

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

ANNEX III

**SINGAPORE'S RESERVATIONS TO
CHAPTER 11 (FINANCIAL SERVICES)**

HEADNOTES

1. Commitments under the Chapter on Financial Services are undertaken subject to the limitations and conditions set forth in these headnotes and the schedule below.
2. To clarify Singapore's commitment with respect to Article 11.5(b) (Market Access for Financial Institutions) of this Agreement, juridical persons supplying financial services are subject to non-discriminatory limitations on juridical form.¹
3.
 - (a) Singapore reserves the right to require a foreign bank that is systemically important to incorporate within Singapore, provided that such a requirement is applied in a reasonable, objective, and impartial manner. Before imposing such a requirement, Singapore will take into account such factors as the quality of home country regulation and supervision over the bank, degree of protection accorded to depositors in the home country vis-à-vis depositors in Singapore, and the amount of assets held or situated in Singapore.
 - (b) Singapore shall not impose the requirement described in subparagraph (a) with respect to a foreign bank of another Party, unless it:
 - (i) notifies the bank and the other Party of its intent at least six months before imposing the requirement;
 - (ii) consults with the other Party concerning the requirement and gives due consideration to the views expressed by the other Party in this respect; and
 - (iii) allows the bank a reasonable time to comply with the requirement.
4. **Description** sets out the non-conforming measure for which the entry is made.
5. For entries in Section A, in accordance with Article 11.10.1(a) (Non-Conforming Measures), the articles of this Agreement specified in the **Obligations Concerned** element of an entry do not apply to the non-conforming measures identified in the **Description** element of that entry.

¹ For example, partnerships and sole proprietorships are generally not acceptable juridical forms for depository financial institutions in Singapore. This headnote is not itself intended to affect, or otherwise limit, a choice by a financial institution of the other Party between branches or subsidiaries.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

6. For entries in Section B, in accordance with Article 11.10.2 (Non-Conforming Measures), the articles of this Agreement specified in the **Obligations Concerned** element of an entry do not apply to the sectors, subsectors and activities identified in the **Description** element of that entry.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

ANNEX III

SECTION A

A-1

Sector: Financial Services

Sub-Sector: Banking

Obligations Concerned: National Treatment (Article 11.3)
Market Access for Financial Institutions (Article 11.5)

Level of Government: National

Measure: *Banking Act*, Cap. 19
Guidelines for Operation of Wholesale Banks
Guidelines for Operation of Offshore Banks

Reservation: No new full bank licenses will be granted to foreign banks.

No foreign bank can have more than one place of business, establish off-premise ATMs, establish ATM networking or provide debit services through an Electronic Funds Transfer at Point of Sale (EFTPOS) network.

Wholesale Banks

Wholesale banks are not permitted to:

- (a) accept Singapore dollar fixed deposits of less than S\$250,000;
- (b) offer savings accounts;
- (c) operate interest-bearing Singapore dollar current accounts for natural persons who are Singapore residents;
- (d) issue Singapore dollar bonds and negotiable certificates of deposit, unless the requirements pertaining to minimum maturity period, minimum denomination or class of investors contained in the Guidelines for Operation of Wholesale Banks issued by the Monetary Authority of Singapore and/or its successor body are complied with.

Offshore banks

Offshore banks are not permitted to:

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

- (a) provide credit facilities to non-bank residents of Singapore in Singapore dollars exceeding a total of S\$500 million at any one time;
- (b) offer savings account;
- (c) accept any fixed or other interest-bearing deposits in Singapore dollars from non-bank residents of Singapore;
- (d) operate current accounts for non-bank residents unless the accounts are offered:
 - (i) in connection with credit facilities granted to, or other business dealings with the customer; or
 - (ii) to customers of the bank's head office;
- (e) operate interest-bearing Singapore dollar current accounts for natural persons who are Singapore residents;
- (f) accept Singapore dollar fixed deposits of less than S\$250,000 from non-bank non-residents;
- (g) issue Singapore dollar bonds and negotiable certificates of deposit, unless the requirements pertaining to minimum maturity period, minimum denomination or class of investors contained in the Guidelines for Operation of Offshore Banks issued by the Monetary Authority of Singapore and/or its successor body are complied with.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

A-2

Sector: Financial Services

Sub-Sector: Banking

**Obligations
Concerned:** Market Access for Financial Institutions (Article 11.5)

**Level of
Government:** National

Measure: *Finance Companies Act, Cap. 108*

Reservation: No new finance company licenses will be granted.

Finance companies may only establish as Singapore-incorporated companies.

Finance companies are not permitted to establish off-premise ATMs, ATM networking, or allow their accounts to be debited through an Electronic Funds Transfer at Point of Sale (EFTPOS).

