviced by Bank".</p> <table border="1" data-bbox="943 1756 1390 2029"> <thead> <tr> <th>Client</th> <th>AUM* (\$m)</th> <th>Row in Appendix</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>10</td> <td>b</td> </tr> <tr> <td>B</td> <td>20</td> <td>a, a (iii)</td> </tr> <tr> <td>C</td> <td>30</td> <td>a, a (ii)</td> </tr> <tr> <td>D</td> <td>40</td> <td>a, a(i)</td> </tr> <tr> <td>E</td> <td>50</td> <td>b</td> </tr> </tbody> </table>	Client	AUM* (\$m)	Row in Appendix	A	10	b	B	20	a, a (iii)	C	30	a, a (ii)	D	40	a, a(i)	E	50	b
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	Can you kindly confirm our understanding of the reporting requirements as shown in the table above.	*on the basis that "Booking Center Location" is where the AUM agreement is contracted.
21.10	<p>Scope of Part I</p> <p>Can MAS clarify if the MAS reports should include information with respect to investment management or sub-investment management of Mutual Funds/Collective Investment Schemes (CIS) where a Management Company or an Investment Manager or the Fund delegate the investment management function to the Singapore entity, but remains ultimately responsible for the investment management of the Mutual Funds/CIS; i.e. the "Customer" of the Singapore entity would be the Management Company or the Investment Manager or the Fund. Note: the assets of the Mutual Fund/CIS are not under custody with the Singapore entity and are also not in the name of the Singapore entity.</p> <p>For example, should the bank include in the AUM reporting a scenario in which the bank enters into: (A) Investment Management Agreements with the Management Company of Mutual Funds/CIS or directly with the Mutual Fund/CIS; or (B) Sub-Investment Management or Investment Advisory Agreements with investment managers of Mutual Funds/CIS.</p> <p>Or are the MAS reports to capture investment management activities performed by the Singapore entity for individual clients under a discretionary or advisory mandate? If so, does it make a difference in terms of whether AUM is to be reported if the assets are or are not held under custody with the Singapore entity?</p>	<p>The investment management activities as described in the scenarios should be reported.</p> <p>The reporting is not limited to activities for individual clients or where the assets are held under custody with the Singapore entity.</p>
Assets Pledged (Appendix B3 Annex 6)		
22.1	<p>Please confirm this Annex should be related to our assets encumbered?</p> <p>Item 2 on "Amounts receivable under reverse repurchase.... Borrowed" - are these referring to re-pledged assets?</p>	<p>Yes.</p> <p>Yes.</p>

22.2	<p>Should money pledged for initial and variation margin for trading of futures contracts be reported in this section?</p> <p>To clarify if the cash collaterals placed with bank counterparty under the Derivatives CSA (Credit Support Annex) should also be reported as “Assets pledged”?</p>	<p>Yes, as long as the money and cash collaterals cannot be withdrawn freely.</p>
Special Purpose Entities (Appendix B3 Annex 7)		
23.1	<p>We understand the interpretation of SPE and the term “Sponsored SPE” in this Appendix is in line with FRS 12. Can MAS confirm? If not, can MAS provide clearer definition of what “Sponsored” SPE is?</p>	<p>For the purpose of reporting for this Annex, please follow Financial Reporting Standard 112, Disclosure of Interests in Other Entities.</p>
23.2	<p>Can MAS clarify the “Total assets, of which: asset at fair value” refers to the total assets held by the SPE or the total assets the bank has transferred to SPE?</p>	<p>“Total assets, of which: asset at fair value” refers to the total assets held by the SPE.</p>
23.3	<p>We would like MAS to clarify on the scope of SPE to be reported here. Does this include both consolidated and unconsolidated SPEs? We assume the scope is limited to transactions with SPEs the Bank controls.</p> <p>We would like to clarify with MAS if reporting is based on holdings or “effective control”.</p>	<p>Both consolidated and unconsolidated SPEs are to be reported in this Annex. Banks should refer to Financial Reporting Standard 112 on the SPEs to be reported.</p>
23.4	<p>In scope SPEs are only those sponsored by the Branch? If we are a branch of a foreign incorporated bank, the SPEs consolidated by our HO should be out of scope?</p>	<p>Yes.</p>
23.5	<p>To clarify what is the scope of the SPE to be reported under this Annex? Does it refer to the consolidated SPE of the Bank or does it refer to the Bank’s outstanding claims on a special purpose vehicle (“SPV”) as part of a securitisation transaction, including on-balance sheet exposure to securities issued e.g. asset-backed securities, mortgage-backed securities and collateralised debt obligations, and off-balance sheet exposures e.g. through credit enhancements, liquidity facilities, interest rate or currency swaps or credit derivatives, regardless of whether it was retained by the bank at, or repurchased by the bank after, the origination of the securitisation or other types of SPE?</p>	<p>The scope refers to consolidated SPEs of the reporting banks as well as those where the reporting banks have outstanding claims as at reporting date.</p>

	To clarify what is the amount to be reported under “Liquidity and credit enhancements”? Is this relating to the liquidity and credit enhancements the Bank provided to the SPE or it refers to the liquidity and credit enhancements provided by all parties to the SPE?	“Liquidity and credit enhancements” refers to those provided to the SPE by the reporting banks.
23.6	Clarification is sought on whether this schedule covers SPE for covered bond issuance / arrangements.	Yes. Banks are deemed to hold an interest in such SPEs.
Assets and Liabilities by Bank Counterparty, Related Banks and Related Corporations (Appendix C1 Annex 1)		
24.1	Please confirm if positive / negative fair value of Financial Derivatives refers to only trades booked in Singapore book regardless of location of trader? I.e. trades struck by traders in Singapore but book in ‘Outside Singapore’ book is excluded?	Yes.
24.2	For Banks which had adopted trade date accounting under IFRS, for buying and selling of bonds and securities, on trade date, “awaiting for settlement” entries which represent amounts due to/from bank counterparties and customers are recorded. These “awaiting for settlement” entries are reversed on value date (upon cash settlement). We would like to clarify with MAS: 1. Should such “awaiting for settlement” balances booked at trade date be reported as “Other Assets” and ‘Other Liabilities’? 2. Or should such “awaiting for settlement” balances be reported on the asset side as “Cash & Balances” (banks); “Loans and advances” (non-banks) and on the liabilities side as “Deposits & Balances” (banks); “Other Deposits” (non-banks)?	Banks should be guided by their financial reporting. If the banks’ accounting of such “awaiting for settlement” balances is “other assets” or “other liabilities” in its financial reporting, similar treatment should be accorded to these balances for the purpose of MAS Notice 610/1003 reporting. Please note that the identity of the counterparty is still required in Appendices C even if such entries are temporarily booked in “other assets” or “other liabilities”.
24.3	The column header is “Cash” and Balances, while the rows only have Banks and Related Parties. Please confirm in which row we should disclose Singapore Notes and Coins and Balance with MAS and whether we should disclose the same here at all?	MAS is not a bank for the purpose of reporting under the revised MAS Notice 610/1003. “Singapore Notes and Coins and Balances with MAS” are not required to be reported in this reporting form.
24.4	Is the total supposed to tally with Appendix B1 Annex 2 - Balances?	This reporting form only captures assets and liabilities with bank counterparties (including related banks) and corporations related to

		the reporting banks. "Balances" in Appendix B1 Annex 2 reflect the reporting banks' overall position in such assets with bank and non-bank counterparties.
24.5	Interbank indebtedness by counter-party in Singapore – Since we are using our internal exchange rates, amounts reported by the Banks will not cross tally.	Noted.
24.6	Whether we should include interest accruals here?	We have revised the Instructions to require reporting before accrued interest in the reporting forms. As such, interest accruals are not to be included in this reporting form. For Appendices C1 Annex 4 to 6, the interest accruals (in aggregate) are to be reported for disclosure purpose.
24.7	Debt securities – Please confirm whether to include only investment in Bank Securities here? Thus, the above will not include Treasury Bills Investments and other investments in non-bank debt. In the present 610, we disclose investment at fair value. Please confirm whether we need to disclose the amount of investment + Interest receivable + MTM?	Investment in securities issued by banks, related banks and related corporations are to be included in this reporting form. "Debt securities" in this reporting form does not include investments in treasury bills and debt securities issued by unrelated corporations. "Debt securities" should be reported on the same basis as the banks' financial reporting.
24.8	Generally the debt securities are issued with the Trustee (Agent/Lead Arranger) for processing the dues etc. In our systems we record the trustee name as the counter-party. Should we consider the trustee name for the reporting? Presently, we report debt securities issued and their fair values. In the revised 610, do we need to include the interest payable and the fair value?	Yes. The interest accruals (receivables and payables) are excluded from detailed reporting in the various reporting forms. "Debt securities" should be reported on the same basis as the banks' financial reporting.
24.9	Contingent liabilities – Should we include BG and LC confirmation backed by Banks here?	Yes, if the BG and LC are disclosed as part of Contingent Liabilities for financial reporting.
24.10	This annex looks like a summary page comprising of monthly, quarterly and half-yearly data. Will the	The information is a summary page of the reporting banks' exposure to

	<p>data be used for variance analysis? If so, there does not seem to be a common basis of comparison within the same annex.</p> <p>Drawing a parallel to the definition of “related corporations” in the section 4(1) of the Companies Act (Cap.50), do “related banks” include the reporting bank’s parent company, subsidiaries and parent’s bank subsidiaries? If so, should we exclude the reporting bank’s HO and branches (since legally they belong to the same incorporated entity)? Also, should we include Affiliates here?</p>	<p>banks, related banks and related corporations on a monthly basis. The numbers reported on this Annex should tie to the relevant numbers reported in Appendix C1 Annex 2 on a monthly basis and Appendix C1 Annex 3 to Annex 6 in the March, June, September and December reporting.</p> <p>For the purpose of reporting under MAS Notice 610/1003, “related banks” include the reporting banks’ parent company, subsidiaries, parent’s bank subsidiaries, Head Offices and branches. Head Offices and branches, while belonging to the same entity, are to be reported separately from the reporting banks as well as one another. For example, the reporting bank’s Head Office in London should be reported separately from its Hong Kong branch or Australian branch. Affiliates are not to be included.</p>
<p>24.11</p>	<p>For this schedule, please confirm that the column on Contingent Liabilities is to reflect the exposure of the bank rather than the obligation of the bank to the parties listed on the corresponding row. Please also confirm that this excludes contingent liabilities arising from legal proceedings and regulatory matters against a reporting bank.</p> <p>For related banks/corporates, we interpreted that the column on “Equity Investment” refers to amount of investment in these subsidiaries. Please confirm.</p>	<p>The term has been amended to “Contingent Items” to reflect the exposure of the reporting banks. As such, this excludes contingent liabilities arising from legal proceedings and regulatory matters against reporting banks. However, the Contingent Liabilities arising from legal proceedings and regulatory matters against a reporting bank must be included under “Others” in Appendix B3 Annex 1.</p> <p>Yes.</p>
<p>Interbank Indebtedness by Counterparty in Singapore (Appendix C1 Annex 2)</p>		

25.1	<p>To clarify that the interbank indebtedness by counterparty can both be reported in Annex 2 and Annex 3 in this situation:-</p> <p>Bank branch in Singapore reported in Annex 2. The Singapore branch balance when aggregated to the Head office, which is outside Singapore, will also be reported into Annex 3.</p>	<p>No. The reporting scope of Annex 2 and Annex 3 is mutually exclusive. Bank branch in Singapore is to be reported in Annex 2. Banking group excluding Singapore branch is to be reported in Annex 3. Please refer to the revised Instructions.</p>
25.2	<p>To confirm:-</p> <p>1) ABC Singapore Branch is reported in Appendix C1 Annex2</p> <p>2) ABC Banking Group will include the exposure of ABC Singapore Branch, being the Bank's top 15 exposure, and reported in Appendix C1 Annex 3.</p>	<p>Yes.</p> <p>No, ABC Singapore Branch (bank in Singapore) is not part of "ABC banking group" in Appendix C1 Annex 3. The "banking group" concept in Appendix C1 Annex 3 (banks outside Singapore) is narrower in scope than the conventional "banking group" concept. Please refer to the revised Instructions.</p>
25.3	<p>What is the definition of "trade financing" that is under Loans and advances?</p> <p>Is the disclosure at individual customer level or "banking group" per C1_3?</p>	<p>Trust receipts, import and export loans are some examples.</p> <p>Appendix C1 Annex 2 captures the information on banks which hold a valid licence to operate in Singapore such as Singapore branches or the banks/merchant banks incorporated in Singapore. These Singapore entities are to be identified individually and reported separately on the reporting form. For example, ABC Singapore branch should be reported separately from ABC merchant bank. Please refer to the revised Instructions to the reporting form.</p>
25.4	<p>Suggest MAS to fix the sequence of banks code and name in the actual Form (similar to Annex 1C in the existing MAS610) to ease report development.</p> <p>To clarify if the fiduciary deposits placed by the agent banks on behalf of their customers (only</p>	<p>MAS will examine the feasibility of maintaining a fixed sequence of banks' codes and names.</p> <p>No. If agent banks inform that the deposits are fiduciary deposits, the</p>

	where agent banks informed us those are fiduciary deposits in nature) should be included in the balances against the agent bank under “Deposit”?	recipient/reporting banks should report such “Deposits” against the underlying customers.
Interbank Indebtedness by Counterparty outside Singapore (Appendix C1 Annex 3)		
26.1	If there are balances to/from local banks (example, ABC SG) and their overseas branches (example, ABC London branch), how should these balances be reported? As a Group under “Banks in Singapore”, or separately with their overseas branches under “Outside Singapore”?	In the example given, ABC Singapore is a “bank in Singapore” which is to be reported under Appendix C1 Annex 2, ABC London branch is a “bank outside Singapore” which is reportable under Appendix C1 Annex 3. To expand the example, if the reporting bank has balances due from ABC Malaysia, then balances from ABC London Branch and ABC Malaysia (but not ABC Singapore) should be aggregated as “ABC group” for the purpose of reporting of Appendix C1 Annex 3.
26.2	Can MAS clarify the definition of banking group? Does this refer to pure banking entities with licence and their subsidiaries or a conglomerate whose main business is banking or would it include other non-banking activities as well (e.g. insurance, trust, etc.)? Item 25 in Appendix 2 of the consultation paper advises that grouping of Top 15 banks in Appendix C1 Annex 3 should be aggregated by counterparty, i.e. HO bank and its non-Singapore branches. Please confirm that subsidiaries of the bank counterparty are not to be included under the same banking group.	For the purpose of reporting Appendix C1 Annex 3, “banking group” refers to entities with banking licence that belong to the same group, regardless of the legal form of the banking entities such as banking branches or banking subsidiaries. These “banking groups” do not include entities whose primary businesses are non-banking activities such as insurance and trust. The Instruction has been expanded to include the above clarification.
26.3	Please clarify the definition of “Banking group” – does it refer to customers, customers’ HO and other branches? In terms of reporting presentation in this annex, could we seek clarification on the following? (i) Should we report the top 15 in terms of assets from ranks (1-15) and followed by top 15 in terms of liabilities from ranks (16-30) or vice-versa? (ii) If a banking group is ranked 3 rd in terms of assets and ranked 14 th in terms of liabilities, should it be reported on different rows?	The “Banking group” consists of bank customers, their head offices, other branches or subsidiaries, etc with banking licence and which operate outside Singapore. (i) The Instructions have been revised to Top 15 “banking groups” in terms of “net total assets” and top 15 “banking groups” in terms of “net total liabilities”. (ii) Please refer to the revised Instructions to the reporting form.

