Financial Services and Markets (Amendment) Bill

Bill No. 19/2026.

Read the first time on 8 September 2026.

A BILL

i n t i t u l e d

An Act to amend the Financial Services and Markets Act 2022, and to make related amendments to the Banking Act 1970, the Financial Advisers Act 2001, the Financial Holding Companies Act 2013, the Insurance Act 1966, the Securities and Futures Act 2001, the Trust Companies Act 2005 and the Variable Capital Companies Act 2018.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act is the Financial Services and Markets (Amendment) Act 2026 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

Amendment of section 2

2. In the Financial Services and Markets Act 2022 (called in this Act the principal Act), in section 2 —

(*a*) in the definition of "MAS scheduled Act", replace the full-stop at the end with a semi-colon; and

(*b*) after the definition of "MAS scheduled Act", insert —

" "proliferation financing" means the financing of the proliferation of weapons of mass destruction.".

Amendment of section 6

3. In the principal Act, in section 6, in the definition of "specified risk", after "terrorism financing risk,", insert "proliferation financing risk,".

Replacement of Part 4 heading

4. In the principal Act, in Part 4, replace the Part heading with —

"POWERS REGARDING INTERNATIONAL OBLIGATIONS AND PREVENTION OF MONEY LAUNDERING, ETC., AND ASSISTANCE TO FOREIGN AND DOMESTIC AUTHORITIES CONCERNING MONEY LAUNDERING, ETC.".

Amendment of section 16

5. In the principal Act, in section 16 —

(*a*) in the section heading, replace "**and terrorism financing**" with "**, terrorism financing and proliferation financing**";

(*b*) in subsection (1), replace "or the financing of terrorism" with ", the financing of terrorism or proliferation financing"; and

(*c*) in subsection (2)(*a*), replace "and the financing of terrorism" with ", the financing of terrorism and proliferation financing".

Amendment of Division 2 heading of Part 4

6. In the principal Act, in Part 4, in Division 2, in the Division heading, after "*terrorism financing*", insert "*, proliferation financing*".

Amendment of section 17

7. In the principal Act, in section 17(1), replace the definitions of "AML/CFT authority" and "AML/CFT requirement" with —

""AML/CFT/CPF authority" or Anti-Money Laundering/Countering the Financing of Terrorism/Countering Proliferation Financing authority means a public authority of a foreign country which is responsible for the supervision of foreign financial institutions in that foreign country;

"AML/CFT/CPF requirement" or Anti-Money Laundering/Countering the Financing of Terrorism/Countering Proliferation Financing requirement —

(*a*) in relation to a foreign country, means a law or regulatory requirement of that foreign country for the detection or prevention of money laundering, the financing of terrorism or proliferation financing; or

(*b*) in relation to Singapore, means a written law, or a regulatory requirement imposed under a written law, for the detection or prevention of money laundering, the financing of terrorism or proliferation financing;".

Amendment of section 39

8. In the principal Act, in section 39 —

(*a*) in the section heading, replace "**Application and interpretation**" with "**Interpretation**"; and

(*b*) delete subsection (1).

New Division 3 of Part 7

9. In the principal Act, in Part 7, after Division 2, insert —

"*Division 3 — Total loss-absorbing capacity*

Interpretation of this Division

57A. In this Division, unless the context otherwise requires —

"Division 6 FI" or Division 6 financial institution and "eligible instrument" have the meanings given by section 80(1);

"loss-absorbing instrument", in relation to a Division 6 FI, means —

(*a*) an ordinary share of the Division 6 FI; or

(*b*) an instrument or a liability that is an eligible instrument in relation to that Division 6 FI, that satisfies the criteria set out in a written notice issued under section 57B;

"total loss-absorbing capacity", in relation to a Division 6 FI, means the sum of the values of the following, determined in accordance with a written notice issued under section 57B:

(*a*) any loss-absorbing instrument (not being a liability) that has been issued by the Division 6 FI;

(*b*) any loss-absorbing instrument that is a liability that is owed by the Division 6 FI;

(*c*) any other financial resource that the Division 6 FI holds,

that may be used to absorb losses of the Division 6 FI and to facilitate the recapitalisation of the Division 6 FI.

Total loss-absorbing capacity requirements

57B.—(1) The Authority may, by written notice, impose requirements on any Division 6 FI or class of Division 6 FIs in relation to the total loss-absorbing capacity that the Division 6 FI or each Division 6 FI within the class is to maintain.