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

A-3

Sector: Financial Services

Sub-Sector: Banking

**Obligations
Concerned:** Market Access for Financial Institutions (Article 11.5)

**Level of
Government:** National

Measure: *Banking Act, Cap. 19*
Monetary Authority of Singapore Act, Cap. 186
Guidelines for Operation of Merchant Banks

Reservation: No merchant bank may establish more than one customer service location.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

A-4

Sector: Financial Services

Sub-Sector: Banking

**Obligations
Concerned:** National Treatment (Article 11.3)
Market Access for Financial Institutions (Article 11.5)

**Level of
Government:** National

Measure: *Banking Act, Cap. 19*
Central Provident Fund Act, Cap. 36

Reservation: Only foreign banks with Qualifying Full Bank privileges and local banks may apply to provide Supplementary Retirement Scheme accounts and Central Provident Fund Investment Scheme accounts.

Only foreign banks with Qualifying Full Bank privileges and local banks may apply to accept fixed deposits under the Central Provident Fund Investment Scheme and Minimum Sum Scheme.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

A-5

Sector: Financial Services

Sub-Sector: Banking

**Obligations
Concerned:** National Treatment (Article 11.3)

**Level of
Government:** National

Measure: *Banking Act, Cap. 19*
Monetary Authority of Singapore Act, Cap. 186

Reservation: No foreign person shall, acting alone or in concert with other persons, assume control of any Singapore-incorporated bank or its financial holding company which is regulated by MAS (other than a Singapore-incorporated bank or financial holding company that is controlled by a financial institution of another Party).

Approval from the Minister is required before a person, either alone or together with associated persons, is allowed to acquire indirect control over and shareholdings or voting control of or exceeding 5%, 12% or 20% in a Singapore-incorporated bank or a financial holding company, and before a Singapore-incorporated bank or a financial holding company is merged or taken over by any other body.

In approving applications to exceed the threshold limits, the Minister may impose conditions that are considered necessary to prevent undue control, protect public interests, and ensure the integrity of the financial system.

A foreign person is a person that is:

- (a) in the case of a natural person, not a citizen of Singapore; and
- (b) in the case of a corporation, not controlled by citizens of Singapore.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

A-6

Sector: Financial Services

Sub-Sector: Banking

**Obligations
Concerned:** Senior Management and Board of Directors (Article 11.9)

**Level of
Government:** National

Measure: *Banking Act*, Cap. 19, MAS Notice No. 622
Banking (Corporate Governance) Regulations

Reservation: A majority of the directors of a bank incorporated in Singapore must be either Singapore citizens or Singapore permanent residents.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

A-7

Sector: Financial Services

Sub-Sector: Settlement and clearing services for financial assets

**Obligations
Concerned:** National Treatment (Article 11.3)
Market Access for Financial Institutions (Article 11.5)

**Level of
Government:** National

Measure: *Banking Act, Cap. 19*

Reservation: Only the clearing house established under the Banking Act may provide clearing services for cheques and other credit instruments which are drawn on a bank in Singapore (whether payable in Singapore dollars or other currency), and services for interbank GIRO transfers.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

A-8

Sector: Financial Services

Sub-Sector:

**Obligations
Concerned:** Market Access for Financial Institutions (Article 11.5)

**Level of
Government:** National

Measure: *Securities and Futures Act, Cap. 289*

Reservation: The establishment or operation of securities and futures markets as approved exchanges, recognized market operators or exempt market operators, is subject to the authorisation, including the imposition of conditions for authorisation, by the Monetary Authority of Singapore and/or its successor body. In authorising such markets or in imposing conditions on the operations of such markets, Singapore may take into account factors including (but not limited to) market structure, fragmentation of liquidity, range of products offered and the type of investors targeted.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

A-9

Sector: Financial Services

Sub-Sector: Asset management

**Obligations
Concerned:** National Treatment (Article 11.3)

**Level of
Government:** National

Measure: Admission Criteria, Guidelines and Application Forms for Fund Management and Insurance Companies included under CPFIS

Reservation: In considering the admission of Fund Management Companies (FMCs) under the Central Provident Fund Investment Scheme (CPFIS), the Central Provident Fund Board and/or its successor body takes into consideration the following factors:

(a) whether the FMC has a minimum one-year track record as a capital markets services license holder under the Securities and Futures Act (Cap. 289) in the fund management industry in Singapore while the group as a whole has a minimum of 3 years track record in fund management;

(b) whether the FMC manages at least S\$500 million worth of funds in Singapore;

(c) whether the FMC has a minimum of 3 fund managers, one of whom must have at least 5 years of fund management experience. For the purpose of this reservation, the definition of “fund manager” shall include portfolio managers, research analysts and traders.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