	(iii) If a banking group is within Top 15 in terms of assets only, should its liabilities be reported in this annex as well?	(iii)Yes, the information required under each column should be completed once the banking groups are identified.
26.4	<p>To clarify: if a banking group (e.g. A) is ranked among the Top 15 both in terms of assets and liabilities, should Bank A appear in the top 15 assets ranking as well as the top 15 liabilities ranking?</p> <p>What does the row “Total” represent?</p> <p>Ranking is for counterparty banks outside Singapore and refers to banking group. Please confirm that we do not need to include counterparties which are overseas branches of locally incorporated bank in the ranking as these counterparties will be grouped under a banking group in Singapore.</p>	<p>No. Information on Bank A should only appear in a single row in the reporting form. Please refer to the revised Instructions.</p> <p>The “Total” is the summation of the asset/liability columns. The column headers are labelled for easy reference.</p> <p>No. The definition of “banking group” for the purpose of Appendix C1 Annex 3 differs from the conventional “banking group” concept. Please refer to the revised Instruction. Similar to the current MAS Notice 610 reporting requirement, there is no change to the requirement to maintain separate information on “banks in Singapore” and “banks outside Singapore”. The Singapore operations and overseas branches’ operations of locally incorporated banks are “banks in Singapore” and “banks outside Singapore” respectively. Therefore, information on overseas branches is not to be aggregated with information of the Singapore operations of the locally incorporated banks.</p>
26.5	To clarify if the Reporting Bank is expected to report the balances of the Top 15 Banking Group which include the balances of the bank and its consolidated subsidiaries (both banking and non-banking subsidiaries) but excluding any Singapore branches and banking subsidiaries in Singapore? If the non-banking subsidiaries are included, the sum of balances with banks in Singapore and banks outside of Singapore will not tally with the	Please refer to our response to item 26.4. The definition of “banking group” for the purpose of Appendix C1 Annex 3 differs from the conventional “banking group” concept. “Non-banking subsidiaries” are not within the reporting scope of Annex 3.

	<p>balances to bank counterparties of each of the line items. Propose to simplify the basis of reporting to be based on Standalone basis (i.e. legal entity basis) instead of Banking group basis.</p> <p>In relation to footnote 2, to clarify that Rank 1 to Rank 15 is for Top 15 banks by total assets and Rank 16 to 30 is for Top 15 ranking by total liabilities? For Bank A which ranks 13 by total assets and ranks 2 by total liabilities, to clarify that we only report the assets and liabilities against Bank A under Rank 13. Rank 17 will then be used to report balances against bank that rank 3rd by total liabilities.</p> <p>Assuming only Bank A rank within Top 15 by total assets and by total liabilities, row Rank 30 will be left blank and the balances of all other banks not fall within the top 15 by total assets and by total liabilities will be reported under row "Banking groups not listed above".</p>	<p>The Instructions have been revised to Top 15 "banking groups" by "net total assets" and Top 15 "banking groups" by "net total liabilities"</p> <p>No row should be left blank unless all the banks outside Singapore that the reporting bank deals with are fully reported. Please refer to the revised Instructions.</p>
26.6	<p>Please confirm if our interpretation is correct: 2 rankings are to be determined for each Bank Group: one rank for its "Total Asset" and another rank for its "Total Liability".</p>	<p>The Instructions have been revised. With the change, there should only be one list ranking "banking groups" from "net total assets" to "net total liabilities". Banks then report the details of top 15 "banking groups" by "net total assets" and top 15 "banking groups" by "net total liabilities".</p>
26.7	<p>The bank would like to request for more clarity in the rules to apply the ranking. For example, Bank has assets with Banking group A that amount to \$100m; Bank owes \$20m to Banking group A in term of total liabilities. Total assets with and total liabilities owed to Banking group B amount to \$100m and \$40m respectively. For Banking group C, total assets and total liabilities are \$100m and \$120m respectively. If Banking group A, Banking group B and Banking group C are the only bank counterparties, how would the bank rank them for the purpose of this annex?</p>	<p><u>By "net total assets"</u> Rank 1: Banking group A Rank 2: Banking group B</p> <p><u>By "net total liabilities"</u> Rank 1: Banking group C</p> <p>Please refer to the revised Instruction to the reporting form.</p>
26.8	<p>Please provide guidance on how the information should be reported if the top asset and top liabilities belong to the same banking group.</p>	<p>Report the banking group under "Rank 1" row in the reporting form</p>

	Is it necessary to have “Banking groups not listed above” to derive total since total could be obtained from Appendix C1 Annex 1?	with corresponding asset items and liability items. Yes. This is for summation check purposes.
26.9	Is there a reference list from MAS to identify the entities under each banking group?	The definition of “banking group” for the purpose of Appendix C1 Annex 3 differs from the conventional “banking group” concept. “Non-banking subsidiaries” are not within the reporting scope of Annex 3. Banks should know the entities under each banking group in their limit-setting or review process for dealing with such groups.
Assets, Contingent Items and Commitments by Country and by Counterparty - All Currencies (Ultimate Risk) (Appendix D1)		
27.1	Under “Assets” – Should the figures reported under “Loans and advances” include that reported under “of “Loans and advances”: trade financing” or are they mutually exclusive? Similar question on “Contingent Liabilities” and “of “Contingent Liabilities”: trade financing”. To illustrate, the bank has non-trade financing loans of SGD 100million to “Corporates” and trade financing loans of SGD100million to “Corporates”, should the bank report total balance of SGD 200million or only SGD 100million under “Loans and Advances” “Corporates”?	“Loans and advances” includes trade financing. Any trade financing should be reported under “of loans and advances: trade financing”. The same approach should be taken for “Contingent Items”. For the case provided, SGD 200 million should be reported under “Loans and Advances – Corporates” while SGD 100 million is to be reported under “Loans and advances: trade financing – Corporates”.
27.2	We note that information in Appendix D1 is requested at Ultimate Borrower Basis. However similar information for currency specific breakdown under Appendix D2, Annex1 – Appendix D2, Annex 8, is requested on Immediate Borrower Basis. Would MAS consider aligning them and request all information to be provided on Immediate Borrower Basis.	Both Appendices are required for MAS’ supervisory purposes. Appendix D2 is also a reporting requirement set out by BIS in which MAS has onward submission responsibility for aggregated figures. Please note that Appendix D1 has been revised to Ultimate Risk basis instead of Ultimate Borrower basis.
27.3	For trade finance loan discounted by LC on a without recourse basis to the beneficiary, should the ultimate borrower be the beneficiary or obligor?	The seller in such trade finance transactions (referred to as “beneficiary” in the bank’s query) should be reported in Appendix D2 (Immediate Borrower Basis). The issuing bank (known as “obligor” in

		the bank's query) should be reported in Appendix D1, which requires the information on where the final credit risks reside.
27.4	Please clarify if the ultimate risk will be based on where the Head Office is located as per List of international organisations published by Bank of International Settlements.	Yes.
27.5	<p>How far up the group structure are we required to assess in order to determine the ultimate borrower?</p> <p>Scenario 1: Up till corporate or natural person.</p> <p>Scenario 2: Corporate customer is a Singapore branch whose ultimate holding is in Japan while holding company is in Thailand and Head Office is in Malaysia. Do we report Japan, Thailand or Malaysia?</p> <p>How do we classify and report cases of joint venture with 2 shareholders that belong to different locations? E.g. more than 1 corporate sponsor across different countries.</p>	<p>For ultimate risk reporting, the general guide is to report the counterparty the Bank looks to for repayment or the party whose creditworthiness the Bank assessed when granting the credit facilities.</p> <p>As branches are extension of the Head Office, the ultimate risk should follow that of the Head Office in general. In this case, Malaysia.</p> <p>Divide the exposures to reflect different countries.</p>
27.6	<p>To clarify: In instances whereby the counterparty is a trust, the nationality of beneficiaries should be looked at when reporting "Cash and Balances" and "Loans and Advances". Should the beneficiaries be individuals of different nationalities, should we apply the same treatment as that of "Personal Investment Company" and "Joint Venture with 2 shareholders in different locations" as per the clarification on Page 30 Point 27 of the Consultation Paper (i.e. apportion equally to the ultimate beneficial owners of different nationalities)?</p> <p>With regard to the reporting of exposures on ultimate borrower concept and in the case of a PIC being owned by multiple owners, is the bank allowed to just adopt the reporting of exposures by apportioning equally to the ultimate beneficial owners of different nationalities, given that it will be very difficult for the bank to determine the controlling party?</p>	Yes. Please note that the Instructions have been revised to "Country of residence of beneficiaries".

<p>27.7</p>	<p>To clarify which country should the Euro bank notes and coins be reported in this Annex? Propose to report the balance as claims on the ECB which is included under Germany, in line with the “Frequently Asked Questions” under Section E of the Guidelines for reporting the BIS international banking statistics.</p> <p>It is mentioned in the footnote that Notes and Coins on hand are to be distinguished based on the currency denomination. For example, SGD denominated notes and coins are to be reported under "Singapore". In the case of Euro notes which are issued by the European Union, should the reporting of such holdings be in the row "Europe", and in the column "Central Banks and Official Monetary Authorities"?</p>	<p>Yes.</p> <p>Claims on ECB should be reported under Germany in the said column.</p>
<p>27.8</p>	<p>Based on the Formula Notes, Cash and Balances in this Annex ties with Cash and Balances in Appendix B1 Statement of Financial Position. Please clarify the following:</p> <p>(i) The balances to be reported in this form should include accrued interest and net of individual / collective allowance. While individual allowances will be reported under the same country as the residence of the underlying asset, how should collective allowances be allocated to the respective balances in the Annex?</p> <p>(ii) Is the above reporting basis for allowances applicable to all reportable items under Appendix D1 (i.e. same basis as, and ties to Appendix B1)?</p>	<p>The accrued interest /individual /collective allowances have been removed from this Annex such that the reportable items can tie to the “outstanding amount” of the same in Appendix B1. Only the “outstanding amount” (i.e. before accrued interest/individual allowances/collective allowances) of the reportable items are to be reported in this Annex.</p>
<p>27.9</p>	<p>Please confirm if the country of residence under ultimate and immediate risk have the same/exact definition. If not, to avoid ambiguity, please provide the definition of country of residence and an example for each counterparty type in the respective instructions guide.</p> <p>Is the country of residence definition for an individual under the ultimate risk and immediate</p>	<p>The definition of country of residence is the same for Ultimate risk and Immediate Borrower bases.</p> <p>Yes, the Instructions have been revised.</p>

<p>risk the same? Please consider using the country where the individual resides for both ultimate and immediate risk, on account that an individual is more likely to be exposed to the risks of the country where he/she is residing/working in, as the country's economy will have a direct impact to his/her loan servicing ability.</p> <p>Should the ultimate risk for trust be based on country of incorporation for reporting efficiency as information on the nationality of beneficiaries might not be readily available for all trust?</p> <p>For special purpose entities with underlying collaterals, does the ultimate risk of equity collateral refer to where the stock is listed? Which country should an equity collateral be reported if the equity has both primary and secondary listing?</p> <p>Should the subsidiaries of state owned-banks (e.g. ABC (Malaysia) Bhd) be reported as state owned-banks? Our view is that it should not be reported as state owned-bank as this exposure is to be reported under country Malaysia.</p> <p>MAS to consider aligning the country of ultimate risk definition with that provided in MAS 637 to avoid the complication of having different ultimate risk definition and data population within the bank. MAS 637 takes into account financial collateral provided by the counterparty in determining the ultimate risk. For illustration, we have a British Virgin Islands incorporated borrower with business registration office in Hong Kong and financial collateral in Singapore.</p> <p>Will this report appendix D1 replace the current quarterly Group's Contingent Liabilities submission and quarterly BIS consolidated banking statistic (CBS) submission i.e. ultimate risk basis?</p>	<p>Agreed, to report "Country of incorporation" if country of residence of beneficiaries is not available.</p> <p>Yes. The country of primary listing should be reported.</p> <p>For ultimate risk reporting, all available information should be taken into consideration in deciding where the ultimate risk lies. In the example given, we can agree that ABC (Malaysia) Bhd with its business in Malaysia should be reported under Malaysia.</p> <p>For this scenario, the country of ultimate risk is Singapore for MAS Notice 610 ultimate risk reporting. The Instruction has been amended to include guarantees and the illustration provided on group of borrowers has been removed.</p> <p>No. Appendix D1 is used for separate reporting purposes. Also, the basis of reporting differs as the quarterly Group's Contingent Liabilities is on consolidated basis whereas entity basis is used for Appendix D1.</p>
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<p>27.10</p>	<p>For a counterparty that is a Branch, its Ultimate Borrower will be its Head Office.</p> <p>For a counterparty that is a Corporation/Subsidiary, its Ultimate Borrower will be set as the Corporation/Subsidiary. Because the risks taken is on the company's operations and, in practice, banks have little recourse over the holding company and/or their other sister companies as they are separate legal entities and may be subjected to different jurisdictions in their respective countries, the companies will only be grouped together if they share the same facility with the holding company as its ultimate borrower.</p> <p>We seek to confirm if our interpretation on ultimate borrower is consistent with MAS requirements.</p>	<p>We agree with the respondent's interpretation. The Instruction to Appendix D1 has been revised to "ultimate risk" rather than "ultimate borrower basis" to focus on where the final credit risks reside instead of on the borrower. Except for branches, where the ultimate risk lies with their head offices, the reporting banks should take into consideration all available information to determine the ultimate risk. To illustrate:</p> <ul style="list-style-type: none"> -Singapore borrower (Immediate holding company) -Parent in Malaysia (Ultimate holding company) -Operating subsidiary in Indonesia -Collateral in Philippines <p>In determining where the final credit risks reside, if the continued operation of the subsidiary in Indonesia is crucial to ensure the repayment of the credit facilities granted, then the ultimate risk is in Indonesia.</p>
<p>27.11</p>	<p>We seek further clarification if Parent means immediate parent or ultimate parent as the residency can be different for both, for e.g if the immediate parent of a corporate borrower is domiciled in Malaysia but the parent of the corporate in Malaysia is domiciled in UK, will the loan be required to be reported under "Malaysia" or "UK"?</p>	<p>We have removed "Parent" to simplify the reporting. In this scenario, assuming that the Parent in Malaysia gives a corporate guarantee to the Singapore corporate, the ultimate risk of this corporate is Malaysia.</p>
<p>27.12</p>	<p>Please confirm personal loans against deposits to individuals are to be reported under which type.</p>	<p>Personal loans are to be reported under "households" for the relevant reporting forms for "loans and advances".</p>
<p>27.13</p>	<p>Item 4 of Definitions mentions "trade unions are included in household". Can MAS clarify how to report companies/subsidiaries under the trade union in "Appendix D1 - Assets, Contingent Items</p>	<p>Trade unions should be classified as "Households" in general. In a group structure where the "holding company" has a charity subsidiary, manufacturing subsidiary and a</p>

