

MAS 817

7 September 2007

NOTICE TO FINANCE COMPANIES FINANCE COMPANIES ACT, CAP 108

(MAS Notice 817 dated 1 December 1983 is cancelled with effect from 7 September 2007)

APPOINTMENT OF DIRECTORS, CHIEF EXECUTIVES AND CHIEF FINANCIAL OFFICERS

- 1 This Notice is issued pursuant to section 30 of the Finance Companies Act (Cap. 108).

Definition

- 2 In this Notice, “chief executive” means any person, by whatever name described, who—
- (a) is in the direct employment of, or acting for or by arrangement with, the finance company; and
 - (b) is principally responsible for the management and conduct of the business of the finance company.

- 3 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.

Approval for appointment

- 4 A finance company shall obtain the prior written approval of the Authority for the appointment of its -
- (a) chief executive;
 - (b) deputy chief executive;
 - (c) chief financial officer; and
 - (d) director,

including any officer by whatever name called, who has responsibilities or functions similar to any of these persons.

5 Without prejudice to any other matter that the Authority may consider relevant, the Authority shall, in determining whether to grant its approval under paragraph 4, have regard to whether the person is a fit and proper person to hold the office.

6 Each finance company shall forward to the Authority copies of each candidate's curriculum vitae when applying for approval.

Responsibilities of director, chief executive and deputy chief executive

7 The directors, chief executive and deputy chief executive of a finance company are responsible for the performance and soundness of the finance company and ensuring compliance with the Finance Companies Act (Cap. 108), the Companies Act (Cap. 50), all rules, regulations, notices and directives issued by the Authority and any other relevant laws and regulations. The responsibilities of a director, chief executive and deputy chief executive should include –

- (a) establishing and ensuring compliance with sound written policies on all operational areas including the finance company's lending activities, money market operations, accounting, internal control, internal auditing and compliance with laws, rules, regulations and the notices and directives issued by the Authority;
- (b) establishing in writing the limits of the discretionary powers of each officer, committee, sub-committee and such other grouping for the purpose of lending, investing or committing the finance company to any financial undertaking or exposure to risks of any nature;
- (c) ensuring that the finance company has adequate risk management systems and sound internal controls over its activities and operations.

8 This notice shall take effect on 7 September 2007.