

COMPOSITION OF LIABILITIES BASE

LIABILITIES BASE SUBJECT TO MAINTENANCE OF MINIMUM CASH BALANCES AND MINIMUM LIQUID ASSETS

1 The liabilities base of a finance company shall comprise the following eligible liabilities:-

- a) interest bearing deposits and borrowings from customers other than banks and finance companies;
- b) interest bearing deposits and borrowings from finance companies less any such claims on finance companies;
- c) interest bearing deposits and borrowings from banks less any such claims on banks and less any non-interest bearing current account balances placed by finance companies with banks;

[If items (b) and/or (c) are net assets, they may be deducted from item (a)].

- d) funds raised through the sale or rediscounting of bills of exchange with customers other than banks or other finance companies; and
- e) funds received through repurchase agreements in Singapore Government securities or debt securities issued by the Monetary Authority of Singapore under the Monetary Authority of Singapore Act (Cap. 186).

2 Where a finance company rediscounts trade bills in its bills purchased/discounted portfolio or loans portfolio with banks or other finance companies, the proceeds from such realisation will not be subject to the MCB or minimum liquid assets requirements. However, any prepayments by such customers on rediscounted bills are to be included in the liabilities base.

3 Where a finance company receives funds through repurchase agreements in the following securities:

- (a) Singapore Government securities; and
- (b) debt securities issued by the Monetary Authority of Singapore under the Monetary Authority of Singapore Act (Cap. 186),

such funds will not be subject to the MCB or minimum liquid assets requirements.