A-10

Sector:	Financial Services
Sub-Sector:	Participation in all kinds of securities, including underwriting and placement as agent and provision of service related to such issues
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	National
Measure:	<i>Banking Act, Cap. 19</i>
Reservation:	Banks' and merchant banks' membership on any securities exchange or futures exchange established in Singapore must be held through subsidiaries incorporated in Singapore.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

A-11

Sector:	Financial Services
Sub-Sector:	Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	National
Measure:	<i>Companies Act, Cap. 50</i>
Reservation:	Only the Central Depository Pte Ltd and/or its successor body is authorised to provide custodial services for book-entry securities.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

A-12

Sector: Financial Services

Sub-Sector: Payment and non-money transmission services

**Obligations
Concerned:** National Treatment (Article 11.3)

**Level of
Government:** National

Measure: *Money-Changing and Remittance Businesses Act, Cap. 187*

Reservation: Remittance shops and money-changing businesses, except where the remittance or money-changing business is conducted by banks, merchant banks and finance companies, must be majority-owned by Singapore citizens (i.e. ownership of more than 50% shareholding).

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

A-13

Sector: Financial Services

Sub-Sector: Insurance

Obligations Concerned: National Treatment (Article 11.3)

Level of Government: National

Measure: Admission Criteria, Guidelines and Application Forms for Fund Management and Insurance Companies included under CPFIS

Reservation: In considering the admission of insurers under the Central Provident Fund Investment Scheme (CPFIS), the Board takes into consideration the following factors:

(a) whether the insurer is registered under the Insurance Act to carry on life insurance business;

(b) whether the insurer has a minimum one-year track record as a registered insurer in Singapore;

(c) whether the insurer employs a minimum of three fund management staff, one of whom have at least five years of fund management experience. The other two may only have two years of fund management experience if he or she:

(i) is a fully qualified Chartered Financial Analyst (CFA), or

(ii) is an Associate of the Society of Actuaries, or

(iii) holds a Certificate in Finance and Investments from the Institute of Actuaries, or

(iv) holds an equivalent qualification from any of the professional actuarial bodies recognised in Singapore.

Note: The above listed are the basic criteria for insurers to be included under CPFIS. The Board, in consultation with MAS, may consider an applicant for admission, on case by case basis, if the applicant does not meet a specific criterion but has other strengths. Insurers that pass the qualifying criteria stated above will be allowed to offer new investment-linked insurance products (ILPs) and manage ILP sub-funds.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

A-14

Sector: Financial Services

Sub-Sector: Insurance

**Obligations
Concerned:** Market Access for Financial Institutions (Article 11.5)

**Level of
Government:** National

Measure: *Insurance Act, Cap. 142*

Reservation: All insurance brokers must be established as Singapore-incorporated companies.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

A-15

Sector: Financial Services

Sub-Sector: Insurance

**Obligations
Concerned:** Market Access for Financial Institutions (Article 11.5)

**Level of
Government:** National

Measure: *Insurance Act, Cap. 142*

Reservation: Captive insurers may only establish as Singapore-incorporated companies.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

A-16

Sector: Financial Services

Sub-Sector: Insurance

**Obligations
Concerned:** Cross Border Trade (Article 11.6)

**Level of
Government:** National

Measure: *Motor Vehicles (Third Party Risks and Compensation) Act, Cap. 189*
Work Injury Compensation Act, Cap. 354

Reservation: Compulsory insurance of Motor Third Party Liability and Workmen's Compensation can only be purchased directly or through an intermediary from registered insurers in Singapore.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

A-17

Sector: All

Sub-Sector: -

**Obligations
Concerned:** Cross Border Trade (Article 11.6)

**Level of
Government:** National

Measure: *Financial Advisers Act, Cap. 110*
Insurance Act, Cap. 142

Reservation: The placement of domestic risks outside Singapore by brokers is subject to approval by the Monetary Authority of Singapore, with the exception of reinsurance risks and insurance risks relating to maritime liabilities of ship owners insured by a maritime mutual insurer, or marine, aviation and transit business insured with an approved MAT insurer.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

A-18

Sector: All

Sub-Sector: -

Obligations Concerned: Cross Border Trade (Article 11.6)

Level of Government: National

Measure: *Banking Act, Cap. 19, MAS Notice 757*
Monetary Authority of Singapore Act, Cap. 186, MAS Notice 1105
Finance Companies Act, Cap. 108, MAS Notice 816
Insurance Act, Cap. 142, MAS Notice 109
Securities and Futures Act, Cap. 289, MAS Notice SFA 04-N04

Reservation: A non-resident financial institution may in certain circumstances be unable to borrow in Singapore dollars more than S\$5 million from a resident financial institution owing to the following restrictions placed on financial institutions' lending of the Singapore dollar to non-resident financial institutions.

