

Guidelines for Operation of "Merchant" Banks

1. Merchant banks may conduct the following activities:-
 - i) Floatation, underwriting, buying and selling of shares, loan stocks and bond issues and other securities.
 - ii) Investment portfolio management, investment advisory services and nominee services.
 - iii) Unit Trust management and sales.
 - iv) Advice on corporate reconstruction, takeovers and mergers.
 - v) Management advisory services.
 - vi) Arranging finance, lending or participating in syndicated loans and acting as guarantors.
 - vii) Financing or lending in the institutional money markets.
 - viii) Discounting of negotiable securities or money market instruments in Singapore dollars.
 - ix) Dealing in gold and foreign exchange.

2. Merchant banks shall not: -
 - i) Accept deposits or borrow from the public in any form except from banks, finance companies, shareholders and companies controlled by shareholders.
 - ii) Raise monies by issuing promissory notes, commercial papers, certificates of deposit or by acceptance or endorsing of bills of exchange.
 - iii) Operate an Asian Currency Unit except with specific permission from the Authority.

3. Merchant banks shall conduct the activities mentioned in the foregoing paragraphs with the necessary approval from the appropriate Government departments and statutory bodies and in compliance with-the laws of Singapore.

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