

Date: 9 May 2000

Circular No FSG 16/2000

To All Finance Companies

Dear Sir/Madam

**MAS NOTICE 806
- MINIMUM CASH BALANCES AND MINIMUM LIQUID ASSETS**

Under MAS Notice 806, Singapore Government securities (SGS) held under overnight reverse repurchase agreements (repos) with banks in Singapore, approved primary and registered dealers in SGS, qualify as liquid assets for the purpose of complying with the minimum liquid assets (MLA) requirements, subject to a maximum of 5% of the liabilities base.

2 With effect from the date of this circular, the Authority will allow SGS held by a finance company under reverse-repos to qualify as liquid assets regardless of the tenure of the reverse-repos, and the type of counterparty. The amount of SGS held under reverse-repos that can qualify as liquid assets will continue to be subject to a maximum of 5% of the finance company's liabilities base.

3 The Authority will also exempt funds purchased by all finance companies through repos in SGS from minimum cash balance and MLA requirements.

4 MAS 806 is hereby modified to the extent stated in this circular.

5 Please contact Mr Charles Lim at 6229 9460 if you have any queries.

Yours faithfully

THARMAN SHANMUGARATNAM
DEPUTY MANAGING DIRECTOR
(FINANCIAL SUPERVISION)

Last modified on 19/3/2007