

Singapore is one of the leading financial centers worldwide and major distribution hub of finance in Southeast Asia. Not surprisingly, the country has one of the most advanced banking systems in the world, numbering about 700 local and foreign banks and financial institutions that provide services ranging from consumer banking and asset management, and ending stock exchange, investment banking and specialized services strass.

At the end of 2004, the domestic banking sector in Singapore consisted of assets / liabilities valued at about \$ 230 billion dollars.

Singapore's leading banks are ABN AMRO, Citibank, DBS, EychEsBiSi, OuEsBiSi, Standard Chartered and YUOB. The central bank in the country is the Monetary Authority of Singapore (MAS), which determines monetary policy, regulates banks and financial institutions and issue the currency.

Despite the current lack of government-backed deposit insurance, MAS plans to establish such a system in the near future.

Activities of commercial banks in Singapore licensed and subject to the Banking Act. Commercial banks can engage in all possible kinds of banking activities.

In addition to providing commercial banking services including accepting deposits, check payments and credit, banks may also engage in any other kind of banking business, which is regulated or permitted by MAS, including advisory services in finance, brokerage services in insurance and services to deploy capital on the market.

(Section 30 of the Banking Act establishes all the possible types of banking activities).

Commercial banks and their representatives need not separately licensed for such activities, but must comply with the Code of Conduct for the implementation of economic activities prescribed in the Act on Financial Advisors (IA) and the Law on Securities and Futures Act (SFA), respectively.

In July 2001, the Banking Act was amended, prohibiting banks to engage in nonfinancial activities.

Banks have provided three years, until July 2004, at the conclusion of their non-financial activities.

In August 2003, this grace period was extended for another 2 years until July 2006 for those banks that have applied to the MAS for an extension.

Currently in Singapore operate 113 commercial banks.

Five of them were registered at the local level and is owned by three domestic banking groups.

Commercial banks operate as banks that provide a full range of services, wholesale banks or offshore banks.

Banks offering a full range of services

Providing the full range of services banks can provide all services under the Banking Act. Currently in Singapore, there are 28 such banks.

Five of them have local registration and owns three domestic banking groups, while the remaining 23 banks are branches of banks registered abroad.

Six of the 23 branches of foreign banks have the privilege to implement the full range of banking services.

Foreign banks are providing the full range of services and enjoying this privilege may only have 15 offices and / or individuals from their offices ATMs, of which a maximum of 10 can be separated branches.

These banks can use ATMs in conjunction with each other and free to change the location of their offices.

From 1 July 2002 with the privileges banks were allowed to provide debit services on the network EFTPOS (electronic funds transfer), offer additional package of pension, to use investment accounts (CPF Investment Scheme accounts) and accept time deposits within the investment schemes and schemes with minimal deposit amount.

Wholesale Banks

Wholesale banks may engage in a banking business that the banks providing the full range of services, except that they do not have the right to provide retail banking services in Singapore dollars. They operate in accordance with the MAS issued Recommendations for wholesale banks. In Singapore, there are 37 wholesale banks, and they are all subsidiaries of foreign banks.

Offshore Banks

Offshore banks have the right to engage in the same activities as banks, providing a full range of services, and wholesale banks in carrying out activities with the Asian currency expressed in terms of Asian currencies (ACU). Units of Asian currencies - it is the accounting unit used by banks to account for all of its foreign currency transactions undertaken by the Asian dollar market. Transactions of Banks in Singapore dollars are accounted for separately in the domestic banking units (DBU).

The volume of transactions carried out in the domestic banking units, offshore banks somewhat more limited in terms of transactions with residents, compared with wholesale banks.

Offshore banks operate in accordance with the MAS Guidelines issued for offshore banks.

As part of the liberalization of banking activities offshore banks were given greater freedom of action in the implementation of wholesale transactions with the Singapore dollar. Limit the grant of loans in Singapore dollars to offshore banks was increased to 500 million now, these banks may perform the operation "swap" in the Singapore dollar in relation to proceeds from issuance of Singapore dollar bonds, which these banks operate or produce.

