



Monetary Authority of Singapore

Response to Feedback Received  
P005–2023 – 22 September 2023

# **Response to Feedback Received on Proposed Enhancements to the Deposit Insurance Scheme in Singapore (Part 1)**



# Contents

1. Preface	3
2. Increasing Maximum DI Coverage	4
Annex A: List of respondents who submitted their feedback to the proposed increase in Maximum DI Coverage under Questions 1 to 3 of the consultation paper	6
Annex B: Submissions from respondents who submitted their feedback to the proposed increase in Maximum DI Coverage under Questions 1 to 3 of the consultation paper	7
Annex C: MAS Notice DIA-N01 Submissions (Updated)	11



# 1. Preface

- 1.1. On 27 June 2023, MAS issued a consultation paper to seek views on the recommendations to increase deposit insurance (DI) coverage per depositor to S\$100,000, and to improve the clarity and operational efficiency of the DI scheme.
- 1.2. The consultation period closed on 31 July 2023, and MAS would like to thank all 22 respondents for their contributions.
- 1.3. MAS will publish the response to the consultation feedback in two parts. Part 1 of the consultation response, covered in this paper, focuses on the proposed increase in Maximum DI Coverage from S\$75,000 to S\$100,000. We are publishing this first to allow the industry more time to implement the changes. Part 2 of the consultation response will cover our responses to the remaining topics and will be published in due course, along with the relevant draft of legislative changes needed to effect the changes.
- 1.4. The list of 20 respondents who submitted their feedback to the proposed increase in Maximum DI Coverage under Questions 1 to 3 of the consultation paper is set out in Annex A. Their submissions for Questions 1 to 3 are set out in Annex B. MAS had engaged some of the respondents before arriving at our response to their feedback. Comments that are of wider interest, together with MAS' responses are set out below.



## 2. Increasing Maximum DI Coverage

- 2.1. To restore the percentage of fully-covered insured depositors to 91% (which had fallen to 89% since the last increase in the Maximum DI Coverage), MAS proposed to enhance depositor protection by increasing the Maximum DI Coverage from S\$75,000 to S\$100,000 per depositor per DI Scheme member with effect from 1 April 2024. MAS also proposed not to provide transitional arrangements for MAS Notice DIA-N01 submissions, in view that ample notice had been given.
- 2.2. Respondents were supportive of the proposed increase in Maximum DI Coverage from S\$75,000 to S\$100,000. A minority of respondents suggested having higher Maximum DI Coverage beyond S\$100,000 and broadening the scope of DI coverage to include foreign currency deposits.
- 2.3. A majority of the respondents agreed with the proposal to implement the increase in Maximum DI Coverage with effect from 1 April 2024. However, a number of respondents requested for a later implementation date, citing (a) the need for rigorous system enhancement processes and user acceptance tests; and (b) insufficient bandwidth as the DI Scheme members also had to deal with other system changes, such as new data submission requirements by the Singapore Deposit Insurance Corporation, which would take effect around the same period.
- 2.4. Respondents also sought operational clarifications, including (a) whether outdated account opening forms, reflecting S\$75,000 as the Maximum DI Coverage, could still be accepted from 1 April 2024 onwards; (b) whether DI Scheme members have to formally notify their customers ahead of the increase in Maximum DI Coverage; and (c) the transition time given to DI Scheme members to revise relevant disclosure statements. In relation to (c), a respondent suggested removing the requirement to disclose the specific Maximum DI Coverage in the bank's collaterals and to refer to the SDIC website instead for the prevailing Maximum DI Coverage.

### **MAS' Response**

- 2.5. MAS will proceed with the proposal to increase the Maximum DI Coverage from S\$75,000 to S\$100,000, with effect from 1 April 2024, but with a 1-month extension in MAS Notice DIA-N01 submissions (relating to information as at the close of business on 31 December 2023) for all DI Scheme members. This means that the submission deadline will be extended from 15 January 2024 to 15 February 2024. Please refer to Annex C (of this Response) for the updated table of MAS Notice DIA-N01 submissions. The revised MAS Notice DIA-N01 will be published by 30 December 2023 to take effect for reporting cycles from 31 December 2023.



