

6 July 2012

Gao Hucheng

China International Trade Representative and Vice Minister of Commerce
People's Republic of China

Your Excellency,

In connection with the review of the *Free Trade Agreement between the Government of the People's Republic of China and the Government of the Republic of Singapore* signed on 23 October 2008 ("China-Singapore FTA"), I have the honour to confirm the following agreement reached by China and Singapore with respect to the scope of banking services under Chapter 8 (Trade in Services) of the China-Singapore FTA:

1 A bank licence with Qualifying Full Bank ("QFB") privileges in Singapore shall be granted by the relevant Party to each of 2 eligible Chinese banks as soon as reasonably practicable from the receipt of both the Chinese banks' applications. These 2 eligible Chinese banks must have been licensed to carry on banking business in Singapore immediately before the date of this letter and satisfy the relevant admission criteria under Singapore law. In particular, any Chinese bank with QFB privileges is allowed to:

- (a) establish up to 25 customer service locations;
- (b) establish an ATM network among QFBs;
- (c) provide debit services through an Electronic Funds Transfer at Point of Sale ("EFTPOS") network;
- (d) provide Supplementary Retirement Scheme accounts and Central Provident Fund Investment Scheme ("CPFIS") accounts; and
- (e) accept fixed deposits under the CPFIS and Central Provident Fund Minimum Sum Scheme

in Singapore.

2 One Chinese bank with QFB privileges in Singapore shall be authorized by the relevant Party as a clearing bank for Renminbi in Singapore as soon as reasonably practicable after the granting of the bank licence with QFB privileges to both of the 2 eligible Chinese banks.

3 Subject to the prudential law, regulations and rules set in China, China shall process expeditiously all applications made by DBS Bank (China) Limited, OCBC Bank (China) Limited and United Overseas Bank (China) Limited, respectively, for the establishment of branches and sub-branches in China, with such prudential law, regulations and rules for the establishment of such branches and sub-branches to be applied on an equitable, non-discriminatory and good faith basis, as and when such applications are received.

4 I have the honour to propose that this agreement as set out in this letter shall form an integral part of the China-Singapore FTA.

Sincerely,

LIM HNG KIANG

Minister for Trade and Industry

Republic of Singapore