(2) Without limiting subsection (1), the Authority may in a notice issued under that subsection —

(*a*) specify the level (which may be expressed in the form of a ratio) of total loss-absorbing capacity which a Division 6 FI is to maintain;

(*b*) specify the method for calculating the total loss-absorbing capacity and the level mentioned in paragraph (*a*);

(*c*) specify the criteria that an eligible instrument must satisfy to qualify as a loss-absorbing instrument, including (in the case of an eligible instrument that is issued by a Division 6 FI) the class or classes of investors to which such eligible instruments must be issued;

(*d*) specify the types of financial resources that may be treated as part of a Division 6 FI's total loss-absorbing capacity; and

(*e*) require a Division 6 FI to disclose to the public, in the form and manner and containing the information specified in the notice —

(i) the level and composition of the total loss-absorbing capacity maintained by the Division 6 FI; and

(ii) the order of priority the Division 6 FI's loss-absorbing instruments will rank in the event of a winding-up of the Division 6 FI.

(3) A notice under subsection (1) may make different provisions for different classes of Division 6 FIs.

(4) The Authority may, if it considers appropriate in the particular circumstances of a Division 6 FI (*X*), by a further written notice to *X*, vary any requirement imposed by a notice under subsection (1) on a class of Division 6 FIs to which *X* belongs, in relation to *X*.

(5) It is not necessary to publish any notice issued under subsection (1) or (4) in the *Gazette*.

(6) The Authority may at any time vary, rescind or revoke any notice issued under subsection (1) or (4).

(7) A Division 6 FI that does not comply with a notice of the Authority under subsection (1) or (4) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $250,000 and, in the case of a continuing offence, to a further fine not exceeding $25,000 for every day or part of a day during which the offence continues after conviction.".

Amendment of section 143

10. In the principal Act, in section 143(2), replace "or countering the financing of terrorism" with ", countering the financing of terrorism or countering proliferation financing".

Miscellaneous amendments

11. In the principal Act —

(*a*) in the following provisions, replace "AML/CFT" wherever it appears with "AML/CFT/CPF":

Section 17(1), definitions of "supervision" and "supervisory action" and (2)

Section 18(*a*), (*b*)(iii) and (*c*)

Section 19(1) and (3)

Section 20(1) and (2)

Section 25(*a*)

Section 26(1), (3), (4), (5) and (6)

Section 27(1) and (2)

Section 28(1)

Section 172(1);

(*b*) in Part 4, in Division 2, in Subdivision (2), in the Subdivision heading, replace "*AML/CFT*" with "*AML/CFT/CPF*";

(*c*) in the following provisions, in the section heading, replace "**AML/CFT**" with "**AML/CFT/CPF**":

Section 19

Section 20

Section 26;

(*d*) in Part 4, in Division 2, in Subdivision (5), in the Subdivision heading, replace "*AML/CFT*" with "*AML/CFT/CPF*";

(*e*) in the following provisions, replace "the financing of proliferation of weapons of mass destruction" with "proliferation financing":

Section 28A(1)(*c*)

Section 28B, definition of "risk information", paragraph (*f*)

Section 28D(3)(*c*), (6)(*b*) and (*c*) and (8)

Section 28G(7)

Section 28L(2)(*c*); and

(*f*) in the Third Schedule, in Part 2, in the first column, in the following items, replace "risk of financing the proliferation of weapons of mass destruction" with "proliferation financing risk":

Item 1(*c*)

Item 2(*c*)

Item 3(*c*)

Item 4(*c*)

Item 5(*c*)

Item 6(*c*)

Item 7(*c*)

Item 8(*c*)

Item 9(*c*).

Related amendment to Banking Act 1970

12. In the Banking Act 1970, in section 45(6A)(*a*), replace "AML/CFT" with "AML/CFT/CPF".

Related amendment to Financial Advisers Act 2001

13. In the Financial Advisers Act 2001, in section 82(*a*), replace "AML/CFT" with "AML/CFT/CPF".

Related amendment to Financial Holding Companies Act 2013

14. In the Financial Holding Companies Act 2013, in section 43(5A)(*a*), replace "AML/CFT authority as defined in section 152 of the Monetary Authority of Singapore Act (Cap. 186)" with "AML/CFT/CPF authority as defined in section 17(1) of the Financial Services and Markets Act 2022".