- 2.6. MAS notes the feedback on having a higher Maximum DI Coverage above the proposed S\$100,000. However, each increase in the Maximum DI Coverage has to be carefully considered, as raising the Maximum DI Coverage is not without cost to banks, which will ultimately be passed on to bank customers themselves. As our DI Scheme aims to protect small depositors, its adequacy as a safety net can be assessed by looking at the proportion of depositors who are fully insured. At S\$100,000, it already fully covers the vast majority (91%) of insured depositors under the DI Scheme.
- 2.7. MAS also notes the feedback on broadening the DI coverage scope to include foreign currency deposits. MAS has decided to continue excluding foreign currency deposits in view that the DI Scheme is intended to protect the core savings of small depositors, which are primarily denominated in Singapore Dollars. The proportion of foreign currency deposits held by small depositors is currently not significant. Nonetheless, we will continue to monitor the level of foreign currency deposits and review the DI Scheme periodically.
- 2.8. On the operational clarifications mentioned in Para 2.4, (a) DI Scheme members may continue to accept account opening forms which have not been updated, provided that notice is subsequently provided to the depositor (e.g. upon submission of the account opening form or via a subsequent update to customers) on the new Maximum DI Coverage; (b) there is no requirement to formally notify customers ahead of the increase in Maximum DI Coverage; and (c) MAS has assessed that it remains useful to disclose the specific Maximum DI Coverage in banks' collaterals to promote public awareness on the extent of protection under the DI Scheme. SDIC will separately update DI Scheme members on the transition time to update their collaterals.



## Annex A

### List of respondents who submitted their feedback to the proposed increase in Maximum DI Coverage under Questions 1 to 3 of the consultation paper

1. RHB Group
2. Maybank Singapore Limited
3. GXS Bank Pte. Ltd.
4. BNP Paribas
5. HSBC Singapore Branch
6. HSBC Bank (Singapore) Limited
7. Mizuho Bank Limited, Singapore Branch
8. PT Bank Negara Indonesia (Persero) Tbk
9. Respondent A, who requested for confidentiality of identity

Eleven respondents requested for confidentiality.

Please refer to Annex B for the submissions.



## Annex B

### Submissions from respondents who submitted their feedback to the proposed increase in Maximum DI Coverage under Questions 1 to 3 of the consultation paper

*Note: The table below only includes submissions for which respondents did not request confidentiality.*

S/N	Respondent	Responses from respondent
1.	RHB Group	<p><b>Question 1. MAS seeks comments on the proposal to enhance depositor protection by increasing the Maximum DI Coverage from S\$75,000 to S\$100,000 per depositor per DI Scheme member with effect from 1 April 2024.</b></p> <p>The Bank would like to clarify Annex B, Line 1 which stipulates that for submission period 31 Dec 2023, the maximum DI coverage is \$100,000 for this reporting period despite the effective date for the revised coverage being 1 Apr 2024.</p> <p><b>Question 2. MAS seeks comments on the draft amendment to the First Schedule of the DI-PPF Act, for the purpose of increasing the Maximum DI Coverage from S\$75,000 to S\$100,000, as set out in Annex A.</b></p> <p><b>Question 3. MAS seeks comments on the proposal related to MAS Notice DIA-N01 submissions, without providing for a transitional arrangement in view that ample notice has been given.</b></p> <p>Transition period is requested because there is a timing clash with the revised SDIC annual exercise project which RHB is engaging in from Nov 23 to Feb 2024 and we have no bandwidth to support both submissions at the same time.</p>
2.	Maybank Singapore Limited	<p><b>Question 1. MAS seeks comments on the proposal to enhance depositor protection by increasing the Maximum DI Coverage from S\$75,000 to S\$100,000 per depositor per DI Scheme member with effect from 1 April 2024.</b></p> <p>The Bank is generally supportive of the proposed amendments.</p> <p><b>Question 2. MAS seeks comments on the draft amendment to the First Schedule of the DI-PPF Act, for the purpose of increasing the Maximum DI Coverage from S\$75,000 to S\$100,000, as set out in Annex A.</b></p> <p><b>Question 3. MAS seeks comments on the proposal related to MAS Notice DIA-N01 submissions, without providing for a transitional arrangement in view that ample notice has been given.</b></p>
3.	GXS Bank Pte. Ltd.	<p><b>Question 1. MAS seeks comments on the proposal to enhance depositor protection by increasing the Maximum DI Coverage from S\$75,000 to S\$100,000 per depositor per DI Scheme member with effect from 1 April 2024.</b></p>



