

SDIC RULES

2 JANUARY 2008



SINGAPORE DEPOSIT INSURANCE CORPORATION (“SDIC”) RULES (“Rules”)

1. These Rules are issued under section 19 of the Deposit Insurance Act (Chapter 77A) and apply to all Scheme members.

DEFINITIONS

2. Words and expressions used in these Rules shall, unless otherwise defined herein or unless the context otherwise requires, have the same meaning as in the Act.

PREMIUM CONTRIBUTION

Premium Contributions Payable by Scheme Members

3. For the purposes of section 23(2) of the Act, SDIC shall give each Scheme member notice in writing of the amount of premium contribution payable for any particular premium year at least 1 month before the date on which payment is due from the Scheme member (“payment due date”).
4. For the purposes of section 25(1)(a) of the Act and subject to Rule 6, a Scheme member shall pay the amount of premium contribution assessed for that premium year on or before **1 April** of that premium year.
5. Where a full bank or finance company becomes a Scheme member during the course of a premium year, or where an exemption from the requirement to be a Scheme member granted to a full bank or finance company pursuant to section 6 of the Act is withdrawn during the course of a premium year, the Scheme member shall pay the pro-rated amount of premium contribution assessed for that premium year within 1 month from the date it becomes a Scheme member or from the date its exemption is withdrawn, as the case may be, unless SDIC specifies a later payment due date in its notice in writing.

Re-computation of Premium Contributions

6. If the Monetary Authority of Singapore (“the Authority”) notifies SDIC of any re-computation of the amount of premium contribution and the shortfall in premium contribution by a Scheme member, SDIC shall give the Scheme member notice in writing of the shortfall in premium contribution at least 1 month before the payment due date specified in the notice.

Collection of Additional Premium Contributions

7. When the Authority has notified SDIC of the additional premium contribution payable by a Scheme member for that premium year or part thereof under section 24 of the Act, SDIC shall give the Scheme member notice in writing of the additional premium contribution payable at least 1 month before the payment due date specified in the notice.

Late Payment Fees

8. As provided under section 25 of the Act, if a Scheme member fails to pay the premium contribution or additional premium contribution or any part thereof by the date specified under these Rules, SDIC may impose late payment fees by notice in writing pursuant to that section.
9. Any late payment fee imposed by SDIC shall, subject to section 25(3) of the Act, be the amount computed in accordance with the following formula:

$$A \times r/365 \times (\text{SIBOR} + 10\%), \text{ where}$$

“A” is the amount of premium contribution or additional premium contribution as the case maybe, which is due and owing;

“r” is the number of days after the payment due date by which the Scheme member is late in making payment; and for the purpose of this computation

“SIBOR” means the 3 months’ S\$ Singapore Interbank Offer Rate fixed by the Association of Banks in Singapore, as at the payment due date.

Payment Due Date

10. Any payment that is due on a Saturday, Sunday or a public holiday, shall be made by the next business day.

Method of Payment of Premiums and Late Payment Fees

11. Subject to Rule 12, a Scheme member shall pay the annual premium contribution, any shortfall in premium contributions, any additional premium contribution and any late payment fee through a direct debit of the Scheme member's current account with the Authority. In this regard, the Scheme member shall do all things necessary to authorise the Authority to debit its accounts on behalf of the SDIC. The Authority shall credit any premium contribution collected into SDIC's account maintained with the Authority for the Deposit Insurance Fund ("the DI Fund").
12. A Scheme member which does not maintain a current account with the Authority may make alternative arrangements with SDIC to pay the annual premium contribution, any shortfall in premium contribution, any additional premium contributions and any late payment fee.

Refund

- 12A For the purposes of section 27 of the Act, SDIC shall notify the Scheme member concerned, in writing, of the amount of premium contributions to be refunded to the Scheme member within one month of receipt of the notice under section 27. The SDIC notification shall also include the date of the payment of the refund which shall, in any event, be no later than 15 April of the next premium year.

PAYMENT OF COMPENSATION TO INSURED DEPOSITORS

13. When the Authority has notified SDIC of its determination that compensation shall be paid out of the DI Fund, SDIC shall as soon as practicable give notice that such compensation shall be paid out of the DI Fund to the insured depositors of the failed Scheme member. As required under section 30(4) of the Act, the SDIC shall gazette the notice of payment of compensation, stating that a payment of compensation is to be made to the insured depositors of the failed

Scheme member out of the DI Fund. In addition SDIC shall issue a media release of payment of compensation to news stations and daily press. Such media release shall be issued to at least 4 local daily newspapers, one each in the Malay, Chinese, Tamil and English languages.

