

SDIC DI RULES

1. The SDIC DI Rules are issued for DI Scheme members under section 63 of the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 ("the Act").
2. The Monetary Authority of Singapore ("the Authority") has issued the Deposit Insurance and Policy Owners' Protection Schemes (Deposit Insurance) Regulations 2011 ("the DI Regulations") which include:-
 - (a) regulation 11 on the compensation payout operational preparedness of DI Scheme members;
 - (b) regulation 12 on the register of insured deposits to be maintained by DI Scheme members;
 - (c) regulation 13 on the disclosure statement for insured deposits; and
 - (d) regulation 14 on the disclosure by DI Scheme member upon cessation.

Definitions

3. 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 DI Scheme Members

- D1. Each DI Scheme member, upon receipt of the written notice on the annual premium contribution payable by the DI Scheme member in accordance with section 14(2) of the Act, must ensure that there are sufficient funds in its current account maintained with the Authority on 16th of April every year (or the next working day), unless a different collection date is indicated in the notice for the payment of the premium contribution.
- D2. Where a full bank or finance company becomes a DI Scheme member during the course of a premium year, or where an exemption from the requirement to be a DI Scheme member granted to a full bank or finance company pursuant to section 6 of the Act is withdrawn during the course of a premium year, the DI Scheme member shall pay the pro-rated amount of premium contribution assessed for that premium year. The DI Scheme member must ensure that there are sufficient funds in its current account maintained with the Authority on 16th of the month stated in the written notice for its payment (or the next working day), unless a different collection date is indicated in the notice for the payment of the pro-rated premium contribution.

Collection of Additional Premium Contributions due to Insufficient DI Fund to Pay Compensation

- D3. Where a DI Scheme member has been notified in writing of an additional premium contribution payable arising from insufficient moneys in the DI Fund to pay compensation pursuant to section 15 of the Act, the DI Scheme member must ensure that there are sufficient funds in its current account maintained with the Authority on the 16th of the month stated in the written notice for its payment (or the next working day), unless a different

collection date is indicated in the notice for the payment of the additional premium contribution.

Collection of Shortfall in Premium Contributions due to Re-computation of Premium Contributions and Additional Premium Contributions

D4. Where a DI Scheme member has been notified in writing of a shortfall in premium contribution arising from any re-computation of the amount of premium contribution or any additional premium contribution pursuant to section 19 of the Act, the DI Scheme member must ensure that there are sufficient funds in its current account maintained with the Authority on 16th of the month stated in the written notice for its payment (or the next working day), unless a different collection date is indicated in the notice for the payment of the shortfall in premium contribution.

Late Payment Fees

D5. As provided for under section 16 of the Act, if a DI 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 computed in accordance with the following formula:

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

“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;

“SORA” means the 3 months’ Compounded Singapore Overnight Rate Average published by the Authority, as at the payment due date.

D6. The DI Scheme member must ensure that there are sufficient funds in its current account maintained with the Authority on 16th of the month stated in the written notice for its payment (or the next working day), unless a different collection date is indicated in the notice for the late payment fees.

Payment Due Date

D7. Any payment that is due on a Saturday, Sunday or a public holiday, shall be made by the next business day.

D8. **This section is intentionally left blank.**

D9. **This section is intentionally left blank.**

D10. **This section is intentionally left blank.**

PAYMENT OF COMPENSATION TO INSURED DEPOSITORS

D11. A DI Scheme member in respect of which a notice that compensation will be paid has been published in the Gazette pursuant to section 21(4) of the Act (“a failed DI Scheme member”) shall immediately exhibit at all its offices and branches in Singapore, and publish on its website, a notice of the decision to pay compensation out of the DI Fund to insured depositors of the DI Scheme member in the format as prescribed by SDIC.

D12. A failed DI 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 PREPAREDNESS

D13. For the purposes of regulations 11(1) and 11(2) of the DI Regulations:-

- (a) a DI Scheme member shall participate in an annual data submission exercise with SDIC;
- (b) a DI Scheme member shall furnish the information specified in Annex D-A (“Specified Information”);
- (c) the Specified Information shall be furnished in the structure and format, and within such time as prescribed by SDIC;
- (d) a DI Scheme member shall comply with the data handling process and standards as prescribed by SDIC to ensure that the required data is submitted by the DI Scheme member to SDIC in a secure manner; and
- (e) a DI Scheme member, as part of its participation in an annual data submission exercise pursuant to regulation 11(2) of the DI Regulations during the period between 1st April of a given year and 31st March of the following year, shall appoint an external auditor to produce an independent assurance report in the form of the Appendix to Annex D-B, and submit such report to SDIC no later than 31st March of the aforementioned following year.