S/N	Respondent	Responses from respondent
		<p>We note that the Maximum DI Coverage was last increased in 2019 to S\$75,000. Since then, given the deposits growth and to improve the DI coverage for small depositors, we agree with MAS' proposal to increase the Maximum DI Coverage to S\$100,000.</p> <p>We would like to seek MAS guidance if Scheme members are required to give 30 days' notice to customers on this change.</p> <p><b>Question 2. MAS seeks comments on the draft amendment to the First Schedule of the DI-PPF Act, for the purpose of increasing the Maximum DI Coverage from S\$75,000 to S\$100,000, as set out in Annex A.</b></p> <p>No comments.</p> <p><b>Question 3. MAS seeks comments on the proposal related to MAS Notice DIA-N01 submissions, without providing for a transitional arrangement in view that ample notice has been given.</b></p> <p>No comments.</p>
4.	BNP Paribas	<p><b>Question 1. MAS seeks comments on the proposal to enhance depositor protection by increasing the Maximum DI Coverage from S\$75,000 to S\$100,000 per depositor per DI Scheme member with effect from 1 April 2024.</b></p> <p>1. With the increase of the Maximum DI Coverage from S\$75,000 to S\$100,000 per depositor, disclosure statement in marketing materials, account opening forms and account statements for insured deposits would be required to be updated to reflect the increased insured coverage. In that regard, we would like to confirm that the abovementioned would be sufficient and Scheme members are not required to notify existing clients of the increased in Maximum DI Coverage by way of a separate communication letter.</p> <p>2. We note that the increased insured coverage is slated to take effect on 1 April 2024. For account opening forms which were given to prospect before 1 April 2024 and prospect submitted the signed forms to the Bank for processing after 1 April 2024, such account opening forms will not reflect the increased insured coverage. We would like to confirm that it is not required to request prospect to re-sign on the updated account opening form with the increased insured coverage.</p> <p>3. When the Maximum DI Coverage was last increased in 2019 from S\$50,000 to S\$75,000, SDIC allowed Scheme members 1 week from 1 Apr 2019 (until 7 Apr 2019) to effect the revised disclosure statement across all relevant materials, taking into consideration the feedback received from Scheme members on the challenges of effecting changes to the disclosure statement on the same day. In this regard, we would also like to request for the same transition arrangement, i.e. 1 week to effect the revised disclosure statement across all relevant materials. This will provide sufficient time for Scheme members to implement the necessary changes.</p> <p><b>Question 2. MAS seeks comments on the draft amendment to the First Schedule of the DI-PPF Act, for the purpose of increasing the Maximum DI Coverage from S\$75,000 to S\$100,000, as set out in Annex A.</b></p> <p><b>Question 3. MAS seeks comments on the proposal related to MAS Notice DIA-N01 submissions, without providing for a transitional arrangement in view that ample notice has been given.</b></p>





S/N	Respondent	Responses from respondent
5.	HSBC Singapore Branch	<p><b>Question 1. MAS seeks comments on the proposal to enhance depositor protection by increasing the Maximum DI Coverage from S\$75,000 to S\$100,000 per depositor per DI Scheme member with effect from 1 April 2024.</b></p> <p>No comments</p>
		<p><b>Question 2. MAS seeks comments on the draft amendment to the First Schedule of the DI-PPF Act, for the purpose of increasing the Maximum DI Coverage from S\$75,000 to S\$100,000, as set out in Annex A.</b></p> <p>No comments</p>
		<p><b>Question 3. MAS seeks comments on the proposal related to MAS Notice DIA-N01 submissions, without providing for a transitional arrangement in view that ample notice has been given.</b></p> <p>No comments</p>
6.	HSBC Bank (Singapore) Limited	<p><b>Question 1. MAS seeks comments on the proposal to enhance depositor protection by increasing the Maximum DI Coverage from S\$75,000 to S\$100,000 per depositor per DI Scheme member with effect from 1 April 2024.</b></p> <p>No Comments</p>
		<p><b>Question 2. MAS seeks comments on the draft amendment to the First Schedule of the DI-PPF Act, for the purpose of increasing the Maximum DI Coverage from S\$75,000 to S\$100,000, as set out in Annex A.</b></p> <p>No Comments</p>
		<p><b>Question 3. MAS seeks comments on the proposal related to MAS Notice DIA-N01 submissions, without providing for a transitional arrangement in view that ample notice has been given.</b></p> <p>No Comments</p>
7.	Mizuho Bank Ltd., Singapore Branch	<p><b>Question 1. MAS seeks comments on the proposal to enhance depositor protection by increasing the Maximum DI Coverage from S\$75,000 to S\$100,000 per depositor per DI Scheme member with effect from 1 April 2024.</b></p> <p>Nil</p>
		<p><b>Question 2. MAS seeks comments on the draft amendment to the First Schedule of the DI-PPF Act, for the purpose of increasing the Maximum DI Coverage from S\$75,000 to S\$100,000, as set out in Annex A.</b></p> <p>Nil</p>
		<p><b>Question 3. MAS seeks comments on the proposal related to MAS Notice DIA-N01 submissions, without providing for a transitional arrangement in view that ample notice has been given.</b></p> <p>Nil</p>