	<p>and Commitments By Country and By Counterparty - All Currencies (Ultimate Risk) "?</p> <p>For example: Will NTUC Income Insurance Co-operative Ltd, which is part of NTUC (trade union), be reported under "Corporate - NBFI insurance" or under "Trade Union in household"?</p>	<p>finance company, the holding company is to be reported as "Corporate", the charity subsidiary as "Households", the manufacturing subsidiary as "Corporate - Manufacturing" and the finance company as "Corporate - NBFI - Finance companies". NTUC Income Insurance Co-operative Ltd should be classified under "Corporate - NBFI - Insurance companies".</p>
<p>Assets, Contingent Items and Commitments by Country and by Counterparty All Currencies (Immediate Borrower) (Appendix D2 Annex 1)</p>		
<p>28.1</p>	<p>We would like to confirm that the drawee of the bills discounted or purchased is referring to the "issuing bank" of the underlying bills discounted or purchased?</p> <p>For bills, the country classification should be based on residence of the drawee of the bills as the drawee is the final recipient of the credit extended – bills discounted is always export bills and the details of industry of the drawee may not be available with the Bank. Further the country of residence of the drawee will be the same country as per the export documents handled by the Bank?</p>	<p>Please refer to the BIS' Locational Banking Statistics (LBS) Guidelines which is reproduced below:</p> <p>"Trade-related credits mainly take the form of buyer's credit which is granted directly by a reporting bank to a foreign importer on the basis of a letter of credit issued by the importer's bank. In contrast, a supplier's credit is, in most cases, a contract by which an exporter is extending a credit to the buyer on the basis of a trade bill drawn on the latter. It may subsequently be acquired by the reporting bank.</p> <p>These credits should be included in the LBS as a cross-border or local claim, depending on whether the residence of the drawee (who is the final debtor) or that of the presenter of the bill (who has guaranteed payment by endorsing the bill) is used as the criterion for geographical allocation. For the purposes of the locational banking statistics, it is recommended that suppliers' credits be allocated according to the residence of the drawee of the relevant trade bills, as the drawee is the final recipient of the credit extended."</p>

		Banks should report the country of residence of the drawee of the bills based on all information available.
28.2	<p>For bills, the country classification should be based on the residence of the drawee of the bills. We would like to clarify if the term “bills” is referring to the bills discounted or purchased (on-balance sheet) or include Letter of Credit issued or confirmed (contingent liabilities) or both?</p> <p>For LC issued or confirmed, the country classification should be based on the country of residence of the customer who is the applicant for a letter of credit to be issued by the bank to the beneficiary?</p>	<p>The Instructions have been expanded to cover trade-related credits which include "Bills discounted or purchased". Bills should only include on-balance sheet items.</p> <p>Yes.</p>
28.3	<p>Can MAS provide more guidance on how to report assets/liabilities by currency for FX transactions such as FX forward, Cross currency swap, FX Spot? We would like to propose that these FX transactions be excluded from reporting so as to be consistent with similar requirements in MAS 649.</p> <p>Separately, if Derivative MTM is included in the scope, for NDF transaction where settlement is in USD and PV is reflected in settlement currency, we propose to report PV of those transactions in settlement currency (USD) Annex. Can MAS please confirm or advise otherwise?</p>	While FX instruments and derivatives are disclosure items, there is a MTM element on these instruments which are on balance sheet (positive and negative fair value).
Assets by Country and by Counterparty - Immediate Borrower (Appendix D2 Annex 2 – 8)		
29.1	<p>Please confirm that the Fair Value for Financial Derivatives for all counterparty based on ISDA agreements are to be reported under Total assets excluding "Cash and Balances", "Loans and advances", "Bills discounted or purchased", "Debt securities", "Negotiable Certificate of Deposits" and "Amounts receivable under reverse repurchase agreements and Securities borrowed". As ISDA netting is performed on an entity level, only positive Fair Value for Financial Derivatives will be reported for interbank counterparty based on country of residence.</p>	The reporting form has been revised such that “fair value for financial derivatives” is to be separately reported. Only positive fair value for financial derivatives should be reported for interbank counterparty based on country of residence.
Assets, Contingent Items and Commitments by Sector/Positive and Negative Fair Value for Financial Derivatives For Counterparty other than Banks and Households (Appendix D3 Annex 1 Part I & Part II)		

30.1	For short term trade loan which uses FTP (or cost of funds) + margin, is this considered fixed or variable?	This is considered a variable rate since the cost of funds varies.
30.2	Please confirm whether in case of a floating rate loan where only the last instalment is due, the same should be reported as a fixed rate loan since there will be no further interest reset?	This should be regarded as a variable rate loan.
30.3	Under “Loans and advances”, is the split between fixed/variable rates only for counterparties in Singapore or for all counterparties classified under “Total”?	The split between fixed/variable rates applies to all counterparties.
30.4	<p>The Bank seeks to clarify the definition of “Restructured, Refinanced & Extension”, and whether the 3 situations below should be included.</p> <p>a) Client renegotiating with the Bank for better pricing/revised tenor given changes in the market conditions with no adverse account conduct.</p> <p>b) Client can elect to refinance a special purpose loan when the special purpose is served. For example, the purpose of the original loan is for the proceeds to be used to buy certain assets or refinance specific debts. The clients can refinance the original loan for a purpose different from that of the original loan. There is no adverse account conduct.</p> <p>c) Distressed loans. The Bank has originated loans and purchased loans from the market. The Bank seeks to clarify if the treatment will be different if the Bank is the originator of the loan and if the Bank purchased the loan from the secondary market.</p>	<p>The Bank should refer to paragraph 4.5 of MAS Notice 612/1005, Credit Files, Grading and Provisioning on the definition of “restructured”.</p> <p>Yes for a), b) and c). For c), there is no difference whether the Bank is the originator or purchaser of the distressed loans.</p>
30.5	Is Part I “11 – Others” the same as Part II “G – Others”?	No. Part II “G-Others” consists of all counterparties (other than banks and households) other than the items from (A) to (F) while Part I “11- Others” includes all the sectors of counterparties (other than banks and households) other than the sectors from (1) to (10).
30.6	Are individuals to be reported in part II “G – Others”?	No. The reporting form has been revised to exclude “Households”. “Individuals” are part of

		“Households” and are thereby excluded.
30.7	Noted that assets, contingents and commitment to banks should be excluded in this Annex. This will mean that debt securities (issued by banks) and without recourse export financing (with banks as counterparty) will be excluded from this reporting. Please confirm that our understanding is correct.	Yes. Debt securities issued by banks and export financing with banks (without recourse) are excluded from this reporting form. These debt securities and export financing with banks are to be reported in the relevant annexes of Appendix C.
30.8	Please clarify if the information in this Annex is to be reported by customer group or by customer?	The Annex should be completed by customer level.
30.9	For limits granted, understand that MAS has clarified that this refers to limits granted at inception of loan. What about loans where the limits are revised downwards after review? Should the revised limit be reported instead of the original limit at inception?	The limits granted refer to the approved limit at inception of loan or credit reviews. The Instructions have been amended to reflect this intention.
30.10	We believe there will be a potential for inconsistent application by different banks in respect of classifying entities as SMEs (defined as businesses with annual sales turnover of not more than S\$100m) given timing and status of new customer onboarding and annual review. With this in mind, we suggest that MAS consider providing a list of reportable SMEs on a defined regular basis. This will allow for a central reference point for banks to consistently identify SMEs for reporting and lead to enhanced monitoring accuracy.	MAS is not able to provide a list of reportable SMEs on a defined regular basis as we do not collect financial statements of all corporates (including SMEs). Banks should update records (including turnover information) of customer information during annual reviews (refer to MAS Notice 637 Paragraph 7.4.15 b) (ii)) and set up a system that allows for the classification of entities as SMEs based on latest available information.
30.11	Definitions listed below are currently not supported by our information systems. Significant effort will be required to set up and/or review the database for supporting the reporting requirements, or determining the closest internal alternative definition for automated reporting on the various report: 1. Our current internal definition for SMEs includes those with turnover of “less than EUR50m”. 2. Industry classification of counterparties: principal activity by major revenue contributor. For conglomerates with various businesses, the major revenue contributor could fluctuate over time.	The definition of an SME is in line with SPRING Singapore’s definition of an SME, although MAS does not require banks to keep track of the number of employees of an SME. This definition is applicable to all banks, which allows accurate aggregation and comparability of credit provided to SMEs. Banks should ensure that their systems are able to provide the information specified in the revised MAS Notice 610/1003.

<p>30.12</p>	<p>a) Can private banks be exempted from SME reporting?</p> <p>b) If not, do we classify Private Investment Companies (PICs) / domiciliary companies as SMEs?</p>	<p>a) As long as the Bank has exposures to an SME customer (where an SME is defined as a business with annual sales turnover of not more than S\$100m), the Bank should be included in SME reporting.</p> <p>b) PICs and domiciliary companies should also be classified as SMEs if they meet the definition of an SME.</p>
<p>30.13</p>	<p>To clarify that for segregated account held through a trustee company e.g. ABC Trustee Ltd – XXX REITs, should the industry classification be determined based on the trustee (Corporation: NBF1) or on the industry of the actual owner of this account which is a REITs?</p> <p>To clarify if the schedule only includes those loans and advances to non-bank customers, and exposures/new loans of the various items to banks are to be excluded from this Annex?</p> <p>To confirm that the limits granted for loans and advances (including bills discounted or purchased) which are non-revolving loans, are the effective limits derived based the outstanding loans amount plus any unutilised credit limits (which is equivalent to the activated limits less any cumulative principal repayments made).</p> <p>To confirm whether the amount outstanding of loans & advances (including bills) to be reported is exclusive of accrued interest receivable or inclusive of accrued interest receivable? Please note that the limits granted for loans and advances only include principle amounts. For comparable presentation, the amount outstanding should be presented exclusive of accrued interest receivable.</p>	<p>Segregated account held through a trustee company should be classified as a trustee.</p> <p>Yes. Only loans and advances to customers (other than banks and households) are to be reported in this reporting form. New loans of various items to banks are to be reported in the relevant annexes of Appendix C.</p> <p>The definition of “limits granted” for non-revolving credit facilities has been revised. For non-revolving credit facilities, limits are equivalent to the principal outstanding as of reporting date.</p> <p>Consideration has been given to respondents’ suggestion not to include accrued interest receivable/payable in further reporting of the various assets and liabilities items. Therefore, for the purpose of reporting in this Annex, the amount outstanding of the various items is exclusive of accrued interest receivable. The accrued interest should only be included in the outstanding amounts of the financial assets or liabilities that give</p>

	<p>To clarify the basis of reporting for the “New debt securities” for the month/quarter – Does it refer to new debt securities purchased from the issuer upon initial debt issuance or does it include all the debt securities purchased from primary market as well as secondary market during the month? What is the valuation basis for new debt securities issued – is it based on costs of purchase or nominal amount?</p> <p>To clarify the rationale to disclose the “Restructured, refinanced or extended loans and advances” granted for the period. For the case of refinanced loans, would like to clarify if the definition is referring to the refinancing of an existing loans granted by the bank with a new loan and excluding any new loan granted by the bank to refinance an existing loan (e.g. housing loans) granted by another financier of the customers.</p> <p>To clarify if “banks” is missing from the counterparty or we are only required to disclose the analysis of positive and negative fair values to non-bank counterparty in this Annex. As such, the total amount in this table will not tally with the total amounts reported under App B1 and B2, respectively.</p>	<p>rise to the accrued interest for proper presentation on the face of the Statements of Financial Position.</p> <p>“New debt securities” refer to debt securities purchased from the primary market as well as the secondary market during the reporting period. The “new debt securities” should reflect the amounts that are recognised in the banks’ books and not the nominal amount of the debt securities.</p> <p>Loans and advances that are restructured, refinanced or extended within the same bank are not considered new loans and advances. For cases where loans are terminated from Bank A and move on to Bank B, Bank B should report these loans as “new”.</p> <p>“Banks” are not included in this Appendix. The total amounts only relate to information on corporates other than banks. Together with the information on positive and negative fair values from banks in Appendix C1_1, the amounts will tie to Appendix B3 Annex 4 Part I which will flow to Appendices B1 and B2.</p>
30.14	<p>It is stated in the instructions that small and medium-sized enterprises (SMEs) in Singapore will be defined as businesses with annual sales turnover of not more than S\$100million. Is this threshold also applicable to identify SMEs outside Singapore?</p>	<p>Yes, the threshold applies to all SMEs, inside and outside Singapore.</p>
30.15	<p>Please clarify the difference between NBFi: exchanges vs central counterparty clearing house. Where an Exchange is also a Clearing House, which counterparty type will take precedence?</p>	<p>Exchanges are engaged in the business of operating a market, where many buyers can interact with many sellers to conclude or result in transactions in securities, or futures contracts. Clearing houses are</p>

