

ANNEX III

SCHEDULE OF SINGAPORE

HEADNOTES

Commitments under Chapter Financial Services are undertaken subject to the conditions and conditions set forth in these headnotes and the Schedule.

2. To clarify Singapore's commitment with respect to Article Market Access for Financial Institutions, juridical persons supplying financial services are subject to non-discriminatory conditions on juridical for

Singapore reserves the right to require foreign financial institutions that is systematically important to incorporate within Singapore provided that such requirement is applied in reasonable and proportionate manner. Before imposing such requirement Singapore will take into account such factors as the quality of home country regulation and supervision of the 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.

Singapore shall not impose the requirement described in subparagraph with respect to foreign financial institutions of another Party unless it

- i. notifies the Party and the other Party of its intent to test 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. shows the reasonable justification to comply with the requirement

4. **Description** sets out the non-conforming measure for which the entry is made

For entries in Section A in accordance with Article Non-Conforming Measures, the Articles specified in the **Obligations Concerned** element of an entry shall not apply to the non-conforming measures identified in the **Description** element of that entry.

For entries in Section B in accordance with Article 2 Non-Conforming Measures, the Articles specified in the **Obligations Concerned** element of an entry shall not

For partnerships and sole proprietorships are generally not accepted as juridical persons for depository financial institutions in Singapore. This headnote is not itself intended to affect or otherwise limit the choice of financial institution of the other Party between branches or subsidiaries.

Apply to the sectors, sub-sectors and activities identified in the **Description** element of the entry

ANNEX III

Section A

Sector	Financial Services
Sub Sector	Banking
Obligations Concerned	Nation Treatment Article Market Access for Financial Institutions Article
Level of Government	Central
Measures	<i>Banking Act</i> Chapter Guidelines for Operation of Onshore Banks Guidelines for Operation of Offshore Banks
Description	<p>No new financial licences will be granted to foreign banks.</p> <p>No foreign bank can have more than one place of business established offshore. Assets established offshore or income derived from offshore activities through an Electronic Funds Transfer Point of Sale (EFPOS) network or</p> <p><u>onshore banks</u></p> <p>onshore banks are not permitted to</p> <ul style="list-style-type: none">c) accept Singapore dollar fixed deposits of less than S\$2 milliond) offer savings accountse) operate interest-bearing Singapore dollar current accounts for non-tourist persons who are Singapore residents orf) issue Singapore dollar bonds and negotiate certificates of deposit unless the requirements

pertaining to minimum maturity period
 minimum denomination or class of investors
 contained in the Guidelines for Operation of
 the Offshore BNS issued by the Monetary
 Authority of Singapore or its successor body
 reproduced with

Offshore banks

Offshore banks are not permitted to

provide credit facilities to non-residents
 of Singapore in Singapore dollars exceeding
 total of S\$1 million in any one time

offer savings accounts

- c accept any fixed or other interest-bearing
 deposits in Singapore dollars from non-residents
 of Singapore
- d operate current accounts for non-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 branch 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\$2 million from non-residents
 or
- 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 BNS issued by the Monetary
 Authority of Singapore or its successor body
 reproduced with

Sector	Fin nci Ser ices
Sub Sector	B n ing
Oblig tions Concerned	M r et Access for Fin nci nstitutions Artic e
Level of Govern ent	Centr
Me sures	<i>Finance Companies Act</i> C p
Description	<p>No ne fin nce co p ny icences i e gr nted</p> <p>Fin nce co p nies y on y est ish s Sing pore incorpor ted co p nies</p> <p>Fin nce co p nies re not per itted to est ish off pre ise A Ms A M net or ing or o their ccounts to e de ited through n E lectronic Funds r nsfer t Point of S e EF POS</p>

