

12 November 2018

Fu Ziying

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

Your Excellency,

In connection with the second 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 (the "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 authority in Singapore to one eligible Chinese bank as soon as reasonably practicable from the receipt of the Chinese bank's application. The eligible Chinese bank 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, the new Chinese bank with QFB privileges is allowed to:

- (a) establish up to 25 customer service locations (also known as "place of business");
- (b) establish an ATM network among QFBs;
- (c) provide debit services through an Electronic Fund 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. In line with the Monetary Authority of Singapore's 2012 policy statement, the new Chinese bank with QFB privileges awarded under this review will have to first locally incorporate its retail operations before:

- (i) it may accept Singapore dollar retail deposits (accounts less than or equal to S\$250,000);
or
- (ii) it establishes any place of business in addition to its existing place of business in Singapore.

2 The China Banking and Insurance Regulatory Commission and the Monetary Authority of Singapore will cooperate on issues of mutual interest through regular supervisory exchanges. This may involve discussion about the development of prudential frameworks of both countries, including those applicable to branches and locally-incorporated subsidiaries.

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, and shall enter into force together with the *Protocol to Upgrade the Free Trade Agreement between the Government of the People's Republic of China and the Government of the Republic of Singapore*, or on an earlier mutually-agreed date.

Sincerely,

CHAN CHUN SING
Minister for Trade and Industry
Republic of Singapore

12 November 2018

Chan Chun Sing
Minister for Trade and Industry
Republic of Singapore

Your Excellency,

I have the honour to refer to your letter dated 12 November 2018, which reads:

“In connection with the second 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 (the “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 authority in Singapore to one eligible Chinese bank as soon as reasonably practicable from the receipt of the Chinese bank’s application. The eligible Chinese bank 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, the new Chinese bank with QFB privileges is allowed to:

- (a) establish up to 25 customer service locations (also known as “place of business”);
- (b) establish an ATM network among QFBs;
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2 The China Banking and Insurance Regulatory Commission and the Monetary Authority of Singapore will cooperate on issues of mutual interest through regular supervisory exchanges. This may involve discussion about the development of prudential frameworks of both countries, including those applicable to branches and locally-incorporated subsidiaries.

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, and shall enter into force together with the *Protocol to Upgrade the Free Trade Agreement between the Government of the People's Republic of China and the Government of the Republic of Singapore*, or on an earlier mutually-agreed date.”

I have the honour to confirm that this agreement as set out in your letter is acceptable to the Government of the People's Republic of China, and that your letter and this reply shall form an integral part of the China-Singapore FTA. I further confirm that this agreement shall enter into force together with the *Protocol to Upgrade the Free Trade Agreement between the Government of the People's Republic of China and the Government of the Republic of Singapore*, or on an earlier mutually-agreed date.

Sincerely,

FU ZIYING

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