Total in Singapore operate 48 offshore banks, all of which are branches of foreign banks.

Merchant banks

In addition to the three categories of commercial banks, there are financial institutions that can operate as merchant banks. Merchant banks approved by the Monetary Authority in accordance with the law, and their activities are subject to the directives of the trading banks.

Operations of these banks in terms of Asian currencies also performed in accordance with the Banking Act.

As a rule, commercial banks engaged in financing of corporate entities, subscribing to issue shares and bonds, mergers and acquisitions of companies, investment portfolio management, counseling on management and other reimbursable activity.

Most commercial banks with the approval of MAS work with unity of Asian currencies, through which they compete with commercial banks in the Asian dollar market.

With regard to DBU, a merchant banks are not allowed to demand deposits, savings deposits or borrow from the public.

However, they are allowed to accept deposits or borrow from banks, finance companies, shareholders and companies controlled by their shareholders.

Total in Singapore are currently 52 commercial bank.

Finance companies

Financial company focuses its activities on financing a small scale, including loans to purchase cars on credit, consumer durables, and give out loans to purchase homes. Financial services companies are licensed and operate in accordance with the Law on financial companies.

Financial companies have no right to open deposit accounts, which you can withdraw funds at the request of the checks, bills or claims.

They are also not allowed to provide unsecured loan for more than 5,000 Singapore dollars to any person or for the transaction of any foreign currency, gold or other precious metals, or acquire shares, denominated in foreign currency, equity or debt securities.

However, financial companies with capital exceeding 10 million Singapore dollars, may apply for permission to carry out transactions in foreign currencies, precious metals and stocks denominated in foreign currencies.

Such permission is granted, provided that at any time the aggregate amount of the loan in foreign currency will not exceed 10% of the capital of financial companies.

In Singapore, there are 3 finance companies.

Some of the major financial institutions operating in Singapore in accordance with the license to provide a full range of services:

ABN AMRO BANK NV (ABN AMRO BANK NV)
AMERICAN EXPRESS BANK LTD. (AMERICAN EXPRESS BANK LTD)
BANGKOK BANK PUBLIC COMPANY LIMITED (BANGKOK BANK PUBLIC COMPANY LIMITED)
BANK OF AMERICA OM, NESHNL ASSOSIEYSHN (BANK OF AMERICA, NATIONAL ASSOCIATION)
BANK OF CHINA LIMITED OM (BANK OF CHINA LIMITED)
BANK OF EAST ASIA LTD OM. (BANK OF EAST ASIA LTD,)
BANK OF INDIA OM (THE BANK OF INDIA)
BANK OF TOKYO MITSUBISHI OM, LTD. (BANK OF TOKYO-MITSUBISHI, LTD)
BNP PARIBAS (THE BNP PARIBAS)
Calyon (CALYON)
CITIBANK TO (CITIBANK NA)
CITIBANK SINGAPORE LIMITED (CITIBANK SINGAPORE LIMITED)
EychEI BANK (HL BANK)

HONG KONG SHANGHAI BANKING CORPORATION END LIMITED (HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED)
INDIANA BANK (THE INDIAN BANK)
INDIANA OVERSEAS BANK (INDIAN OVERSEAS BANK)
JP MORGAN CHASE BANK NA (JPMORGAN CHASE BANK, NA)
MALAYAN BANKING BCD (MALAYAN BANKING BHD)
Fri Bank Negara Indonesia (Purser) TBK (PT BANK NEGARA INDONESIA (PERSERO) TBK)
ErEychBi Bank Berhad (RHB BANK BERHAD)
Southern Bank Berhad (SOUTHERN BANK BERHAD)
Standard Chartered Bank (STANDARD CHARTERED BANK)
Sumitomo Mitsui Banking CORPORATION (SUMITOMO MITSUI BANKING CORPORATION)
UKO BANK (UCO BANK)