

For immediate release

New rules to speed up payments of deposit insurance take effect today

Singapore, 1 October 2008 – The Singapore Deposit Insurance Corporation (SDIC)'s new rules to ensure that full banks and finance companies in Singapore have robust systems in place to speed up payments of deposit insurance when needed, come into effect today.

Ooi Sin Teik, CEO of SDIC, said: “In the last one and a half years, we have worked with our Scheme Members to develop a robust system that will lend confidence to Singapore depositors.

“The effectiveness of the compensation readiness system and processes at Scheme members is important in ensuring that we are able to meet our target of paying out deposit insurance within three weeks of an order by the regulator to do so.”

SDIC's rules on compensation payout readiness require Scheme Members to standardise the format for providing relevant information at short notice so that SDIC can manage compensation payouts in an efficient and expeditious manner.

To test the systems, SDC will from this month conduct simulation exercises with Scheme Members. These runs will be used to gauge each Member's response time and compliance with the prescribed data requirements as well as test data encryption and other data handling procedures.

At all times during such simulations, customer data will be masked so as not to compromise the confidentiality of the information.

The rules on compensation readiness were enacted in January this year and the SDIC's system to process the data went "live" on May 29.

Set up two years ago, SDIC administers the Deposit Insurance Scheme in Singapore. Under the Scheme, customers with Singapore dollar deposit accounts with a Scheme Member are automatically insured for up to \$20,000.

All full banks and finance companies are required by law to be members of the Deposit Insurance Scheme unless exempted by the MAS. Savings, fixed and current account are covered under the Scheme while deposits under the CPF Investment Scheme are separately covered.

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