MAS Notice 652 (Amendment) 2017

Issued on: 20 Dec 2017

NET STABLE FUNDING RATIO ("NSFR")

Introduction

- 1 This document reflects amendments made to MAS Notice 652 to delay the implementation of the Required Stable Funding add-on for derivative liabilities until further notice by the Authority.
- 2 For presentational purposes, the amendments in this document are compared with the version of MAS Notice 652 issued on 10 July 2017 (the "Original Notice").
- 3 This document can be interpreted as follows:
 - a) Text which is coloured and struck through represent deletions;
 - b) Text which is coloured and underlined represent insertions;
 - c) Text which is highlighted in yellow are annotations to describe changes, and will not be included in the non-marked up version of MAS Notice 652; and
 - d) Portions of the Original Notice which are not reflected in this document are unchanged.
- 4 The amendments reflected in this document shall take effect on 1 January 2018.
- In the event of discrepancies between the amendments in this document and the published version of MAS Notice 652 revised on 20 December 2017 (with effect from 1 January 2018), the published version of MAS Notice 652 shall prevail. This document is to be used for reference only.

Amendments to Effective Date

Effective Date

The Notice shall take effect on 1 January 2018. This Notice, with the exception of paragraph 40(d), shall take effect on 1 January 2018. Paragraph 40(d) shall take effect on a date to be specified by the Authority by notice in writing, which shall be given at least 21 days before such date.

Amendments to Annex – Table 2

Summary of asset categories and associated RSF factors

RSF factor	Components of RSF category
0%	Coins and banknotes
	All central bank reserves
	• All claims on central banks with residual maturities of less than six months
	• "Trade date" receivables arising from sales of financial instruments, foreign currencies and commodities.
5%	 Unencumbered Level 1 HQLA, excluding coins, banknotes and central
270	bank reserves
10%	• Unencumbered loans to financial institutions with residual maturities of
	less than six months, where the loan is secured against Level 1 HQLA and
	where the bank has the ability to freely rehypothecate the received
	collateral for the life of the loan
15%	• All other unencumbered loans to financial institutions with residual
	maturities of less than six months not included in the above categories
	Unencumbered Level 2A HQLA
50%	Unencumbered Level 2B HQLA
	HQLA encumbered for a period of six months or more and less than one
	year
	Loans to financial institutions and central banks with residual maturities
	between six months and less than one year
	Deposits held at other financial institutions for operational purposes
	• All other assets not included in the above categories with residual maturity of less than one year, including loans to non-financial corporate
	clients, loans to retail and small business customers, and loans to
	sovereigns and PSEs
65%	Unencumbered residential mortgages with a residual maturity of one year
	or more and with a risk weight of less than or equal to 35% under MAS
	Notice 637's standardised approach to credit risk as set out in paragraph
	7.3.29 of MAS Notice 637
	• Other unencumbered loans not included in the above categories,
	excluding loans to financial institutions, with a residual maturity of one
	year or more and with a risk weight of less than or equal to 35% under
	MAS Notice 637's standardised approach to credit risk as set out in
	paragraphs 7.3.13 to 7.3.20 and paragraphs 7.3.24 to 7.3.26 of MAS
	Notice 637

85%	 Cash, securities or other assets posted as initial margin for derivative contracts and cash or other assets provided to contribute to the default fund of a CCP Other unencumbered performing loans with risk weights greater than 35% under MAS Notice 637's standardised approach to credit risk as set out in paragraphs 7.3.13 to 7.3.20 and paragraphs 7.3.24 to 7.3.30 of MAS Notice 637 and residual maturities of one year or more, excluding loans to financial institutions Unencumbered securities that are not in default and do not qualify as HQLA with a remaining maturity of one year or more and exchange-
	traded equitiesPhysical traded commodities, including gold
100%	 All assets that are encumbered for a period of one year or more NSFR derivative assets net of NSFR derivative liabilities if NSFR derivative assets are greater than NSFR derivative liabilities 20% of derivative liabilities as calculated according to paragraph 16²⁴ All other assets not included in the above categories, including non-performing loans, loans to financial institutions with a residual maturity of one year or more, non-exchange-traded equities, fixed assets, items deducted from regulatory capital, retained interest, insurance assets, subsidiary interests and defaulted securities

²⁴ As set out in paragraph 46, this shall take effect on a date to be specified by the Authority by notice in writing.

Amendment to Annex – Table 4

THE MONETARY AUTHORITY OF SINGAPORE THE BANKING ACT, CAP. 19 (SECTIONS 36 AND 55)

Computation of Net Stable Funding Ratio ("NSFR")

(Name of bank)

As at close of business on (day/month/year)

B) Required Stable Funding ("RSF")

1) On balance-sheet items

	Paragra	Amount (S\$'000)		000)
	ph		≥ 6	
	Number		mont	
	in MAS	< 6	hs to	≥1
	Notice	mont	< 1	ye
	652	hs	year	ar
Derivatives:				
Derivative assets, gross of variation				
margin received				
Of which are derivative assets				
where the counterparty is				
exempt from BCBS-IOSCO				
margin requirements, of which:				
Non-financial entities that				
are not systemically important				
Sovereigns/central				
banks/MDBs/BIS				
Variation margin received, of which:				
Cash variation margin				
received, meeting conditions				
as specified in paragraph 2.11				
in Annex 4A of MAS Notice				
637				

RSF factor			
	≥ 6		
	mont		
< 6	hs to		
mont	< 1	≥ 1	
hs	year	year	
***************************************	***************************************	***************************************	
***************************************	***************************************	***************************************	