S/N	Respondent	Responses from respondent
8.	PT Bank Negara Indonesia (Persero) Tbk	<p><b>Question 1. MAS seeks comments on the proposal to enhance depositor protection by increasing the Maximum DI Coverage from S\$75,000 to S\$100,000 per depositor per DI Scheme member with effect from 1 April 2024.</b></p> <p>BNI supports the proposal to increase DI coverage. We are of the view that the proposal is forward-looking and takes into consideration rising affluence in Singapore. The higher DI coverage will ensure that a higher proportion of insured depositors will be covered under this scheme. This is consistent with the policy intent of the DI Scheme.</p>
		<p><b>Question 2. MAS seeks comments on the draft amendment to the First Schedule of the DI-PPF Act, for the purpose of increasing the Maximum DI Coverage from S\$75,000 to S\$100,000, as set out in Annex A.</b></p> <p>BNI has no comments on this as it reflects the new Maximum DI Coverage.</p>
		<p><b>Question 3. MAS seeks comments on the proposal related to MAS Notice DIA-N01 submissions, without providing for a transitional arrangement in view that ample notice has been given.</b></p> <p>BNI agrees that a transitional arrangement is not necessary as we note that the submission for the new coverage amount of S\$100,000 will only apply in January next year. This gives FIs ample time to make the necessary arrangements to transition.</p>
9.	Respondent A	<p><b>Question 1. MAS seeks comments on the proposal to enhance depositor protection by increasing the Maximum DI Coverage from S\$75,000 to S\$100,000 per depositor per DI Scheme member with effect from 1 April 2024.</b></p> <p>No comments.</p>
		<p><b>Question 2. MAS seeks comments on the draft amendment to the First Schedule of the DI-PPF Act, for the purpose of increasing the Maximum DI Coverage from S\$75,000 to S\$100,000, as set out in Annex A.</b></p> <p>No comments.</p>
		<p><b>Question 3. MAS seeks comments on the proposal related to MAS Notice DIA-N01 submissions, without providing for a transitional arrangement in view that ample notice has been given.</b></p> <p>No comment if there is no transitional arrangement as long as there is no change to the composition of the insured deposit base as mentioned under Q5. If there will be changes in the insured deposit base, we will need to re-assess again based on the changes needed.</p>



## Annex C

### MAS Notice DIA-N01 Submissions (Updated)

The following table supersedes the version found in Annex B of the Consultation Paper on Proposed Enhancements to the Deposit Insurance Scheme in Singapore (June 2023).

Submission period (within 15 days from the date indicated below, unless otherwise indicated)	Scheme members	Reporting format (Annex A)	Observation period/date for insured deposit base (IDB) and eligible assets or eligible pledged assets (EA/EPA)	Maximum DI Coverage
31 Dec 2023  (Note: Submission deadline has been extended from 15 Jan 2024 to 15 Feb 2024.)	All scheme members	Schedule I	<ul style="list-style-type: none"> <li>IDB as at 31 Dec 2023</li> </ul>	S\$100,000
	Scheme members incorporated outside Singapore (SG)	Schedule II	<ul style="list-style-type: none"> <li>IDB as at 31 Dec 2023</li> <li>EA/EPA for Oct, Nov and Dec 2023</li> </ul>	S\$100,000
		Schedule III	<ul style="list-style-type: none"> <li>Preceding year IDB as at 31 Dec 2022</li> <li>EA/EPA as at 31 Dec 2023</li> </ul>	S\$75,000
31 Mar 2024	Scheme members incorporated outside SG	Schedule III	<ul style="list-style-type: none"> <li>Preceding year IDB as at 31 Dec 2023*</li> <li>EA/EPA as at 31 Mar 2024</li> </ul>	S\$75,000
30 Jun 2024	Scheme members incorporated outside SG	Schedule III	<ul style="list-style-type: none"> <li>Preceding year IDB as at 31 Dec 2023</li> <li>EA/EPA as at 30 Jun 2024</li> </ul>	S\$100,000
30 Sep 2024	Scheme members incorporated outside SG	Schedule III	<ul style="list-style-type: none"> <li>Preceding year IDB as at 31 Dec 2023</li> <li>EA/EPA as at 30 Sep 2024</li> </ul>	S\$100,000
31 Dec 2024	All scheme members	Schedule I	<ul style="list-style-type: none"> <li>IDB as at 31 Dec 2024</li> </ul>	S\$100,000
	Scheme members incorporated outside SG	Schedule II	<ul style="list-style-type: none"> <li>IDB as at 31 Dec 2024</li> <li>EA/EPA for Oct, Nov and Dec 2024</li> </ul>	S\$100,000
		Schedule III	<ul style="list-style-type: none"> <li>Preceding year IDB as at 31 Dec 2023</li> <li>EA/EPA as at 31 Dec 2024</li> </ul>	S\$100,000

\* For avoidance of doubt, specifically for the submission of Schedule III as at the close of business on 31 Mar 2024, the preceding year IDB as at 31 Dec 2023 (under Schedule III Part III Item 2) should be computed based on the Maximum DI Coverage of S\$75,000. Please do not indicate the IDB reported in Schedule I of the preceding year (as advised in MAS DIA-N01, Annex A, Notes for Completion of Schedules, Para 20) as the IDB reported in Schedule I of the preceding year will be computed based on the Maximum DI Coverage of S\$100,000.