D14. For the purposes of regulation 11(2) of the DI Regulations, a DI Scheme member shall be considered to have achieved the level of preparedness required for each periodic exercise only if the DI Scheme member has done the following:-

- (a) complied with the data handling process and standards as prescribed by SDIC which are applicable to a data submission exercise;
- (b) submitted to SDIC in the structure and format and within such time as prescribed by SDIC, the Specified Information in Annex D-A which satisfies the following conditions:-

- (i) the Specified Information can be verified through the matching of accounts to customers, the linking of multiple customer records, and the verification of customers' statements of account created by SDIC from the Scheme member's data; and
- (ii) without limiting sub-paragraph (i) –
 - (A) in the case where the Specified Information consists of the customer account ledger balances, the customer account ledger balances can be reconciled with the General Ledger referred to in the structure and format as prescribed by SDIC; and
 - (B) in the case where the Specified Information consists of the product codes, the product codes can be reconciled with the register of insured deposits referred to in Rule D17.

D15. For the purposes of regulation 11(3) of the DI Regulations, each of the Scheme members involved in a merger or consolidation, or acquisition shall furnish to SDIC the Specified Information as referred to in Rule D13(b) as at the effective date of the merger or consolidation, or acquisition or some other date as agreed with SDIC within 10 days or such time as specified by SDIC. The Specified Information shall be furnished in the structure and format as prescribed by SDIC and masked as specified in the data handling process and standards as prescribed by SDIC.

D16. For the purposes of regulation 11(7) of the DI Regulations, the acquiring DI Scheme member or the merged or consolidated DI Scheme member, as the case may be, shall submit such verification report within 30 days of the effective date of acquisition, merger or consolidation or such time as specified by SDIC.

DISCLOSURE AND PUBLIC EDUCATION BY DI SCHEME MEMBERS

Register of Insured Deposits

D17. For the purposes of regulation 12(1) of the DI Regulations, the register of insured deposits, which is a list of all products which are insured deposits and their corresponding product codes, is to be maintained at all times in the Scheme member's secured area on the SDIC website ("SM secured area"). The product name listed in the Register shall be the marketing name of the product and each product code shall be unique. A DI Scheme member shall appoint an independent party (either an external or internal auditor) to provide a report to SDIC within 10 days of 1st April each year confirming that:-

- (a) there is appropriate controls and measures to ensure that the DI Scheme member's register of insured deposits is maintained at all times; and
- (b) the register of insured deposits is accurate and complete.

D18. A DI Scheme member shall publish on its website the list of its insured deposit products as maintained in its register of insured deposits.

Disclosure Statement for Insured Deposits

D19. For the purposes of regulation 13(1) of the DI Regulations, the disclosure statement shall be in a form as specified in Annex D-C. SDIC may require a DI Scheme member to submit samples of marketing materials, account opening forms and deposit account statements to verify that the disclosure statement in the relevant form has been included in such materials, forms and statements.

Disclosure by DI Scheme member upon cessation

D20. A DI Scheme member shall submit to SDIC, a copy of the disclosure in writing issued to its insured depositors pursuant to regulation 14(4) of the DI Regulations, within 10 days of such disclosure.

Public Education

D21. For the purpose of raising public awareness of the DI Scheme,

- (a) A DI Scheme member shall make known to the public that it is a member of the Scheme by displaying prominently at the main entrance of each of its physical office premises and its website homepage, a SDIC membership sign in the form as specified in Annex D-C:
 - (i) In such a manner that the SDIC membership sign is reasonably visible to any person entering the physical office premises or accessing the website
 - (ii) In relation to the SDIC membership sign displayed on its website, a hyperlink to SDIC's webpage must be included
- (b) A DI Scheme member shall participate in SDIC's public education campaign and display at least one of SDIC's public education materials (list of materials provided in Annex D-C) at each of its physical office premises and website.

For the purpose of these Rules, a physical office premise is defined as a physical branch or office where customer interactions take place.

D22. A DI Scheme member shall provide training to its front-line employees who have direct interaction with customers and ensure that they are able to accurately explain the DI Scheme to customers whenever necessary.

AUTHORISED REPRESENTATIVE

D23. A DI Scheme member shall appoint two (2) primary Authorised Representatives and up to four (4) secondary Authorised Representatives, where:-

- (a) the primary and secondary Authorised Representatives shall be responsible for all SDIC DI matters including but not limited to the following:-
 - (i) receiving notification from SDIC relating to premium contribution, refund and late payment fees pursuant to Rules D1 to D10;
 - (ii) submission of the information to SDIC as required in Rules D12 and D13;
 - (iii) providing the name and designation of the Scheme member's Chief Executive Officer (or equivalent) to SDIC;
- (b) the primary Authorised Representatives shall be responsible for the maintenance of the register of insured deposits in the SM secured area as required in Rule D17; and
- (c) the list of Authorised Representatives shall be submitted to SDIC in a form as specified in Annex D-D on or before the effective date of the appointment or removal of the Authorised Representative.

Annexes D-A, D-B, D-C and D-D

4. Annexes D-A, D-B, D-C and D-D are to be found at the Singapore Deposit Insurance Corporation's website.