Sector	Fin nci Ser ices
Sub Sector	B n ing
Obligations Concerned	M r et Access for Fin nci nstitutions Artic e
Level of Government	Centr
Measures	<i>Banking Act C p</i> <i>Monetary Authority of Singapore Act C p</i> Guide ines for Oper tion of Merch nt B n s
Description	No erch nt n y est ish ore th n one custo er ser ice oc tion

Sector	Financial Services
Sub Sector	Banking
Obligations Concerned	Nation Treatment Article Market Access for Financial Institutions Article
Level of Government	Central
Measures	<i>Banking Act</i> Chapter <i>Central Provident Fund Act</i> Chapter
Description	<p>On y foreign n s with Qu ifying Fu B n pri ieges nd oc n s y pp y to provide Supplement ry Retirement Scheme accounts nd Centr Pro ident Fund n est ent Scheme accounts</p> <p>On y foreign n s with Qu ifying Fu B n pri ieges nd oc n s y pp y to ccept fi ed deposits under the Centr Pro ident Fund n est ent Scheme nd Mini u Su Scheme</p>

Sector	Financial Services
Sub Sector	Banking
Obligations Concerned	Nation relevant Article
Level of Government	Central
Measures	<i>Banking Act</i> Cap <i>Monetary Authority of Singapore Act</i> Cap .
Description	<p>No foreign person shall, acting alone or in concert with other persons, exercise control of any Singapore incorporated entity or its financial holding company which is regulated by the Monetary Authority of Singapore other than Singapore incorporated entity or financial holding company that is controlled by financial institution of another Party.</p> <p>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 five per cent, two per cent or two per cent in Singapore incorporated entity or financial holding company and before Singapore incorporated entity or financial holding company is merged or taken over by any other body.</p> <p>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.</p> <p>A foreign person is a person that is</p> <ul style="list-style-type: none"> in the case of a natural person not a citizen of Singapore and in the case of a corporation not controlled by citizens of Singapore.

Sector Fin nci Ser ices

Su Sector B n ing

O lig tions Concerned

Sector	Financial Services
Sub Sector	Settlement and clearing services for financial assets
Obligations Concerned	Nation's Retirement Article Market Access for Financial Institutions Article
Level of Government	Central
Measures	<i>Banking Act</i> Chapter
Description	Only the clearing house established under the Banking Act may provide clearing services for cheques and other credit instruments which are drawn on an account in Singapore whether payable in Singapore dollars or other currency and services for international GROSS transfers

Sector	Financial Services
Sub Sector	
Obligations Concerned	Market Access for Financial Institutions Article
Level of Government	Central
Measures	<i>Securities and Futures Act</i> Chapter 2
Description	<p>The establishment or operation of securities and futures markets shall provide changes recognised market operators or exempt market operators is subject to the authorisation including the imposition of conditions for authorisation by the Monetary Authority of Singapore or its successor body in authorising such markets or in imposing conditions on the operations of such markets Singapore take into account factors including but not limited to market structure fragmentation of liquidity range of products offered and the type of investors targeted</p>

Sector	Fin nci Ser ices
Sub Sector	P rticip tion in inds of securities inc uding underwriting nd p ce ent s gent nd pro ision of ser ice re ted to such issues
O lig tions Concerned	M r et Access for Fin nci nstitutions Artic e
Level of Govern ent	Centr
Me sures	<i>Banking Act C p</i>
Description	B n s nd erch nt n s e ership on ny securities e ch nge or futures e ch nge est ished in Sing pore ust e he d through su sidi ries incorpor ted in Sing pore

Sector	Financial Services
Sub Sector	Asset management such as cash or portfolio management for trusts of collective investment funds, pension funds, custodial, depository and trust services
Obligations Concerned	Nation's Retirement Article Market Access for Financial Institutions Article
Level of Government	Central
Measures	<i>Companies Act</i> Chapter
Description	Only the Central Depository Pte Ltd or its successor body is authorised to provide custodial services for foreign entry securities

