

MAS 1110

1 March 2004

Last revised on 25 May 2004*

NOTICE TO MERCHANT BANKS

MONETARY AUTHORITY OF SINGAPORE ACT, CAP 186

NEGOTIABLE CERTIFICATES OF DEPOSIT

This Notice is issued pursuant to section 28 of the Monetary Authority of Singapore Act (Cap. 186) ["the Act"] and deals with issues related to the issuance and safekeeping of negotiable certificates of deposits ("NCDs") and bearer securities.

2. This Notice applies to any merchant bank which issues, or acts as an authorised depository for, NCDs or bearer securities.

Definitions

3. In this Notice -

"bank in Singapore" has the same meaning as in section 2(1) of the Banking Act (Cap. 19);

"merchant bank" means any financial institution approved under section 28 of the Act to operate as a merchant bank;

"securities" has the same meaning as in section 2 of the Securities and Futures Act (Cap. 286).

4. The expressions used in this Notice shall, except where expressly defined in this Notice or where the context otherwise requires, have the same respective meanings as in the Act.

Issuance of NCDs denominated in Foreign Currencies

5. When issuing NCDs which are denominated in foreign currencies, a merchant bank shall issue NCDs which are denominated in foreign currencies in minimum denominations of the foreign currency equivalent of S\$100,000.

[MAS Notice 1110 (Amendment) 2004]

Authorised Depositories

6. A merchant bank shall lodge every NCD and bearer security which it issues with an authorised depository for safekeeping. The following persons are "authorised depositories" for the purposes of this Notice:

- (a) any bank in Singapore;
- (b) any merchant bank approved under section 28 of the Monetary Authority of Singapore Act (Cap. 186);
- (c) the Depository as defined in section 130A of the Companies Act;
- (d) any depository under the Euroclear system operated by Euroclear Bank S.A./N.V. ("Euroclear");
- (e) any depository under the Clearstream system operated by Clearstream International S.A. or its subsidiaries ("Clearstream");
- (f) any other depository as the Authority may approve.

7. This Notice shall take effect on 1 March 2004.

*Notes on History of Amendments

1. MAS Notice 1110 (Amendment) 2004 with effect from 25 May 2004.

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