	<p>Contingent liabilities typically refer to an undertaking by a reporting bank to make payment on behalf of its customers when an obligation to make payment arise. For sector information on Contingent Liabilities, please confirm that this relates to exposure to the customer (contingent asset) rather than the party with whom the bank undertakes to pay to (contingent liability).</p>	<p>engaged in the business of operating a clearing facility, which is infrastructure that is set up to carry out the clearing and settlement of transactions in securities, futures or derivatives contracts, which could include transactions which were not concluded on a market</p> <p>For counterparties which are both Exchanges and Clearing Houses, the principal activity should take precedence.</p> <p>The respondent has interpreted our intention correctly. The Instructions have been revised for clarity.</p>
30.16	<p>The Participants would like to clarify whether in instances where information on the mentioned indicators stated in the Notice (e.g. activity with the highest value added of the goods sold or services rendered, proportion of gross output) is operationally not attainable, will classifying the selected assets, contingents and commitments by the borrower’s main business activity suffice.</p> <p>In addition, it will be useful if the MAS could clarify whether Special Purpose Entities or Vehicles used by corporates to securitise loans should be classified as Non-Bank Financial Institutions.</p>	<p>Yes.</p> <p>Yes, Special Purpose Vehicles are to be classified under Corporates – Non-Bank Financial Institutions (NBFIs). We have included a definition for NBFIs in Appendix A1 Annex 1 – Definitions and Instructions.</p>
30.17	<p>We refer to note 9 of the definition: ""Limits" granted refer to limits approved and established in the Bank's system ready for customer's draw down. Limits relate to those that are contractually committed by the bank"", and MAS' clarification on Part IV, Item c & d on page 17 of Q&A section:</p> <p>a) Definition of “Limits granted”: MAS confirmed the term “Limits granted” refers to that granted at the inception of each loan.</p>	

	<p>b) MAS affirmed "limits granted" under footnote "The number of customers should be based on the limits granted" refers to "Committed Limits" recognised in Financial Statutory disclosure.</p> <p>Can MAS advise if our following proposed calculation approach for "limits" granted is in line with MAS' guidance:</p> <p>a) Limits Granted = Loan Outstanding Balance + Commitment reported Off balance sheet ("B/S") following Commitment disclosed in Financial Statements;</p> <p>b) In relation to MAS Q&A response - "Limits granted" refers to that granted at inception of each loan - we would like to clarify that in a scenario where loan is subsequently paid down, our interpretation the Limits Granted will reflect the outstanding Loan amount + Commitment reported off B/S, where total Limits Granted will be lower than the initial limits granted at inception.</p> <p>Please see examples below for further illustration:</p> <table border="1" data-bbox="319 1303 922 1825"> <thead> <tr> <th>Facility No</th> <th>Credit facility type</th> <th>Credit limit</th> <th>Outstanding loan</th> <th>Commitment</th> <th>"Limit" granted to report Appendix B1 Annex 3</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Committed</td> <td>100</td> <td>0</td> <td>100</td> <td>100</td> <td>Client has not started drawing, the whole credit limit will be reported as "Limit granted"</td> </tr> <tr> <td>2</td> <td>Committed</td> <td>100</td> <td>60</td> <td>40</td> <td>100</td> <td>Client has met conditions, and Bank is committed to allow client to draw-down. Both Loan Outstanding + Commitment in Off Balance sheet will be reported as Limits Granted</td> </tr> <tr> <td>3</td> <td>Committed</td> <td>100</td> <td>60</td> <td>0</td> <td>60</td> <td>Out of 100 Principal, 40 has been repaid. 60 outstanding as at reporting date. There is no more commitment for term loan that's fully withdrawn. We propose to report Limit granted as at reporting date is \$60, not original credit limit of \$100 as we view client cannot utilize \$40 limit that has been repaid.</td> </tr> <tr> <td>4</td> <td>Uncommitted</td> <td>400</td> <td>0</td> <td>0</td> <td>0</td> <td>Client has not started drawing even client has signed credit facility. Nil balance is reported in "Limit granted" for this "uncommitted facility". Limits is only committed by the Bank when borrower satisfy all conditions. In this example, assuming conditions are not met by borrower, hence the facility accepted by the borrower will NOT be reflected in F/S as Commitment or Loan Outstanding.</td> </tr> <tr> <td>5</td> <td>Uncommitted</td> <td>400</td> <td>120</td> <td>0</td> <td>120</td> <td>We interpret "Limit" granted here refers to "committed limit". The outstanding loan balance is viewed as committed limit and reported</td> </tr> </tbody> </table>	Facility No	Credit facility type	Credit limit	Outstanding loan	Commitment	"Limit" granted to report Appendix B1 Annex 3	Comments	1	Committed	100	0	100	100	Client has not started drawing, the whole credit limit will be reported as "Limit granted"	2	Committed	100	60	40	100	Client has met conditions, and Bank is committed to allow client to draw-down. Both Loan Outstanding + Commitment in Off Balance sheet will be reported as Limits Granted	3	Committed	100	60	0	60	Out of 100 Principal, 40 has been repaid. 60 outstanding as at reporting date. There is no more commitment for term loan that's fully withdrawn. We propose to report Limit granted as at reporting date is \$60, not original credit limit of \$100 as we view client cannot utilize \$40 limit that has been repaid.	4	Uncommitted	400	0	0	0	Client has not started drawing even client has signed credit facility. Nil balance is reported in "Limit granted" for this "uncommitted facility". Limits is only committed by the Bank when borrower satisfy all conditions. In this example, assuming conditions are not met by borrower, hence the facility accepted by the borrower will NOT be reflected in F/S as Commitment or Loan Outstanding.	5	Uncommitted	400	120	0	120	We interpret "Limit" granted here refers to "committed limit". The outstanding loan balance is viewed as committed limit and reported	<p>Please refer to the revised Instructions.</p> <p>Yes, please refer to the revised definition of "limits".</p> <p>The "limit" in the examples provided are correct.</p>
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30.18	<p>Can MAS provide guidance on how new debt securities/bills purchased for the month is calculated? For example, opening 100, purchased 150, disposal 120, closing 130. Should the Bank report the net increment (30=130-100) or</p>	<p>"New debt securities" should be calculated based on the total debt securities purchased during the month. The Bank should report 150.</p>																																										

	<p>consider the total new purchased during the month (150)?</p> <p>We understand the "new debt securities for the month/quarter" to be proprietary position and exclude agency trades where agency trades are not included in the Bank's position. (The Bank buys from broker and sells to client same amount). Appreciate it if MAS can confirm our understanding.</p>	<p>"New debt securities" should reflect the amounts that are recognised in the Banks' books during the reporting period.</p>																																										
<p>30.19</p>	<p>From Note 11 of the definition - "New loans and advances refer to the total amount approved and accepted regardless of their disbursement" - we understand that the "new loan" here is limited to loan with "irrevocable commitment". i.e. Nil balance will be reported for the new "uncommitted loan" approved and accepted regardless of their disbursement during the period. Please see our illustration below. Can MAS please confirm if our understanding is correct?</p> <table border="1" data-bbox="316 1099 922 1373"> <thead> <tr> <th>Facility No</th> <th>Credit facility type</th> <th>Credit limit</th> <th>Outstanding</th> <th>Commitment</th> <th>New loan Appendix D3- Annex 1</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Committed</td> <td>100</td> <td>0</td> <td>100</td> <td>100</td> <td>The loan approved by Bank and accepted by Client. Client has not started drawing during the month. Whole credit limit amount of committed facility will be reported as new loan for the reporting month.</td> </tr> <tr> <td>2</td> <td>Uncommitted</td> <td>100</td> <td>0</td> <td>0</td> <td>0</td> <td>The loan approved by Bank and accepted by Client. Client has not started drawing during the month. Nil balance will be reported as new loan for the reporting month.</td> </tr> <tr> <td>3</td> <td>Uncommitted</td> <td>100</td> <td>60</td> <td>0</td> <td>60</td> <td>The loan approved by Bank and accepted by Client last month. Client has withdrawn 60 this month. This 60 month withdrawal will be reported as a new loan in this month reporting.</td> </tr> </tbody> </table> <p>If our understanding is not correct, we would like to highlight to MAS that in Appendix D3 Annex 1- Part 1: "limits" granted for new uncommitted loan in the month will be either zero (for un-drawdown loan) or outstanding balance (for drawdown loan) which is less than "New loans and advances" as per MAS note. See an example below:</p> <table border="1" data-bbox="316 1756 922 2007"> <thead> <tr> <th>Facility No</th> <th>Credit facility type</th> <th>Credit limit</th> <th>Outstanding loan</th> <th>Commitment</th> <th>"Limit" granted to report Appendix B1 Annex 3</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Uncommitted</td> <td>400</td> <td>0</td> <td>0</td> <td>0</td> <td>Client has not started drawing even client has signed credit facility, Nil balance is reported in "Limit granted" for this "uncommitted facility". Limits is only committed by the Bank when borrower satisfy all conditions. In this example, assuming conditions are not met by borrower, hence the facility accepted by the borrower will NOT be reflected in F/S as Commitment or Loan Outstanding.</td> </tr> </tbody> </table>	Facility No	Credit facility type	Credit limit	Outstanding	Commitment	New loan Appendix D3- Annex 1	Comments	1	Committed	100	0	100	100	The loan approved by Bank and accepted by Client. Client has not started drawing during the month. Whole credit limit amount of committed facility will be reported as new loan for the reporting month.	2	Uncommitted	100	0	0	0	The loan approved by Bank and accepted by Client. Client has not started drawing during the month. Nil balance will be reported as new loan for the reporting month.	3	Uncommitted	100	60	0	60	The loan approved by Bank and accepted by Client last month. Client has withdrawn 60 this month. This 60 month withdrawal will be reported as a new loan in this month reporting.	Facility No	Credit facility type	Credit limit	Outstanding loan	Commitment	"Limit" granted to report Appendix B1 Annex 3	Comments	1	Uncommitted	400	0	0	0	Client has not started drawing even client has signed credit facility, Nil balance is reported in "Limit granted" for this "uncommitted facility". Limits is only committed by the Bank when borrower satisfy all conditions. In this example, assuming conditions are not met by borrower, hence the facility accepted by the borrower will NOT be reflected in F/S as Commitment or Loan Outstanding.	<p>The definitions on "new loans and advances" have been revised to provide more clarity. The "new loan" in the examples provided are correct.</p>
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<p>30.20</p>	<p><u>Annex 1 Part I</u></p>																																											

	<p>What is the definition of restructured/refinanced/extended loan?</p> <p>Restructured - Can MAS provide further guidance as to what extent amendment(s) made to the facility agreement does it constitute restructured loan?</p> <p>Refinanced - Is the scope limited to the case where the bank refinanced its existing position? Or does it include all refinanced deals, regardless of whether the bank has any position in the initial loan or not?</p>	<p>Restructured/refinanced/extended loans refer to loans where concessions are granted to borrowers. Please refer to MAS Notice 612/1005 paragraph 4.5 for guidance.</p> <p>Yes, the scope is limited to existing positions.</p>
30.21	<p>To clarify if the schedule only includes those loans and advances to non-bank customers. Exposures/New loans of the various items to banks are to be excluded from this Annex?</p> <p>To clarify the basis for reporting of “New bills discounted or purchased for the period” which is short term in nature and are generally revolving facilities which can be re-drawn upon repayment.</p> <p>Two scenarios:</p> <p>For customers with advised credit limits granted, to report the new bills granted in the facilities activation month and subsequently on incremental activated limits in the month of the limit increase. Under this scenario, the new bills granted will be reported once throughout the facilities tenor based on the activated limits, regardless of the actual amounts of bills discounted throughout the tenor.</p> <p>For customers where bills discounted (without recourse) are chalked against the bank limits (typically unadvised limits) – should each of the bills discounted be reported as new loans based on the bills discounted date?</p>	<p>This Appendix only includes loans and advances to counterparties other than banks and households.</p> <p>Yes, new bills should be reported in the facilities’ activation month. The same facilities should not be reported in the following month.</p> <p>Yes, these bills are to be reported.</p>
Assets, Contingent Items and Commitments by Purpose (Appendix D3 Annex 2)		
31.1	<p>The Bank has reviewed the guidance on the categories under D3 Annex 2 and seek to clarify if Commodity Trade Finance should be classified as</p>	<p>Commodity Trade Finance should be classified as underlying goods financed.</p>

	<p>i) Trade Finance Product (e.g. Structured Trade Finance Products or Standard Trade Finance) or ii) Underlying goods financed.</p> <p>In the instances of Commodity Trade Finance with elements of i) and ii), the Bank seeks to clarify which category should take precedence in the classification of such products.</p> <p>Can we classify the purpose as commodities financing based on the underlying collaterals if the collateral is in the nature of commodities goods.</p>	<p>Yes.</p>
<p>31.2</p>	<p>The Consultation Paper proposes for the amount of secured and unsecured loans and advances to non-bank counterparty to be reported.</p> <p>It would be useful if the MAS could clarify:</p> <ul style="list-style-type: none"> • Whether “Grey-out” cells are required to be completed; and • For facilities that are partially secured, how the secured and unsecured columns should be reported <p>We would like to highlight that for the private banking industry, credit facilities granted are mainly Lombard facilities and the drawdown of such facilities are usually allowed as long as there is sufficient collateral. Operationally, the private bank customers do not usually provide the purpose of the drawdown to the bank. Hence, it would be useful if the MAS could clarify whether it would be appropriate for such Lombard credit facilities to be categorised under “Other Loans – Business Purposes” or “Other Loans – Non-Business Purposes” (for households) and “Other Corporate Loans – Business Purposes” or “Other Corporate Loans – Non-Business Purposes” (for non-households).</p> <p>We would like to appeal for the MAS to consider standardising the purpose of credit facilities between Households and Non-households. This</p>	<p>“Grey-out” cells are not to be completed. Credit facilities can only be “secured” or “unsecured” – please refer to the definitions in Appendix A1 Annex 1.</p> <p>Lombard credit facilities to individuals and families of private banking customers should be categorised under (i) “Other Loans” in Appendix D3 Annex 2 Part I. If the credit facilities are for business purpose, to report under “of which - Business purposes”. If such credit facilities are granted to private banking customers that are incorporated for the purpose of wealth management including private investment companies, these are to be reported under (g) “Others” and “of which – Wealth management purposes” in Appendix D3 Annex 2 Part II.</p> <p>We have retained the distinction as the purpose of credit facilities is different for households and other</p>

	would facilitate a more efficient data collection and reporting process.	than households, and this allows us to draw insights into the different sectors.
31.3	We seek further clarity and examples from MAS regarding the definition of "secured" trade finance loans/bills.	Trade finance loans/bills are "secured" only if there are tangible assets that are pledged to the reporting banks by the borrowers for the use of these credit facilities.
31.4	From the note 15 of the definition "All types of guarantees (including personal or corporate guarantees) are not considered collateral", we understand the loan secured by Standby LC issued by a bank (one form of guarantee issued by a bank) would therefore be reported as unsecured loan under Appendix D3 Annex 2 Part I and Part II. Appreciate it if MAS can confirm if our understanding is correct.	Yes. This Standby LC issued by a bank is considered as unsecured for the purpose of MAS Notice 610/1003 reporting.
31.5	From note 14a) of definition where "secured portion refers to the amount that is supported by tangible assets (properties, shares/securities, fixed deposits etc.) and the value of the collaterals can be more or less than the outstanding loans", we propose to calculate secured portion of the loan as follows: - to report the lower of collateral value before haircut and outstanding loan as secured amount e.g. secured portion will be \$95 for loan with outstanding \$100 and collateral value before haircut of \$95. Remaining \$5 will be reported as unsecured portion. Is this MAS' intention as well?	Banks will need to repossess the given collaterals to satisfy the debts of borrower/counterparty when the cash flow of the borrower/counterparty cannot service the loans. As such, value of collaterals for non-performing credit facilities should reflect the realisable value for recovery of the credit facilities. In the example provided, no haircut should be applied if the credit facilities are still performing. The secured loan in the example given is \$100 (i.e. collateral value of \$95 can be less than the outstanding \$100). If the credit facilities are non-performing in the same example and the bank is aware of events that may reduce the value of the collateral, the secured portion should be reflected after taking into account the haircut.
31.6	1) We understand from Instruction Note.1 "Accounts should be classified according to end-use (i.e. purpose of the credit facilities)" that loan purpose is reported at credit facility level, not	1) Yes, the reporting is based on credit facility level.