A financial institution shall not extend to any non-resident financial institution Singapore dollar (S\$) credit facilities exceeding S\$5 million per non-resident financial institution:

(a) where the S\$ proceeds are to be used outside of Singapore, unless:

(i) such proceeds are swapped or converted into foreign currency upon draw-down or before remittance abroad; or

(ii) such proceeds are for the purpose of preventing settlement failures where the financial institution extends a temporary S\$ overdraft to any vostro account of any non-resident financial institution, and the financial institution takes reasonable efforts to ensure that the overdraft is covered within two business days; and

(b) where there is reason to believe that the S\$ proceeds may be used for S\$ currency speculation, regardless of whether the S\$ proceeds are to be used in Singapore or outside of Singapore.

A financial institution shall not arrange S\$ equity or bond issues for any non-resident financial institution where the S\$ proceeds are to be used outside Singapore, unless the proceeds are swapped or converted into foreign currency upon draw-down or before remittance abroad.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

"Non-residents financial institution" means any financial institution which is not a resident as defined in the relevant notice.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

A-19

Sector:	All
Sub-Sector:	-
Obligations Concerned:	Senior Management and Board of Directors (Article 11.9)
Level of Government:	National
Measure:	<i>Companies Act, Cap. 50</i>
Reservation:	Every Singapore-incorporated company shall have at least one director who is ordinarily resident in Singapore.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

ANNEX III

SECTION B

B-1

Sector: Financial Services

Sub-Sector: Banking

**Obligations
Concerned:** National Treatment (Article 11.3)
Market Access for Financial Institutions (Article 11.5)

**Level of
Government:** National

Measure: *Banking Act*, Cap. 19, MAS Notice 619

Reservation: Singapore reserves the right to adopt or maintain any measure affecting the supply of services by foreign banks with Qualifying Full Bank privileges, save that any such measures shall not decrease the Qualifying Full Bank Privileges in respect of the supply of services enjoyed by foreign banks with Qualifying Bank Privileges as of the date of entry into force of this Agreement.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

B-2

Sector:	Financial Services
Sub-Sector:	Settlement and clearing services for financial assets, including securities, derivative products and other negotiable instruments
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	National
Measure:	<i>Companies Act, Cap. 50</i> <i>Securities and Futures Act, Cap. 289</i>
Reservation:	Singapore reserves the right to adopt or maintain any measure affecting the supply of clearing and settlement services for exchange traded securities, financial futures and interbank transfers.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

B-3

Sector: Financial Services

Sub-Sector: Social Services

Obligations Concerned: Market Access for Financial Institutions (Article 11.5)
Cross-Border Trade (Article 11.6)

Level of Government: National

Measure: -

Reservation: Singapore reserves the right to adopt or maintain any measure with respect to the provision of law enforcement and the following services to the extent that they are social services established or maintain for a public purpose: income security and insurance, social security, social welfare, social development, poverty reduction, public education, public training, health, and childcare.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

B-4

Sector: Financial Services

Sub-Sector: -

**Obligations
Concerned:** National Treatment (Article 11.3)
Market Access for Financial Institutions (Article 11.5)

**Level of
Government:** National

Measure: -

Reservation: Singapore reserves the right to adopt or maintain any measure in the form of subsidies or grants provided by Singapore that affects the supply of any financial service by any financial service supplier, which Singapore deems necessary:

(a) for the development of local small and medium enterprises;

(b) to facilitate or enable the supply of any service to Singapore enterprises that is not being supplied in Singapore or that is not being supplied efficiently.

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

B-5

Sector: Financial Services

Sub-Sector: -

**Obligations
Concerned:** National Treatment (Article 11.3)
Market Access for Financial Institutions (Article 11.5)

**Level of
Government:** National

Measure: -

Reservation: Singapore reserves the right to adopt or maintain any measure in the form of subsidies or grants provided by Singapore in connection with the supply of any financial service involving what Singapore deems as systemically important financial markets infrastructure, including:

- Exchanges;
- Central Depositories;
- Repositories;
- Clearing and Settlement facilities; and
- Market operators

**Subject to Legal Review in English, Spanish and French
for Accuracy, Clarity and Consistency
Subject to Authentication of English, Spanish and French Versions**

B-6

Sector: Financial Services

Sub-Sector: All

**Obligations
Concerned:** Most-Favoured-Nation Treatment (Article 11.4)

**Level of
Government:** National

Measure: -

Reservation:

1. Subject to paragraph 2, the obligation under Article 11.4 (Most-Favoured-Nation Treatment) shall only apply to differential treatment that is accorded to a country pursuant to a bilateral or multilateral international agreement that is signed and enters into force after the date of entry into force of this Agreement for Singapore and that is not pursuant or related to, or under any prior international agreements which Singapore has with that country.
2. Singapore reserves the right to adopt or maintain any measure that accords preferential treatment to the European Union pursuant to the European Union – Singapore Free Trade Agreement, initialled on 20 September 2013 including any subsequent amendments.