Sector	Financial Services
Sub Sector	Payment and non-money transmission services
Obligations Concerned	Nation's Retirement Article
Level of Government	Central
Measures	<i>Money-Changing and Remittance Businesses Act</i> Chapter 177
Description	Remittance shops and money changing businesses except where the remittance or money changing business is conducted by a merchant bank and finance companies must be majority owned by Singapore citizens i.e. ownership of more than 50 per cent shareholding

Sector	Financial Services
Sub Sector	Insurance
Regulations Concerned	Notification Requirements Article
Level of Government	Central
Measures	Admission Criteria Guidelines and Application Forms for Fund Management and Insurance Companies included under Central Provident Fund Investment Scheme CPFIS
Description	<p>In considering the admission of insurers under the CPFIS the Board takes into consideration the following factors</p> <ul style="list-style-type: none"> a) Whether the insurer is registered under the <i>Insurance Act</i> to carry on life insurance business b) Whether the insurer has initiated one year trade records registered insurer in Singapore c) Whether the insurer employs initially of three fund management staff one of whom has at least five years of fund management experience the other two on a part-time basis of fund management experience if he or she <ul style="list-style-type: none"> i) is fully qualified Chartered Financial Analyst CFA ii) is a member of the Society of Actuaries iii) holds Certificate in Finance and Investments from the Institute of Actuaries or iv) holds an equivalent qualification from

ny of the profession ctu ri
odies recognised in Sing pore

Note he o e visted re the sic criteri for insurers to e
inc uded under CPF S he Bo rd in consu t tion with the
Monet ry Authority of Sing pore y consider n pp ic nt
for d ission on c se y c se sis if the pp ic nt does
not eet specific criterion ut h s other strengths nsurers
th t p ss the qu ifying criteri st ted o e v i e o ed
to offer ne v in est ent in ed insur nce products LPs nd
n ge LP su funds

Sector	Fin nci Ser ices
Sub Sector	nsur nce
Obligations Concerned	M r et Access for Fin nci nstitutions Artic e
Level of Government	Centr
Measures	<i>Insurance Act</i> C p 4 2
Description	A nsur nce ro ers ust e est ished s Sing pore incorpor ted co p nies

Sector	Financial Services
Sub Sector	Insurance
Obligations Concerned	Market Access for Financial Institutions Article
Level of Government	Central
Measures	<i>Insurance Act</i> Chapter 42
Description	Company insurers wholly owned by Singapore incorporated companies

Sector	Financial Services
Sub Sector	Insurance
Obligations Concerned	Cross Border Trade Article 4
Level of Government	Central
Measures	<i>Motor Vehicles (Third Party Risks and Compensation) Act</i> Chapter 4 <i>Work Injury Compensation Act</i> Chapter 4
Description	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

Sector	A
Sub Sector	
Obligations Concerned	Cross Border Trade Article 6
Level of Government	Central
Measures	<i>Financial Advisers Act</i> Chapter 110 <i>Insurance Act</i> Chapter 112
Description	The percentage 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 maritime insurer or marine insurance and transit business insured with approved MA insurer

Sector A

Sub Sector

Objections Concerned Cross Border Trade Article 6

Level of Government Central

Measures *Banking Act* Chapter 29 MAS Notice
Monetary Authority of Singapore Act Chapter 29 MAS Notice
Finance Companies Act Chapter 103 MAS Notice
Insurance Act Chapter 122 MAS Notice
Securities and Futures Act Chapter 289 MAS Notice SFA 4
N4

Description A non resident financial institution may in certain circumstances be unable to borrow in Singapore dollars more than S\$1 million from a resident financial institution owing to the following restrictions placed on financial institutions ending of the Singapore dollar to non resident financial institutions

A financial institution should not extend to any non resident financial institution Singapore dollar credit facilities exceeding S\$1 million per non resident financial institution