	<p>drawdown level. Can MAS confirm our understanding?</p> <p>2) We propose to report credit facilities (e.g. revolving credit facilities) with a) either multi-loan purposes or b) no specific loan purpose (e.g. to finance working capital) under item i - "other loan" of Part I or item g - "others" of Part II. Kindly advise if this interpretation is in line with MAS' expectation.</p> <p>3) Can MAS clarify "Share financing" is not only limited to Equity share financing but also include other financial instruments financing like debt securities; Structured Note, etc.? If not, please advise where do we report non-EQ financial instruments financing?</p>	<p>2) Yes, Part I: "other loans" and Part II: "others".</p> <p>3) Share financing is financing extended for the purchase of shares. Other financial instruments should be reported under "others".</p>
Liabilities by Country and by Counterparty – All Currencies (by Residency) (Appendix D4 Annex 1)		
32.1	Should investment holding companies be reported under "Other sectors"?	Investment holding companies are to be reported under "Corporates".
32.2	Could the reporting by country be based on a selected list of major countries or by region instead of by the detailed listing of countries in the proposed forms?	The list of reporting countries is in accordance with BIS requirements.
Classification and Fair Value Measurements of Assets and Liabilities (Appendix E Annex 1)		
33.1	The Bank would like to seek clarity on which part of the format should the number of Assets and Liabilities of which Fair Value is not applicable be indicated.	Such amounts should be reported in "Amortised cost". Please also refer to footnotes 1 and 2 on non-financial assets/liabilities.
Statement of Financial Position, Contingent Liabilities, Commitments, Derivatives and Other Items (Islamic Banking) (Appendix E Annex 2)		
34.1	<p>Please clarify the statement "holding of Islamic securities for trading purpose is not considered as Islamic banking activity."</p> <p>It is stated in the General Instruction #24 that this Annex is only applicable to banks that conduct Islamic Banking activities. For the avoidance of doubt, we would like to clarify if the Bank just holds Islamic assets (e.g. Sukuk bonds or Islamic interbank lendings) and/or liabilities (Islamic interbank borrowings), will this be in scope of this Annex?</p>	<p>The purpose of this reporting form is to provide information on the assets, liabilities and other items that are Islamic in nature. Such Islamic items are currently reported together with the assets and liabilities and other items of banks that are involved in banking activities including Islamic Banking activities. For clarity, the Instruction has been amended to "The Statement of Financial Position, Contingent Liabilities, Commitments, Derivatives and Other Items (Islamic Banking) is applicable to banks with</p>

		relevant Islamic banking assets, liabilities and other items. Sukuk bonds and Islamic interbank lendings are examples of Islamic banking assets. Islamic banking liabilities would include Islamic interbank borrowings.”
Asset Ageing Analysis by Counterparty and by Purpose (Appendix E Annex 3)		
35.1	With the introduction of this Appendix in the revised MAS 610, we request MAS to consider continual requirement of MAS 613 Form 4: Maturity analysis.	The information previously required in MAS 613 Form 4: Maturity Analysis and currently required in MAS 649 Form 2 Section 2: Cashflow analysis of on and off-balance sheet items (Contractual Basis) is different from Appendix E Annex 3. The latter requires reporting of the account conduct of “Loans and Advances”, “Bills discounted or purchased” and “Debt Securities”.
35.2	<p>For bills discounted, if the counterparty is a sole proprietor, should the bills balance be classified under “Others” as there is no “Households” category under the counterparty type.</p> <p>To re-confirm that the amounts to be presented in this table is the gross outstanding amount, including accrued interest receivable but before the netting of specific allowance and collective allowance. The Formulae Notes seems to suggest that the amount is reconciled to the loans and advances (including bills) net of specific and collective allowances. The allocation of the collective allowance to the respective bucket and by counterparty types will be arbitrary as the computation is not based on specific loans.</p> <p>For Loans and advances by purpose for households and for individual only, to clarify that (a) = (a)(i) + (a)(ii) + (a)(iii).</p>	<p>We have revised the definition of “Households” to exclude sole-proprietors. Bills discounted by a sole proprietor are to be reported as “Corporates” under Part I of the reporting form.</p> <p>The reporting form has been revised such that reporting of various asset items is only on the gross outstanding amount excluding accrued interest receivable and before the deduction of specific and collective allowances. The illustrative validation formulae have been amended to reflect the intention.</p> <p>No. “Of which” denotes a subset of the “total” of the descriptive item. The summation of all “of which” items does not necessarily equal to the “total”. Such items are for additional disclosure purposes.</p>

	To have more clarification of what are the loans that are to be included as loans for business purposes? Does it include short term loans granted for investment purposes?	In general, loans for business purposes refer to working capital requirements. As such, these do not include short term loans granted for investment purposes. These short term loans granted for investment purposes are to be reported under "Other loans".																																																																																																																														
35.3	<p>As there is no specific guidance on how to report past due loan, we would like to propose our reporting approach based on different scenarios (see below) for an illustrative reporting period of 30 September 2015. Can MAS advise if our reporting approach is in line with MAS' expectation? If not, we would appreciate it if MAS can advise the correct reporting logic.</p> <table border="1"> <thead> <tr> <th></th> <th>Maturity date</th> <th>Amount</th> <th>Overdue days</th> <th>MAS reporting</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td colspan="6">Scenario 1: Term loan</td> </tr> <tr> <td>Principal</td> <td>31-Dec-20</td> <td>1000</td> <td>-</td> <td>1000</td> <td>Current</td> </tr> <tr> <td>Interest</td> <td>02-Sep-15</td> <td>10</td> <td>28</td> <td>10</td> <td>Past due less than 30 days</td> </tr> <tr> <td colspan="6">Scenario 2: Term loan with instalment</td> </tr> <tr> <td>Total Principal Outstanding</td> <td>31-Dec-20</td> <td>1000</td> <td>-</td> <td>300</td> <td>Current Principal Portion that's not yet due will be reported as current</td> </tr> <tr> <td colspan="6">In which</td> </tr> <tr> <td>One Instalment</td> <td>02-Sep-15</td> <td>100</td> <td>28</td> <td>100</td> <td>Past due less than 30 days</td> </tr> <tr> <td>Interest</td> <td>02-Sep-15</td> <td>10</td> <td>28</td> <td>10</td> <td>Past due less than 30 days</td> </tr> <tr> <td colspan="6">Scenario 3: Term loan</td> </tr> <tr> <td>Total Principal Outstanding</td> <td>31-Dec-20</td> <td>1000</td> <td>-</td> <td>1000</td> <td>Current</td> </tr> <tr> <td>Interest</td> <td>31-May-15</td> <td>10</td> <td>122</td> <td>10</td> <td>Past due 121 to 180 days</td> </tr> <tr> <td>Penalty on overdue interest</td> <td>30-Sep-15</td> <td>1</td> <td>-</td> <td>1</td> <td>Past due less than 30 days. It's reported as past due because client is unable to repay interest in which the penalty is calculated.</td> </tr> <tr> <td colspan="6">Scenario 4: Revolving loan: The final maturity date of facility in the future. Current loan is due and Bank has rollover loan with current period interest capitalized in next period principal</td> </tr> <tr> <td>Principal</td> <td>30-Sep-15</td> <td>1000</td> <td>-</td> <td>1000</td> <td>Current</td> </tr> <tr> <td>Interest</td> <td>30-Sep-15</td> <td>10</td> <td>-</td> <td>10</td> <td>Current</td> </tr> <tr> <td colspan="6">Scenario 5: Revolving loan: The final maturity date of facility in the past. The loan is therefore reported as past due now as no more rollover is allowed</td> </tr> <tr> <td>Principal</td> <td>30-Jun-15</td> <td>1000</td> <td>32</td> <td>1000</td> <td>Past due 31 to 120 days</td> </tr> <tr> <td>Interest</td> <td>30-Jun-15</td> <td>10</td> <td>32</td> <td>10</td> <td>Past due 31 to 120 days</td> </tr> </tbody> </table>		Maturity date	Amount	Overdue days	MAS reporting	Comments	Scenario 1: Term loan						Principal	31-Dec-20	1000	-	1000	Current	Interest	02-Sep-15	10	28	10	Past due less than 30 days	Scenario 2: Term loan with instalment						Total Principal Outstanding	31-Dec-20	1000	-	300	Current Principal Portion that's not yet due will be reported as current	In which						One Instalment	02-Sep-15	100	28	100	Past due less than 30 days	Interest	02-Sep-15	10	28	10	Past due less than 30 days	Scenario 3: Term loan						Total Principal Outstanding	31-Dec-20	1000	-	1000	Current	Interest	31-May-15	10	122	10	Past due 121 to 180 days	Penalty on overdue interest	30-Sep-15	1	-	1	Past due less than 30 days. It's reported as past due because client is unable to repay interest in which the penalty is calculated.	Scenario 4: Revolving loan: The final maturity date of facility in the future. Current loan is due and Bank has rollover loan with current period interest capitalized in next period principal						Principal	30-Sep-15	1000	-	1000	Current	Interest	30-Sep-15	10	-	10	Current	Scenario 5: Revolving loan: The final maturity date of facility in the past. The loan is therefore reported as past due now as no more rollover is allowed						Principal	30-Jun-15	1000	32	1000	Past due 31 to 120 days	Interest	30-Jun-15	10	32	10	Past due 31 to 120 days	<p>Please see our response to the examples provided.</p> <table border="1"> <thead> <tr> <th colspan="2">MAS' Response</th> </tr> </thead> <tbody> <tr> <td>< 30 days</td> <td>1,000</td> </tr> <tr> <td>< 30 days</td> <td>1000</td> </tr> <tr> <td>121 to 180 days</td> <td>1000</td> </tr> <tr> <td>Current</td> <td>1000</td> </tr> <tr> <td>31 to 120 days</td> <td>1000</td> </tr> </tbody> </table>	MAS' Response		< 30 days	1,000	< 30 days	1000	121 to 180 days	1000	Current	1000	31 to 120 days	1000
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35.4	Can MAS provide more guidance on past due status reporting for debt securities? We understand that trading debt securities is not subject to this reporting as the bank is marked to market daily. Please advise if our understanding is correct.	Trading debt securities are subject to this reporting.																																																																																																																														
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36.1	<p>Please clarify if "Individuals" are to be reported in Part I "Others" and Part II Loans and Advances Total.</p> <p>Please clarify if the number of classified accounts includes Households and is to be reported under "Others".</p>	The reporting form has been amended to reflect that households (which include individuals) are not within the reporting scope.																																																																																																																														
36.2	Should the number of accounts be reflected on a group basis?	The "Number of accounts" should be reflected on a customer basis.																																																																																																																														

36.3	Can MAS provide more guidance on the definition of rescheduled/extended debts securities? We are of the view that, in practice, rescheduled/extended feature is applicable for Loans/advances, but not applicable for trading debt securities as the information may not be available to the bank as an investor.	Trading debt securities are required to be reported in Appendix F Annex 1 only if they are classified exposures.
Assets by MAS Notice 612/1005 Classification and by Country (Appendix F Annex 2)		
37.1	Please clarify that Singapore Government Securities and MAS bills are not to be reported in "Debt Securities".	Singapore Government Securities are to be reported under "Governments" and "Singapore" if applicable. MAS bills are to be reported under "Others" and "Singapore" if applicable.
37.2	Please clarify if contingent exposure from derivatives is in scope for this annex. For the current MAS Notice 612/1005 reporting, the exposure from derivative is reported as "Contingent" exposure, calculated based on the MTM from derivative trades with positive MTM only. If it is in scope, should it be reported under "Contingent Liabilities"?	Exposure from derivatives is within the scope of this reporting form. The amount calculated based on the MTM from derivative trades with positive MTM, is to be reported under "Other graded assets". Other than the contingent liabilities that arise from legal proceedings and regulatory matters against the reporting banks, the reportable contingent items are listed in Appendix B3 Annex 1 and refer to the exposure to customers.
37.3	To clarify if "collective allowance" refers to "general allowance". Propose to remove the requirements to disclose "Collective allowance by country" as any allocation to the country will be arbitrary as collective assessment is not earmarked specifically for each borrower. To confirm that Negotiable Certificates of Deposits (which is of similar nature as debt securities) is not required in this Annex.	Yes, "collective allowance" refers to "general allowance". Collective allowance, while not earmarked for each borrower, can be provided for each country. The reporting form has been amended. Reporting forms have been amended to include "Other graded assets" which include Negotiable Certificates of Deposits.
37.4	Does the category "Others" in the Annex include households?	No. "Households" are not included in "Others" in this Annex.
37.5	Note 12 & 13 of definition has defined "secured/unsecured" credit facility. There is however no definition of secured debt securities/bills purchased and other assets. We	The Bank should obtain information if debt securities are secured or unsecured, in particular for triggered events.