14. A Scheme member in respect of which a notice that compensation will be paid has been published in the Gazette (“a failed Scheme member”) shall immediately exhibit at all its offices and branches in Singapore, a notice of the decision by the Authority to pay compensation out of the DI Fund to insured depositors of the Scheme member.
15. A failed Scheme member shall provide such information and render such assistance and cooperation to SDIC as may be required by SDIC to determine the eligibility and entitlement of the insured depositors to compensation, compute the compensation payments and otherwise perform its functions under the Act.

COMPENSATION PAYOUT READINESS

- 15A. With effect from 1 October 2008, every Scheme member shall maintain such information as specified in Annex A (“Specified Information”), and shall ensure that it has systems and processes in place to provide the Specified Information to SDIC according to the data structure and format, and within such time as specified in Annex B. In determining the systems and processes that a Scheme member would require, the Scheme member would be classified into either Category A or B according to Rule 15B.
- 15B. For the purpose of Rule 15A, a Scheme member that satisfies the criteria specified in paragraph 2 of Annex B and wishes to be classified under Category B, shall be so classified when it certifies to SDIC that it fulfils the said criteria. Thereafter, such Category B Scheme member shall certify to SDIC on 1 April of each year that it fulfils the criteria specified in paragraph 2 of Annex B. Furthermore, such Category B Scheme member shall inform SDIC within 10 days from the date it no longer satisfies the criteria and within 30 days from that date, ensure

that its systems and processes are compliant with those specified for Category A members.

- 15C. With effect from 1 October 2008, for the purpose of ensuring that the required data is submitted by the Scheme member to SDIC in a secure manner, every Scheme member shall comply with the data handling process and standards specified in Annex C.
- 15D. With effect from 1 October 2008, SDIC may conduct periodic simulation exercises with Scheme members. During such simulation exercises conducted by SDIC, every Scheme member shall provide such information and shall render such assistance and cooperation to SDIC as may be required for this purpose. SDIC shall provide Scheme members 30 days' prior notice of any simulation exercise.

METHOD OF PAYOUT

16. SDIC may pay compensation to insured depositors using any of the following methods:
- (a) Issue cheques to individual insured depositors for the amount of compensation due to them. SDIC may send cheques by post to insured depositors (at his mailing address recorded in the books of the failed Scheme member) or may arrange for collection by the insured depositors from the branches of one or more other Scheme members appointed by the SDIC under section 18(4) of the Act as its agent for the purposes of payment of compensation; or
 - (b) Deposit the amount of compensation due to individual insured depositors into new accounts opened for the insured depositors with one or more other Scheme members appointed by the SDIC under section 18(4) of the Act as its agent for the purposes of payment of compensation.

DISCLOSURE

Register of Insured Deposits

17. Every Scheme member shall prepare and maintain an up-to-date register of all its deposit products which constitute an “insured deposit” under the Act. A sample register is provided in Annex D.

18. Every Scheme member shall provide SDIC with a copy of the register as at 1 April of each year together with an addendum showing the corresponding product codes of each deposit product listed in the register. A sample of the addendum is provided in Annex E. The copy of the register together with the addendum shall be submitted by every Scheme member to the SDIC within 10 days from 1 April of each year. If there is any change to the list of deposit products which constitute an ‘insured deposit’ in the register, or the corresponding product codes, during the course of each year, every Scheme member shall inform the SDIC of the same within 10 days of the change.

19. Every Scheme member shall make the register available to every depositor or any other person upon request.

Disclosure Statement for Insured Deposits

20. Every Scheme member shall disclose, for each insured deposit that it offers to or maintains for insured depositors, that such deposit, if held by or for an individual or charity, is insured up to the limits specified in the Act, in all marketing materials, account opening forms and deposit account statements, for such deposits, whether in electronic, print or other form. Such disclosure shall be clearly communicated. Any written disclosure shall be clearly legible. With effect from 1 April 2008, every Scheme member shall provide SDIC with a confirmation that all disclosure requirements have been complied with. Every Scheme member shall submit the confirmation to SDIC by 10 April of each year.

History

	Reference	Subject	Effective Date	Gazette Date
1	SDIC/Circular-01/2006 dated 27 Feb 2006	Singapore Deposit Insurance Corporation ("SDIC") Rules	27 Feb 2006	3 Mar 2006
2	SDIC/Circular-02/2008 dated 2 Jan 2008	Singapore Deposit Insurance Corporation (Amendment) Rules 2008	2 Jan 2008	7 Jan 2008