Where the Singapore dollar proceeds are to be used outside of Singapore unless

- i such proceeds are swapped or converted into foreign currency upon drawdown or before realisation or
- ii such proceeds are for the purpose of pre-empting settlement of futures where the financial institution extends to or for the Singapore dollar credit to any foreign account of any non resident financial institution and the financial institution takes reasonable efforts to ensure that

the order of the fit is completed within two business days and

where there is reason to believe that the Singapore dollar proceeds may be used for Singapore dollar currency speculation regardless of whether the Singapore dollar proceeds are to be used in Singapore or outside of Singapore

A financial institution shall not arrange Singapore dollar equity or bond issues for any non-resident financial institution where the Singapore dollar proceeds are to be used outside Singapore unless the proceeds are swapped or converted into foreign currency upon demand or before receipt of proceeds

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

Sector	A
Sub Sector	
Obligations Concerned	Senior Management and Boards of Directors Article
Level of Government	Central
Measures	<i>Companies Act</i> Chapter
Description	Every Singapore incorporated company shall have at least one director who is ordinarily resident in Singapore

ANNEX III

Section B

Sector	Financial Services
Sub Sector	Banking
Obligations Concerned	Nation Treatment Article Market Access for Financial Institutions Article
Level of Government	Central
Description	Singapore reserves the right to adopt or implement in any measure affecting the supply of services by foreign persons with Qualifying Financial Institution privileges so that any such measures shall not decrease the Qualifying Financial Institution privileges in respect of the supply of services enjoyed by foreign persons with Qualifying Financial Institution privileges as of the date of entry into force of this Agreement
Existing Measures	Banking Act Chapter MAS Notice

Sector Financial Services

Sub Sector Settlement and clearing services for financial assets including

Sector	Financial Services
Sub Sector	Social Services
Obligations Concerned	Market Access for Financial Institutions Article Cross Border Trade Article
Level of Government	Central
Description	Singapore reserves the right to adopt or implement in any measure with respect to the provision of financial services and the following services to the extent that they are social services established or implemented in for public purpose income security and insurance social security social welfare social development poverty reduction public education public training health and childcare
Existing Measures	

Sector	Fin nci Ser ices
Sub Sector	
Obligations Concerned	N tion re t ent Artic e M r et Access for Fin nci nstitutions Artic e
Level of Government	Centr
Description	<p>Sing pore reser ves the right to dopt or int in ny e sure in the for of su sidies or gr nts pro ided y Sing pore th t ffects the supp y of ny fin nci ser ice y ny fin nci ser ice supplier which Sing pore dee s necess ry</p> <p>for the de eop ent of oc s nd ediu enterprises or</p> <p>to f ci it te or en e the supp y of ny ser ice to Sing pore enterprises th t is not eing supp ied in Sing pore or th t is not eing supp ied efficient y</p>
Existing Measures	

Sector	Fin nci Ser ices
Sub Sector	
Obligations Concerned	N tion re t ent Artic e M r et Access for Fin nci nstitutions Artic e
Level of Government	Centr
Description	<p>Sing pore reser ves the right to dopt or int in ny e sure in the for of su sidies or gr nts pro ided y Sing pore in connection with the supp y of ny fin nci ser ice in e ing</p> <p>h t Sing pore dee s s syste ic y i port nt fin nci r ets infr structure inc uding</p> <ul style="list-style-type: none"> e ch nges centr depositories c repositories d ce ring nd sett e ent f ci ities nd e r et oper tors
Existing Measures	

Sector Financial Services

Sub Sector A

Obligations Concerned Most Favored Nation treatment Article 4

Level of Government Central

Description

Subject to paragraph 2 the obligation under Article 4 Most Favored Nation treatment shall on any day to differentiate treatment that is accorded to 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 pursued or related to or under any prior international agreements which Singapore has with that country

2 Singapore reserves the right to adopt or introduce any measure that accords preferential treatment to the European Union pursuant to the European Union Singapore Free Trade Agreement initiated on 2 September 2002 including any subsequent amendments

Existing Measures