	<p>propose to limit secured/unsecured disclosure to loans & advances/bills discounted because collateral information may not be available to secondary investor to source secured/unsecured information for debt securities especially when the Bank buys debt securities from secondary market for trading purpose.</p> <p>Furthermore, with respect to OTC/listed derivatives with collateral (e.g. cash margin), can MAS clarify whether OTC/listed derivatives with collateral is considered secured? if yes, we would appreciate your guidance on how to report secured portion for the following sample: - the Derivative with ISDA netting agreement with a counterparty in which: Derivative MTM receivable 100; Derivative MTM payable 80; Cash collateral received based on net MTM receivable 20. Should the whole gross amount 100 or only 20 secured by cash collateral be reported as secured portion?</p>	<p>Yes. For the case provided, the secured portion is 20 when the counterparty underlying the derivative transaction becomes non-performing.</p>
Classified Assets by Sector, Purpose and Counterparty (Appendix F Annex 3)		
38.1	<p>Please clarify if the basis of reporting the number of accounts is according to the count at customer level.</p> <p>Example 1: for Part I, if customer A is a manufacturing company with both loans and advances and contingent liabilities outstanding, the number of accounts to report is 1 respectively for both columns.</p> <p>Example 2: Part II, if customer has 2 loans with different purposes, the number of accounts to report is 1 each under the respective purposes.</p>	<p>The reporting form has been amended to reflect multiple facilities granted to borrowers.</p> <p>For Example 1, the “Number of Borrowers” is “1”.</p> <p>For Example 2, the respondent’s interpretation is correct such that individuals granted 2 loans with different purposes will need to be reported as “1” under respective purposes.</p>
38.2	<p>For the “Number of accounts/borrowers, to clarify that if the bank only have 1 borrower and the borrower has outstanding amounts in “Loans and Advances” and “Debt Securities” respectively, we shall report 1 account/borrower each under “Loans & Advances” and “Debt Securities”, respectively.</p>	<p>The reporting form has been amended. It will be just 1 borrower for the case illustrated by the respondent.</p>

38.3	Can MAS advise where MAS Bill or government bonds will be reported under Part 1? The Bank treats MAS as a non-bank customer.	Only classified assets i.e. assets graded as Substandard, Doubtful and Loss in accordance with MAS Notice 612/1005 should be reported in this Annex. MAS Bill and government bonds should be reported.
Classified Assets by Sector and by Country (Appendix F Annex 4)		
39.1	To clarify that Loans and advances to Households will be reported under "Other Sectors" together with Government, Public Service Entities, Banks etc., if any.	Yes.
Interest Rate Re-pricing (Appendix G)		
40.1	The instructions for completing the Interest Rate Repricing forms advise that items in the trading book are to be excluded. However, Appendix G has 2 items "Net trading book asset" and "Net trading book liability" under "Assets" and "Liabilities" respectively. Please clarify the discrepancy.	We have amended the Instructions to explain the requirement.
40.2	For "material currency" mentioned in Note 2 of the instruction, can MAS confirm that we can rely on the same "significant currency" concept identified as part of MAS notice 649 "Liquidity Coverage Ratio"?	We have considered your feedback but have decided not to align the two concepts. We have further revised the definition of "material currency" to be any currency accounting for 5% or more of a bank's non-trading book assets or liabilities.
40.3	We note instruction 2 requires exposures in foreign currencies that do not meet the criteria of material currency to be grouped together for reporting. We would like to understand the rationale for this requirement imposed on immaterial currencies as this implies that all currencies, regardless of materiality, are required to be reported in this Annex.	This is for us to have a complete view of the Bank's interest rate risk in its non-trading book when all currencies are included. We have considered banks' common practices. Instead of requesting for information on the aggregate of the non-material currencies, we would require banks to report positions on an aggregated basis for the entire non-trading book, in addition to separate forms for each material currency.
40.4	To clarify that for the purpose of determining the material currency, the Bank should exclude Exchange Position arising from past foreign exchange transactions as the sum of exchange position across currency should sum up to zero.	The Instructions have been amended.

40.5	<p>Propose to adopt a more practical approach in determining the material currency to be reported for ease of report generation e.g. set the material currency based on the total assets/liabilities as of last year end.</p>	<p>We have considered your feedback. Banks are to determine materiality at the end of each reporting period.</p>
40.6	<p>The Consultation Paper proposes that a separate reporting form will be required for each material currency for reporting interest rate repricing positions (Appendix G).</p> <p>We would like to request for the MAS to consider requiring separate reporting forms for the top three or five currencies instead. This will allow the MAS to receive relevant information on material currencies, at the same time reduce the reporting burden of tracking all currencies against the threshold of 5% of assets or liabilities.</p> <p>If the intention is to continue to require the reporting of all material currencies, it would be useful if MAS could clarify, in the scenario where a bank has three material currencies (i.e. USD, JPY and EUR) which of the following treatment would be appropriate.</p> <p>i. To use four separate reports – USD, JPY, EUR and other immaterial currencies ii. To use three separate reports – USD, JPY, other immaterial currencies (which include EUR)</p>	<p>We have amended the Instruction notes to one report for each material currency and one report for bankwide.</p> <p>In the case cited, there will be four separate reports: USD, JPY, EUR and bankwide.</p>
40.7	<p>We seek clarification from the MAS on the calculation of “material currencies” (5% threshold). A working example is provided as follows:</p> <p>a. Total Assets = S\$5bn (of which S\$2bn relates to Non Trading) b. Total USD Assets = S\$1bn (of which S\$0.5bn relates to Non Trading)</p> <p>The computation of the 5% threshold will be calculated by taking only non-trading assets for both numerator (USD non-trading assets) and denominator (Total non-trading assets): $(S\\$0.5bn \div S\\$2bn) \times 100\% = 25\%$</p> <p>We would like to confirm if the above computation method is correct.</p> <p>We would like to suggest increasing the threshold proposed from 5% to 20%.</p>	<p>The Instructions have been amended to clarify the requirements.</p>

40.8	<p><u>Maturity bucket</u></p> <p>We seek clarification on the treatment and illustration required on products without maturity tenor which are interest rate sensitive, e.g. current / savings deposits, overdrafts etc.</p>	<p>Assets and liabilities lacking a definitive repricing date should be assigned to repricing time buckets according to the expected repricing dates. Banks are required to explain the basis for such assignments. Where customer behaviour assumptions are made (e.g. prepayment), Banks are also required to provide their basis of assumptions. These bases should be reported in the Notes to Reporting Forms (Appendix L).</p>
40.9	<p><u>Fix / Floating Rate</u></p> <p>The bank offers an in-house rate product where the re-pricing is subject to the bank's discretion. We seek clarification whether such rate type offered is considered as Fix or Floating Rate product.</p>	<p>These are administered rate products which may not fall directly under the fix and floating categories. As stated in the Instruction, assets and liabilities lacking a definitive repricing date should be assigned to repricing time buckets according to the expected repricing dates. Bank is required to explain the basis for such assignments in the Notes to Reporting Forms (Appendix L).</p>
Interest Rate Re-pricing (Appendix G Annex 1)		
41.1	<p>Bank should complete a separate reporting form for each material currency (defined as accounting for 5% or more of their assets or liabilities). The foreign currency amount must be converted into SGD using the Bank's in-house currency conversion rates. Where there are exposures in foreign currencies that do not meet the definition of material currency (i.e. immaterial currencies), these exposures are to be grouped together and reported in SGD under a separate reporting form.</p> <p>To set a materiality threshold that determine reporting currency on a periodic basis may induce significant operational difficulty in terms of system implementation. In addition, the system have to be capable of identifying material currency and group up immaterial currencies and reported in SGD under a separate reporting form. We suggest fixing the reporting currency and report by SGD, USD, EUR, JPY, GBP, CHF, RMB, and all currencies under</p>	<p>We have considered your feedback and comments from other banks. We will now require banks to complete:</p> <ul style="list-style-type: none"> • A separate reporting form for each material currency (defined as accounting for 5% or more of their non-trading book assets or liabilities). • A separate form on its interest rate positions in the non-trading book on an aggregated basis (including all currencies, material or non-material) <p>We will give banks sufficient time to implement the necessary system changes for this requirement.</p>

	separate reporting form to ease operational burden.	
41.2	What does "Others" in the Off Balance Sheet section refer to?	<p>"Others" category is provided to cater for items which have not been explicitly requested in the form.</p> <p>For example, Financial Derivatives (non-trading portfolio) has been explicitly mentioned in the off-balance sheet category. However, there could be other items which affect the current interest rate risk profile, such as commitment with the timing known and rate locked. Such items should be included under "Others".</p>
41.3	When determining the material currency, should the off balance sheet be considered? If yes, should we use the purchase side currency to determine material currencies?	<p>Off balance sheet positions which give rise to interest rate risk should be included in the numerator but not in the denominator.</p> <p>Foreign currency amounts must be converted into SGD using the Bank's internal currency conversion rates.</p>
41.4	How should the bucketing of MTM be done for the re-pricing schedule? Under the Asset and Liability Management policy, the MTM is bucketed as non-sensitive and in the last bucket.	Please report such items under "non-interest rate sensitive".
41.5	Can MAS provide a numerical example of trading and non-trading derivatives (including both PV currency legs and notional currency legs) and illustrate how the different components should be reported in the Appendix e.g. cross currency swap?	<p>As highlighted in the Instructions, only positions from non-trading books are to be reported.</p> <p>Please refer to the following examples for illustration.</p> <p>A bank enters into a 5-year swap with a face value of \$10 million, under which the bank pays fixed and receives floating with quarterly resets. The swap should be initially recorded in the interest rate repricing schedule as negative \$10 million in > 3 up to 5 years' time bucket and positive \$10 million in the >1 up to 3 months' time bucket (as the next</p>

		<p>interest rate reset date occurs in 3 months' time).</p> <p>For cross currency swaps, the separate legs of cross currency swaps are to be treated in the relevant maturity ladders for the currencies concerned.</p>
41.6	<p>What does item (10) "Net Trading Book Asset" refer to in the light that this schedule is meant for non-trading book?</p>	<p>We have amended the Instructions to clarify our requirement.</p>
<p>Property Loan to Value Ratio (For the Purchase of Property) (Appendix H)</p>		
42.1	<p>For joint housing loan, should it be counted as one outstanding housing loan in line with guidance provided for joint accounts held for deposits and loans?</p> <p>If housing loan is committed but amount is not disbursed, should the Bank consider the loan as new housing loan?</p> <p>If the housing loan is uncommitted, do they need to be reported as new housing loans?</p>	<p>Joint housing loans should only be counted once i.e. treated as one outstanding housing loan.</p> <p>For new housing loans, reporting should be based on limits granted, i.e. for facilities that are committed but not yet disbursed, the full amount should be included.</p> <p>Uncommitted lines should not be included. Only loan facilities that are approved and accepted should be included.</p>
42.2	<p>We would like to seek clarification on the following points:</p> <p>For the columns "Number of new housing loan accounts" and "New housing loans": Are these referring to loans which are approved and accepted during the current reporting period (i.e. for Dec2014 submission, report approved and accepted loans in the months of Oct 2014 to Dec 2014")?</p> <p>If a loan is approved in Dec 2014 but accepted only in Jan 2015, is it required to be reported in Dec 2014 submission or next quarter (March 2015) submission?</p>	<p>"Number of new housing loan accounts" and "New housing loans" refer to loans approved and accepted during the reporting period.</p>
42.3	<p>There might be cases where companies are granted unsecured loans which may be used for</p>	<p>All loans taken for the purchase of properties by individuals and non-individuals should be included in this</p>

	<p>the purpose of investing or development of properties.</p> <p>Does bank include only loans that is secured with property collateral (i.e. loan where the “financed” property will be taken as collateral)?</p> <p>The Consultation Paper proposes that the loan to value ratio for the purchase of property is to be reported.</p> <p>It would be useful if the MAS could clarify whether only loans that are secured with property collateral are to be included in this reporting form (i.e. unsecured loans which may be used for the purpose of investing or development of properties are not to be included).</p>	<p>tab. For computation of LTV, please include the value of property collateral only.</p>
42.4	<p>We would like to request clarification on what is definition of “Other Property Loans”?</p> <p>Please provide examples of “other property loans”.</p>	<p>Other property loans could include loans granted for construction of schools, hospitals, religious buildings etc.</p>
42.5	<p>This schedule requires reporting by type of properties, residential/ commercial/ industrial/ other. Please provide the business rule for reporting of a loan with single tranche granted for purchase of both residential and commercial properties, ie secured/ collateralised by these 2 types of properties.</p>	<p>Where possible, the bank should provide a split by the types of properties. For instance, for a \$10 million loan facility, if 80% of the loan is collateralised by residential property and another 20% is collateralised by commercial property (based on the value of the property collateral), please report \$8 million under residential property and \$2 million under commercial property.</p>
42.6	<p>Please provide the LTV computation rule if there are also mortgage equity loans, which do not form part of ‘Outstanding housing loans’</p>	<p>As set out in the Instruction, the property loans reported should include mortgage equity withdrawal loans.</p>
42.7	<p>We seek clarification if loans for purchase of shophouses should be reported under the “Residential”, “Commercial” or “Industrial” category.</p>	<p>Shophouses should be reported under commercial property.</p>
42.8	<p>Should accrued interest receivable and/or individual allowances be included in the “outstanding housing loans” reported?</p>	<p>Neither accrued interest receivable nor individual allowances should be</p>

		taken into account in “outstanding housing loans”.
Foreign Exchange, Interest Rate and Commodities Derivatives Turnover (Appendix I)		
<u>Basis of reporting and scope</u>		
43.1	<p>As the reporting months are different from the other quarterly reporting – Mar, Jun, Sep & Dec, this creates inconsistency. We would like to suggest that all quarterly reports fall in the same month for easy monitoring.</p> <p>We would like to request for the MAS to consider aligning the quarterly submission period for Appendix I to the usual quarterly submission period of March, June, September and December to facilitate more efficient monitoring of reporting deadlines. Alternatively, it will be useful if the MAS could explain the rationale for Appendix I to be submitted on a timeline different from the usual quarterly submission period of March, June, September and December.</p>	<p>The reporting months for Appendix I are set to coincide with the Singapore Foreign Exchange Market Committee (SFEMC) Survey, which is conducted every April and October. This facilitates the reporting and collection of data for generation of the SFEMC Survey.</p> <p>Banks should note that only activities in the months of Jan, April, July and Oct are required to be reported, instead of the entire quarter.</p>
43.2	The format and requirements are similar to the BIS Triennial survey and it is very onerous for banks to prepare this on a quarterly basis. The bank proposes that the frequency should be reduced, at least on an annual basis.	We have reduced the reporting frequency from monthly to quarterly to reduce compliance burden on the banks following the increase in data fields collected. If needed, we will adjust the reporting frequency, bearing in mind the need for market transparency and trend analysis.
43.3	Please confirm if credit derivatives, equities, commodities, and NDF be reported in this section.	<p>Non-deliverable forwards are FX instruments and are required to be reported. We have added Part VII to Appendix I to collect commodity derivatives turnover data. Gold would be reportable under this newly added part.</p> <p>The remaining are not FX products and hence not required to be reported.</p>
43.4	We noted that transactions in gold should not be reported in Appendix I on FX turnover, which covers foreign exchange and interest rate derivatives but rather in Appendix B3 Annex 4 on	We have added Part VII to Appendix I to collect commodity derivatives turnover data. Gold would be