***************************************		***************************************	

************	***********	***************************************	
***************************************	***************************************	***************************************	
***************************************	***************************************	***************************************	
***************************************	***************************************	***************************************	
***************************************	***************************************	***************************************	

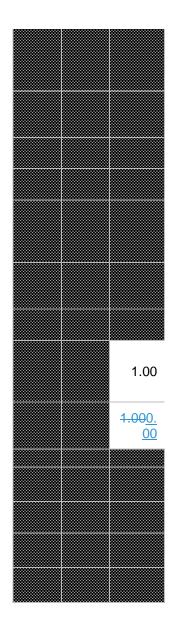
***************************************	***************************************	***************************************	

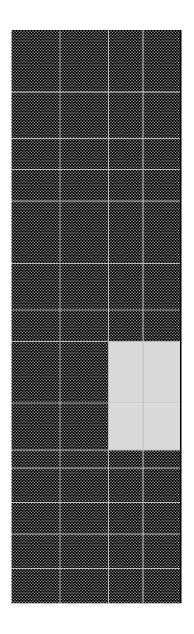
***************************************	***************************************	**************************************	
***************************************	***************************************	***************************************	
***************************************	***************************************	***************************************	
****************	***************************************	***************************************	
***************************************	***************************************	***************************************	
***************************************	***************************************	***************************************	
***************************************	***************************************	***************************************	
***************************************		***************************************	
***************************************	***************************************	***************************************	
***************************************	***************************************	***************************************	
***************************************	***************************************	***************************************	

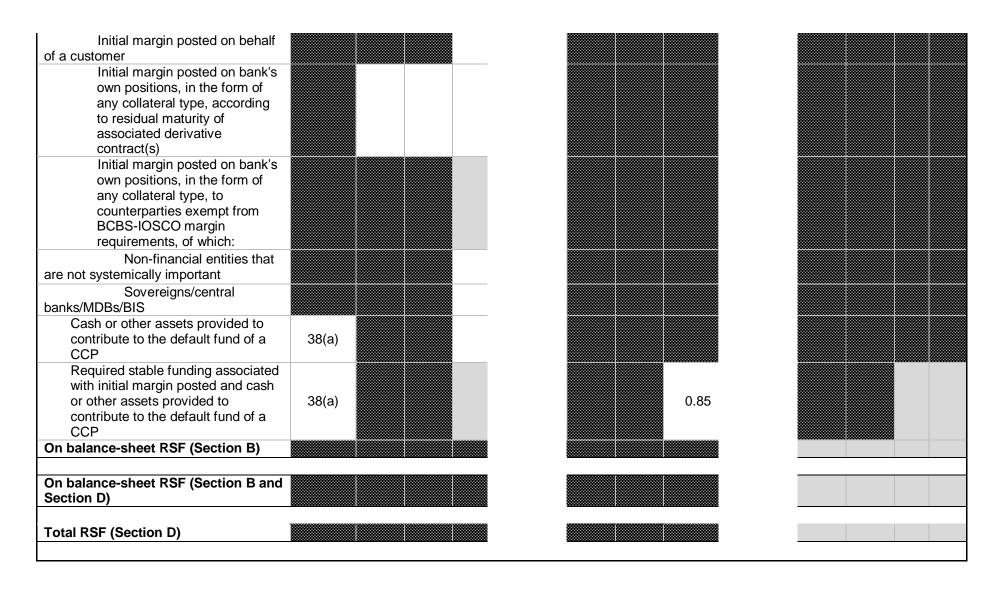
***************************************	***************************************	***************************************	
***************************************	***************************************	***************************************	
***************************************	***************************************	***************************************	
***************************************	***************************************	***************************************	
***************************************	***************************************	***************************************	
***************************************	***************************************	***************************************	
************	***************************************	***************************************	

Calculated RSF (S\$'000)				
	≥ 6			
	mont		Tot	
< 6	hs to	≥ 1	al	
mont	< 1	ye	RS	
hs	year	ar	F	
***************************************	***************************************		***************************************	

Of which is received from counterparties exempted from BCBS-IOSCO margin requirements, of which:			
Non-financial entities that are not systemically important			
Sovereigns/central banks/MDBs/BIS			
Other variation margin			
Of which is received from counterparties exempted from BCBS-IOSCO margin requirements			
Non-financial entities that are not systemically important			
Sovereigns/central banks/MDBs/BIS			
NSFR derivative assets (derivative	29, 30,		
assets less cash collateral received	31, FN		
as variation margin on derivative	19,		
assets) Required stable funding associated	40(b)		
with derivative liabilities (See item 4 of	40(d)		
Notes for completion Total initial margin posted, of which:	***************************************		
Initial margin posted on bank's	***************************************		
own positions, of which:	38(a)		
Initial margin posted in the form of cash			
Initial margin posted in the form of Level 1 securities			
Initial margin posted in the form of all other collateral			







Notes for completion

- 1. The bank shall fill in the form in thousands of Singapore dollars (S\$'000). Where amounts are in foreign currency, the bank shall report the Singapore Dollar equivalent. Internal FX rates may be used.
- 2. For Sections A, B and D, the bank shall report the figures as of the last day of the reporting quarter. For Section C, the bank shall report the figures as of the last day of each month within the reporting quarter.
- 3. The bank shall fill in all blank cells in the form. If the bank does not have exposures in a particular category, please enter '0'.
- 4. As set out in paragraph 46 of MAS Notice 652, the Required Stable Funding add-on for derivative liabilities shall take effect on a date to be specified by the Authority by notice in writing.