	<p>Financial Derivatives, which covers not only foreign exchange and interest rate derivatives but also equity, commodity, credit and other derivatives.</p> <p>We would like to confirm that all gold related transactions (XAUXXX), physical or paper, do not have to be reported in Appendix I.</p>	<p>reportable under this newly added part.</p>
43.5	<p>Foreign Exchange Turnover Instructions – point 4 (a) – Swaps : “the amount to be reported is the value of the unsettled forward leg.” To clarify if there is a need to report for forward leg of swap that has taken value during the period as at end of reporting period.</p>	<p>Foreign exchange swaps that are transacted and also settled during the reporting period should be reported. For turnover, only the forward leg should be reported as such. The spot leg should not be reported at all, i.e. neither as spot nor as foreign exchange swap transactions.</p> <p>Short-term swaps, such as “tomorrow/next day” transactions, where both legs fall within the reporting period should be reported.</p>
43.6	<p>We would like to clarify with MAS the reporting requirements of the following types of FX contracts:</p> <p>i. On the treatment of FX trades resulting from exercised options/swaps, we would like to confirm whether it needs to report both the options/swaps and the FX leg of the options/swaps.</p> <p>ii. On the treatment of novation trades, we would like to confirm whether it needs to report a novated trade.</p>	<p>i. Yes. Swaps should be reported in the swap column and are not to be reported again in the spot and forward columns. The amount to be reported is the value of the unsettled forward leg.</p> <p>ii. OTC derivatives transactions that are centrally cleared via central counterparties (CCPs) should be reported on a pre-novation basis (i.e with the original execution counterpart as counterparty). Any post-trade transaction records that arise from central clearing via CCPs (eg through novation) should not be reported as additional transactions.</p>
<p><u>Treatment of back-to-back trades, electronic trades, back-dated trades and clarification on “traded” concept</u></p>		
43.7	<p>It is stated in the instructions that trades conducted as back-to-back deals are excluded. The examples provided apply to transaction between parent-branch or branch-branch. The reporting Bank is a Singapore incorporated subsidiary and its head office is an overseas</p>	<p>No. Back-to-back trades conducted between separate reporting banks should be reported.</p> <p>Generally, trades conducted as back-to-back deals and trades to facilitate internal book-keeping and internal</p>

	<p>incorporated bank. It conducts back-to-back trades with its head office. Should back-to-back trades conducted with an overseas Head Office and/or overseas related company be excluded if they do not belong within the same legal entity structure as the Bank?</p>	<p>risk management within a given reporting bank should be excluded. However, such trades conducted between reporting entities or with other market participants that are part of the same consolidated entity should be reported.</p>
43.8	<p>From the consultation paper, we noted that internal risk management trades on second back to back deals should be excluded. We would like confirmation on whether the following second back to back internal risk management trades (where the first deal with the customer is already reported) are reportable:</p> <ul style="list-style-type: none"> i. Trades between the reporting bank and an unregulated Singapore incorporated affiliate entity, which are booked by the reporting bank's traders. ii. Trades between the reporting bank and an overseas affiliate entity, which are booked by the reporting bank's traders. iii. Trades between two non-Singapore affiliate counterparties, which are booked by the reporting bank's traders. iv. Trades between an overseas affiliate entity and an unregulated Singapore incorporated affiliate entity, which are booked by the reporting bank's traders. 	<p>Internal risk management trades should be excluded only if conducted within the same reporting bank. Such deals between banks or with other market participants that are part of the same consolidated entity should be reported.</p> <p>For the various scenarios, trades should be reported regardless of booking location so long as the trades are executed / traded by traders based in Singapore.</p>
43.9	<p>Sometimes there may be currency exposure from non-client transaction and the trading desk combines the transfer of such currency exposure and client back-to-back trades as 1 trade. Can the trade be considered as back-to-back deals excluded for the turnover?</p>	<p>No. The client trade should be reported.</p>
43.10	<p>In MAS' response to feedback, MAS clarified that where there are back-dated trades that are booked after the reporting month, Banks are required to re-submit the previous month's submission.</p> <p>This is operationally challenging as not only will the automated returns require special handling logic for back-dated trades, a separate reconciliation process is needed to validate the re-submission.</p>	<p>Back-dating of trades is not expected to be a common occurrence, and should only occur under extenuating circumstances. Back-dated trades should continue to be reported in the month of transaction, and where back-dating occurs, reporting institutions are expected to make the necessary re-submissions. The Authority pays due attention to re-submissions of regulatory returns</p>

	We would like to appeal to MAS to re-consider and to allow Banks to report back-dated trades in the current reporting period's submission instead.	and may seek clarifications on the reasons for re-submission, as part of our ongoing surveillance of the risk controls and processes licensed entities are expected to adhere to.
43.11	Clients/ customers execute trades on Bank's E-trading platform without any manual intervention from Bank's staff. Given that no trader is involved in executing the trade, can MAS clarify if those trades can be excluded? If not, do we use client domicile to determine execution location?	No. E-trading platform trades should be included. The location of the trading desk or e-trading/e-commerce team should be used to determine the location of the transaction. If this information is not available, the location of the sales contact who services the client could be used.
43.12	If an onshore trader receives an order to execute from an offshore salesperson, can we use the trader's location to determine execution location? A salesperson can execute an order based on the internal published rates without the involvement of any trader. Can MAS clarify if we should use location of salesperson as trading location of the trade?	Yes. The trader's location should be used to determine execution location. MAS Notice 610/1003 returns require reporting by trading desk location basis. Yes. The salesperson can be used as trading location of the trade in this case.
43.13	Can MAS clarify if this appendix I includes trades executed in Singapore by traders who are transferred from overseas to Singapore on assignments. Separately for Trade Reporting, "traded in Singapore" under SFR also includes execution by a trader who (i) for a period of not less than 30 days immediately before the date of the execution of the derivatives contract, conducts or is authorised to conduct on behalf of say Singapore entity and is physically in Singapore at the time of the execution of the derivatives contract.	Yes.
Others		
43.14	Can MAS clarify which counterparty (the Exchange or broker) should the Bank report for listed FX options?	Exchange.
43.15	Instruction #3 – Propose to use the purchase side of the currency for all FX contracts, including the contracts that involve SGD for consistency in the basis of reporting across all FX contracts.	As stated in the Instruction, the volume of transactions should be reported in terms of SGD. Where transactions do not involve SGD, the

		foreign currency amount must be converted into SGD using the Bank's in-house currency conversion rates. This is consistent with General Instructions II. In the conversion of foreign currencies to SGD, the preference is to convert the purchase side currency to the SGD equivalent.														
43.16	Should there be a “Residual” under 3 rd Currency Transactions in Part II, with similar definition as “Residual” for Part I?	The template has been amended to take into consideration the respondent’s comments.														
43.17	As Appendix I is reported quarterly, we would like to confirm if the exchange rate of quarter end (i.e. Jan, Apr, Jul and Oct) should be used.	Reporting entities should use month end exchange rate for conversion to SGD for the reporting month. For avoidance of doubt, the reporting months are Jan, April, July and Oct, in line with the reduced reporting frequency from monthly to quarterly.														
43.18	<p>On the new categorisation, we would like to clarify with MAS on whether reporting banks should follow the Singapore Standards for Industry Codes (SSIC) for guidance or whether MAS will be providing definition for the above counterparty categories.</p> <table border="1" data-bbox="316 1265 901 1563"> <thead> <tr> <th>Existing Classification</th> <th>Proposed Classification</th> </tr> </thead> <tbody> <tr> <td>Banks and Asia Ccy Units in Sg</td> <td>Banks in Sg</td> </tr> <tr> <td>Non-banks customers in Sg</td> <td>Non-bank Fis (NBFi) in Sg</td> </tr> <tr> <td></td> <td>Non-Financial customers in Sg</td> </tr> <tr> <td>Banks outside Sg</td> <td>Banks outside Sg</td> </tr> <tr> <td>Non-bank customers outside Sg</td> <td>Non-bank Fis (NBFi) outside Sg</td> </tr> <tr> <td></td> <td>Non-bank customers outside Sg</td> </tr> </tbody> </table> <p>We note that for FX turnover reporting, the classifications of transacted counterparties have been broadened from four to six categories as illustrated above. Under the new proposed classification, we would like to confirm if the mapping of existing classification to the proposed classification is correct.</p>	Existing Classification	Proposed Classification	Banks and Asia Ccy Units in Sg	Banks in Sg	Non-banks customers in Sg	Non-bank Fis (NBFi) in Sg		Non-Financial customers in Sg	Banks outside Sg	Banks outside Sg	Non-bank customers outside Sg	Non-bank Fis (NBFi) outside Sg		Non-bank customers outside Sg	<p>Banks should refer to the SSIC.</p> <p>Yes, the mapping is correct, except for “Non-bank customers outside Singapore” which should be mapped to Non-bank Financial Institutions outside Singapore and Non-Financial Customers outside Singapore.</p>
Existing Classification	Proposed Classification															
Banks and Asia Ccy Units in Sg	Banks in Sg															
Non-banks customers in Sg	Non-bank Fis (NBFi) in Sg															
	Non-Financial customers in Sg															
Banks outside Sg	Banks outside Sg															
Non-bank customers outside Sg	Non-bank Fis (NBFi) outside Sg															
	Non-bank customers outside Sg															
Foreign Exchange and Interest Rate Derivatives Turnover – Spot, Forward, FX swaps and Currency swaps (Appendix I Part I)																
44.1	What is the difference between “Non-bank customers” and “Non-financial customers”?	The reporting form has been amended to “Non-bank financial														

	Does “Non-financial customers” include investment holding companies & households?	<p>institutions” and “Non-financial customers”.</p> <p>“Non-bank financial institutions” are non-banks which provide financial services and activities auxiliary to financial intermediation. “Non-financial customers” do not provide such financial services and activities.</p> <p>Investment holding companies are to be classified as “Non-bank Financial Institutions” while households are to be classified as “Non-financial customers”.</p>																		
44.2	For currency options involving more than 1 currency pairs in the contract e.g. SGD/NZD or SGD/USD, how should the transactions be reported?	<p>The SGD/NZD pair should be reported in “SGD against others” and under “NZD” in the section “total turnover of listed currencies against all other currencies”.</p> <p>The SGD/USD pair should be reported in “SGD against USD”. It should not be reported in “USD against others (excluding SGD)”.</p> <p>For more examples, please refer to the Instruction.</p>																		
44.3	Please clarify the instruction: “5(b)..Banks are to report the exact amount of second currency under....” Does ‘exact amount’ refer to the original amount stated in the contract?	Yes.																		
44.4	<p>We would like to confirm that a FX Spot trade (buy SGD1,000,000, sell CNY5,000,000), is to be reported in the format below:</p> <table border="1" data-bbox="316 1630 906 1859"> <thead> <tr> <th colspan="2"></th> <th>Banks in Singapore (S\$'000)</th> </tr> <tr> <th colspan="2"></th> <th>Spot</th> </tr> </thead> <tbody> <tr> <td>SGD against:</td> <td></td> <td></td> </tr> <tr> <td>Others</td> <td></td> <td>1,000</td> </tr> <tr> <td colspan="3">Total turnover in listed currencies against all other currencies</td> </tr> <tr> <td>CNY</td> <td>(Exchange rate: 1SGD = 5CNY)</td> <td>1,000</td> </tr> </tbody> </table>			Banks in Singapore (S\$'000)			Spot	SGD against:			Others		1,000	Total turnover in listed currencies against all other currencies			CNY	(Exchange rate: 1SGD = 5CNY)	1,000	Yes. More examples can be found in the Instructions.
		Banks in Singapore (S\$'000)																		
		Spot																		
SGD against:																				
Others		1,000																		
Total turnover in listed currencies against all other currencies																				
CNY	(Exchange rate: 1SGD = 5CNY)	1,000																		
Foreign Exchange and Interest Rate Derivatives Turnover by Execution Method (Appendix I Part VI)																				
45.1	The bank would like to further understand the purpose of the new disclosure by execution method as the method of execution may not be captured in	Data on execution methods are important for MAS to monitor developments and trends in the																		

	the source systems and to build out such functionality will be quite onerous.	<p>execution methods in the Singapore FX market. Other central banks such as the Bank of England, the New York Fed, and the Bank of Japan also collect this data in their FX market committee survey. The BIS FX Survey also collects similar information.</p> <p>We note industry feedback that reporting of this data may be onerous. As such, we will only collect data in Part VI Execution Methods on an annual basis for the reporting month of April, instead of on a quarterly basis.</p>
45.2	To clarify that Turnover by Execution Method to be reported for Non-G-10 currency excludes SGD? If yes, propose to change to Non-G10 (excluding SGD) for clarity.	The non-G10 table should include all non-G10 currencies, including SGD.
Selected Statistics for Reporting Period (Appendix K)		
<u>Basis of reporting and Scope</u>		
46.1	If we do not have any relevant business functions in the listed Business Activity, can we put it as “Not applicable”?	All activities must be mapped to the Level 1 businesses as indicated in the Instructions.
46.2	Please confirm if MAS 637/1111 Annex 9B Mapping of Business Lines can be applied for the definition of the business activity information required in Appendix K?	Yes.
46.3	We also have Private Banking as a business line. Please confirm under which business line should we report Private Banking? Is it possible to add a new Business line in this Appendix for Private Banking?	While Private Banking forms part of the Retail Banking in the Basel Committee on Banking Supervision’s Mapping of Business Lines, Private Banking should be separately reported as a sub-item under the “Asset Management” and “Retail Banking” business activities for the purpose of MAS Notice 610/1003.
46.4	Please define Commercial Banking.	Banks should follow the business activities as defined in the Instructions for the purpose of MAS Notice 610/1003 reporting.
46.5	We request MAS to consider splitting Appendix K as a separate requirement. The Appendix requires mainly non-financial information from several departments. As information requested is non-	The data requested in MAS Notice 610/1003, while primarily financial, is not limited to financial information.

	financial and of sensitive nature such as customer complaints, operational losses, we believe this is better submitted as a separate return and not part of MAS Notice 610 which primarily focuses on Balance Sheet and financial details.	
Part II: Operational Losses and Number of Incidents		
46.6	<p>Part II: Loss Event Data Collection Thresholds and Comprehensive Collection: The operational loss collection threshold for operational loss data collection is US\$10,000 for Business A and US\$1,500 for Business B. Each Business, at a minimum, is expected to capture and report in the Loss Event Database all operational loss events for which the gross loss exceeds US\$10,000. We will provide operational losses and number of incidents information in Appendix K according to our Bank's policy.</p> <p>Part II: note 2 of the Instruction mentions the scope of such losses would be those that have been recognised in the Bank's financial records. If the Bank's policy is to report operational loss based on an internal threshold (e.g. nothing below \$20,000/incident to be flagged as Ops Loss item), can the report in this section can be in line with the bank's operational loss reporting?</p>	For comparability, all operational losses whether within or outside the banks' internal thresholds are required to be reported.
46.7	<p>We account for operational risk loss only as a routing account to record the transaction. Ultimately the balance in this GL is zero. Please confirm as per the quote "such losses should have been recorded in the Bank's Financial Records", does MAS expect us to account for operational risk loss separately in our Financials?</p> <p>In some banks, operational losses are monitored via a Suspense/Temporary account. Once the proper account classification can be identified for the actual financial losses incurred, the operational losses are reversed from such Suspense/Temporary account.</p> <p>The respondent would like to know if such operational losses with financial impact should have been recorded in the financial report as "operational loss".</p>	<p>Operational losses refer to actual losses which the banks have made and have recognised in their books.</p> <p>The accounting system serves as the starting point for the preparation of MAS Notice 610/1003 reporting. The data integrity of the accounting system and records must be maintained. These operational losses are additional disclosure over and above the financial records.</p>

46.8	<p>Do confirm that near misses of operational losses are to be extracted?</p> <p>The respondent clarified that near misses of operation losses refer to errors that are rectified on time without incurring any financial loss.</p>	<p>Near misses are not required to be reported.</p>
<p>Part III: Customer Complaints</p>		
46.9	<p>Are the number of complaints for newly lodged complaints for the period or should it include live complaints that are brought forward from the prior reporting year?</p> <p>Should we include complaints for: -Accounts that are booked at other locations (i.e.HK) but managed in Singapore; and - Accounts booked in Singapore but managed in other locations.</p> <p>We would like to clarify with MAS on the scope of reporting for the selected statistics: For customer complaints, we would like to confirm whether complaints which have been determined by the bank as frivolous in nature are out of scope for reporting.</p>	<p>Live complaints that are brought forward from the prior half-yearly reporting should not be reported.</p> <p>Complaints against the reporting banks from accounts whether booked in Singapore or outside Singapore are to be reported.</p> <p>No. They should be included in the reporting.</p>
46.10	<p>We seek clarification on differences between customer versus counterparty.</p> <p>The Bank does not maintain any complaints where counterparties are Banks. The Banks and FIs relationships are more of counterparties rather than customers. Considering this, does the scope for this reporting include counterparty?</p>	<p>Yes, complaints can be filed by any counterparty (banks or other than banks).</p>
<p>Part IV: Litigation Cases</p>		
46.11	<p>We would suggest adding “Others” as an additional category for other potential litigation cases that would not fall in the existing categories such as dispute with landlord over the lease of an office.</p> <p>We note that we will be required to refresh the information that we provide on a semi-annually basis. However, the Litigation Department conducts provisioning analysis on all significant matters on a quarterly basis. The MAS should therefore note that there is a risk that some of the</p>	<p>Noted. The table has been revised to include “Others” as suggested by the respondent.</p> <p>Noted. MAS has decided on a half-yearly instead of a quarterly disclosure requirement for this reporting form to ease the reporting burden on banks.</p>

	<p>provisions that have been reported to them may be slightly out of date if we are to follow the approach set out in the consultation paper.</p> <p>Could the MAS please define “Litigation”?</p> <p>Does the “Amount of claims” include both costs on account of liability/settlement AND litigation costs? Under “Provisions”, do we need to reflect both liability and litigation cost provisions?</p> <p>We note from the Instructions that the reporting for Part IV is based on occurrence during the reporting period. We would like to clarify the reporting treatment for the scenarios below:</p> <p>Assuming Case A occurred and was reported in 1H 2016. It remains unsettled in 2H 2016 with a revision to the loss amount, do we need to report Case A with the revised loss amount in 2H 2016?</p> <p>Assuming Case B occurred in 1H 2016 and was reported under the Potential Loss section. The loss for this same Case becomes an actual loss in 2H 2016. Do we report Case B under the Actual Loss section in 2H 2016?</p>	<p>“Litigation” in the reporting form refers to an action by the customers of the banks to enforce a particular right or to resolve certain disputes through the court. The reporting form has been simplified to require only information on the litigation cases brought against the banks.</p> <p>“Amount of claims” refers to the plaintiff’s claims. The “provisions” refers to the banks’ provisions set aside to cover the costs on account of liability/settlement.</p> <p>Yes. Case A with the revised loss amount should be reported in 2H 2016.</p> <p>Yes. Case B should be reported if the case remains unsettled in 2H 2016. Please refer to the Instructions on the reporting scope for Litigation.</p>
46.12	<p>With reference to Appendix K Part IV Litigation Cases, the Bank seeks to clarify the following:</p> <ul style="list-style-type: none"> -if only Singapore litigation cases are to be reported or litigation cases globally. -if we are expected to report litigation cases for all entities or only ABC plc (Singapore Branch). 	<p>Litigation cases filed against the reporting banks whether booked in Singapore or outside Singapore are to be reported. The litigation cases brought against related entities whereby the reporting banks in Singapore are allocated some litigation claims are also to be reported.</p>

	<p>-if the “Amount” columns to take into account legal fees and disbursements or are they limited to claimed amount.</p> <p>Please confirm the litigation details are required for Branch or also for HO.</p>	<p>The “Amount” includes the claim amount. Litigation costs should also be included if the reporting banks can estimate the amount.</p> <p>Litigation cases filed against the reporting banks whether booked in Singapore or outside Singapore are to be reported. The litigation cases brought against related entities including Head Office whereby the reporting banks in Singapore are allocated some litigation claims should also be reported.</p>
46.13	<p>Under the “Private Banking” section (Basel III Operation Risk categories), we would like to seek clarification if the activity group includes regulated activities under the SFA, such as dealing in securities and trading in futures contract. If not, we kindly suggest the MAS to include them in.</p>	<p>Regulated activities under the SFA such as dealing in securities and trading in futures contracts carried out as part of the Private Banking business should be reported under the “Private Banking” sub-item under the “Asset Management” business line.</p>

Part V: Credit Reviews

46.14	<p>The purpose of this section is to track the timely completion of annual reviews.</p> <p>We assume the information required is only for (a) and (b). Total number of borrowers is not required.</p> <p>We would like to clarify whether the scope of reporting covers just Corporate or includes FI counterparties.</p> <p>We would like to clarify on the scope of reporting:</p> <p>Only borrowers with credit facilities booked in Singapore branch will be reported?</p> <p>Should borrowers whose global accounts that are managed by Singapore branch be reported?</p>	<p>Yes.</p> <p>MAS Notice 612/1005 requires regular and systematic reviews of all credit facilities (including off balance-sheet items). The reporting form has been amended to include review of trading lines.</p> <p>The scope of reporting for Part V of Appendix K is as follows:</p> <table border="1" data-bbox="949 1839 1353 1995"> <thead> <tr> <th>Approval</th> <th>Booked</th> <th>Loss bearing</th> <th>Credit review</th> <th>Within scope?</th> </tr> </thead> <tbody> <tr> <td>In Singapore</td> <td>Outside Singapore</td> <td>In Singapore</td> <td>In Singapore</td> <td>Yes</td> </tr> <tr> <td>Outside Singapore</td> <td>In Singapore</td> <td>Outside Singapore</td> <td>Outside Singapore</td> <td>Yes</td> </tr> </tbody> </table>	Approval	Booked	Loss bearing	Credit review	Within scope?	In Singapore	Outside Singapore	In Singapore	In Singapore	Yes	Outside Singapore	In Singapore	Outside Singapore	Outside Singapore	Yes
Approval	Booked	Loss bearing	Credit review	Within scope?													
In Singapore	Outside Singapore	In Singapore	In Singapore	Yes													
Outside Singapore	In Singapore	Outside Singapore	Outside Singapore	Yes													

	<p>Global account managers take primary credit responsibility for a global relationship and allocate approved credit lines to various offices including the Singapore branch. Various offices will also inform the global account managers of any material credit events which may affect credit. The global account managers bear the credit losses.</p> <p>We propose to amend “accounts” to “credit takers” or “borrowers” to avoid confusion.</p> <p>How do we account for (i) co-borrowers under a single facility and (ii) multiple borrowers under multiple facilities but supported by a single parent and covered in a single credit memo? Do we consider them as a single “credit taker”?</p> <p>We assume extended annual renewals are not considered overdue as long as they are completed within the reporting period.</p>	<p>As long as the credit facilities are booked in Singapore or where the Singapore entities have to bear the credit loss, these credit facilities should be reported. Please see the table above for the illustrative examples.</p> <p>We have replaced “accounts” with “reviews”.</p> <p>No. We have amended the reporting form to “number of reviews”. As such, the number of reviews is “1” for example (i) and “1” for example (ii).</p> <p>Yes.</p>
46.15	Please confirm if 1 customer has 2 accounts, we shall disclose customer accounts as 2?	The reporting form has been amended. Based on the revised form, it is just 1 customer.
46.16	Can MAS clarify whether credit review is limited to credit facilities review or trading line review for derivative trading as well?	In accordance with MAS Notice 612/1005, banks shall conduct regular and systematic reviews of all credit facilities (including off balance-sheet items) that they have extended to their borrowers.
Part VI: Securities Lent and Securities Borrowed		
46.17	Can MAS clarify on the value of securities borrowed and securities lent is value of securities borrowed/lent, and not value of underlying collateral of collateral swap?	Value of the securities borrowed and securities lent are to be disclosed.
46.18	To also clarify if the scope of the commitments amounts to be reported include both securities lending/borrowings through securities swaps and with cash collaterals received/placed?	Fair value of the securities borrowed and securities lent, through securities swaps and with cash collaterals, are to be disclosed in Appendix K.
Notes to Reporting Forms (Appendix L)		
47.1	What is the definition of "unallocated" assets? For clarity, please provide an example of an unallocated assets and its nature.	Any positions for which the country of the counterparty is unknown are considered unallocated assets.

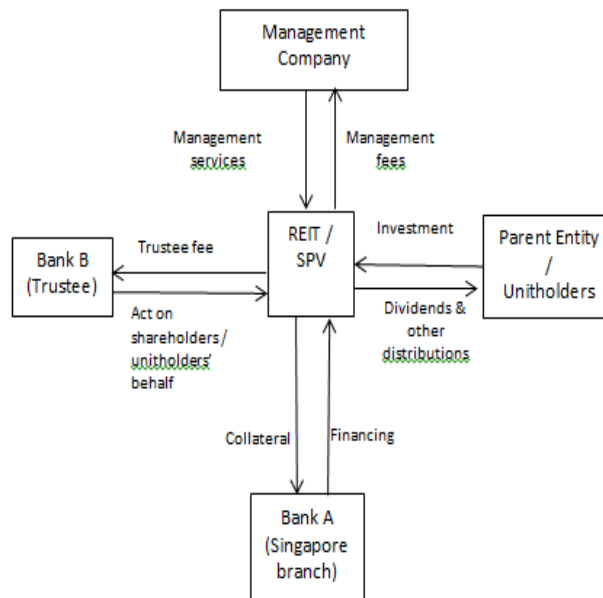
	Assets, contingents and commitments by country and by counterparty – Please clarify what details are required for disclosure of the nature of “unallocated” assets.	
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APPENDIX 3

Illustrations of Ultimate Risk Reporting

SCENARIO 1

For ultimate risk reporting, Singapore branch should report Parent Entity as its counterparty if a guarantee is provided by Parent Entity.

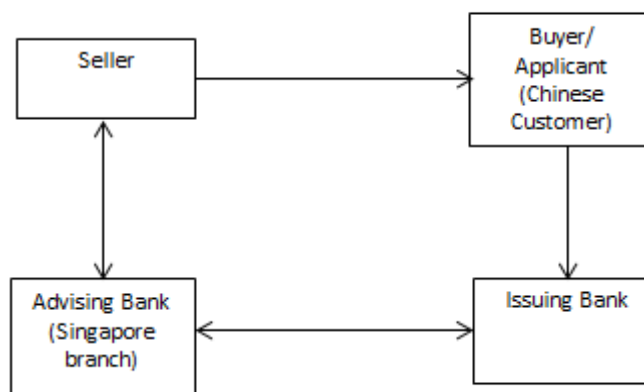


SCENARIO 2

Seller receives bills of exchange and discounts the bills with Singapore branch. Discounting of bills may be done on a with or without recourse basis.

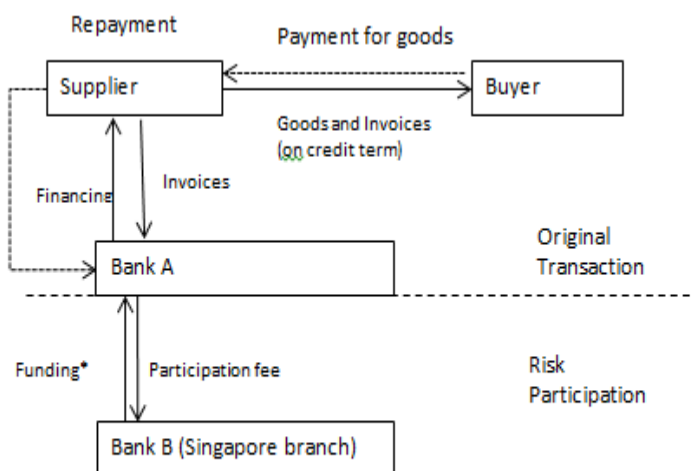
Without recourse: For ultimate risk reporting, Singapore branch should report Issuing Bank as its counterparty if Singapore branch has no recourse to Seller in the event of non-payment.

With recourse: For ultimate risk reporting, Singapore branch should report Seller as its counterparty if Singapore branch has recourse to Seller in the event of non-payment.



SCENARIO 3

For ultimate risk reporting, Singapore branch should report Buyer as its counterparty. If Bank A assumes the risk of Buyer, then Singapore branch should report Bank A as its counterparty.



*For Funded Risk Participation, Bank B would provide an agreed sum upfront to Bank A for onward financing. For Unfunded Risk Participation, Bank B would only pay Bank A an agreed sum when the borrower defaults.

APPENDIX 4 and 5 – Draft MAS Notice 610 and Draft MAS Notice 1003

APPENDIX 6 and 7 – Draft Reporting Forms for MAS Notice 610 and MAS Notice 1003