Related amendment to Insurance Act 1966

15. In the Insurance Act 1966, in section 100(6)(*a*), replace "AML/CFT" with "AML/CFT/CPF".

Related amendment to Securities and Futures Act 2001

16. In the Securities and Futures Act 2001, in section 150B(4A)(*a*), replace "AML/CFT" with "AML/CFT/CPF".

Related amendment to Trust Companies Act 2005

17. In the Trust Companies Act 2005, in section 47(6)(*a*), replace "AML/CFT" with "AML/CFT/CPF".

Related amendments to Variable Capital Companies Act 2018

18. In the Variable Capital Companies Act 2018 —

(*a*) in section 2(1), after the definition of "prohibition order", insert —

" "proliferation financing" means the financing of the proliferation of weapons of mass destruction;";

(*b*) in the following provisions, replace "AML/CFT" wherever it appears with "AML/CFT/CPF":

Section 85(11)(*b*)

Section 86(2)

Section 87(*a*), (*b*)(iii) and (*c*)

Section 88

Section 91(1);

(*c*) in section 86(1), in the definitions of "AML/CFT authority", "supervision" and "supervisory action", replace "AML/CFT authority" with "AML/CFT/CPF authority";

(*d*) in section 86(1), in the definitions of "AML/CFT requirement", "applicable offence", "domestic authority", "employee", "enforcement action", "foreign country", "information", "investigation" and "public authority", replace "AML/CFT requirement" with "AML/CFT/CPF requirement"; and (*e*) in the following provisions, in the section heading, replace "**AML/CFT**" with "**AML/CFT/CPF**":

Section 88

Section 91.

EXPLANATORY STATEMENT

This Bill seeks mainly to amend the Financial Services and Markets Act 2022 (the Act) —

(*a*) to empower the Monetary Authority of Singapore (the Authority) to impose total loss-absorbing capacity requirements on certain financial institutions; and

(*b*) to explicitly provide for the prevention of the financing of the proliferation of weapons of mass destruction (proliferation financing).

The Bill also makes related amendments to the Banking Act 1970, the Financial Advisers Act 2001, the Financial Holding Companies Act 2013, the Insurance Act 1966, the Securities and Futures Act 2001, the Trust Companies Act 2005 and the Variable Capital Companies Act 2018.

Clause 1 relates to the short title and commencement.

Clause 2 amends section 2 to insert a new definition for "proliferation financing".

Clause 3 amends the definition of "specified risk" in section 6 to include proliferation financing risk.

Clause 4 replaces the Part heading of Part 4 as Part 4 has been amended to include references to proliferation financing.

Clause 5 amends section 16 to provide that the Authority may issue directions or make regulations concerning any financial institution or class of financial institutions for the prevention of proliferation financing, in addition to the prevention of money laundering and terrorism financing.

Clause 6 amends the Division heading to Division 2 (Assistance to foreign authorities and domestic authorities for their supervisory functions and other actions in respect of money laundering, terrorism financing and other offences) of Part 4 (Powers regarding international obligations and prevention of money laundering and terrorism financing, and assistance to foreign authorities and domestic authorities concerning money laundering, terrorism financing and other offences) to insert assistance to foreign and domestic authorities concerning proliferation financing, as part of the heading.

Clause 7 amends section 17(1) to replace the definition of "AML/CFT authority" with the new definition of "AML/CFT/CPF authority" to include a reference to countering proliferation financing. The clause also amends section 17(1) to replace the definition of "AML/CFT requirement" with the new definition of "AML/CFT/CPF requirement" to include laws or regulatory requirements relating to the detection or prevention of proliferation financing.

Clause 8 deletes the application provision in section 39(1) as, in addition to relevant financial institutions (as defined in section 39(2)), Part 7 of the Act applies or will apply to and in relation to other persons. For example, Division 2 of Part 7 applies to pertinent financial institutions (defined in section 39(2)) and the new Division 3 of Part 7 to be inserted by clause 9 will apply to Division 6 financial institutions (as defined in the new section 57A inserted by clause 9) (Division 6 FI).

Clause 9 inserts a new Division 3 of Part 7 consisting of 2 sections.

The new section 57A defines certain terms used in the new Division 3 of Part 7. In particular, the terms "loss-absorbing instrument" and "total loss-absorbing capacity" are defined.

The term "loss-absorbing instrument", in relation to a Division 6 FI, means —

(*a*) an ordinary share of the Division 6 FI; or

(*b*) an instrument or a liability that is an "eligible instrument" as defined in section 80(1), that satisfies the criteria set out in a written notice issued under the new section 57B.

The term "total loss-absorbing capacity", in relation to a Division 6 FI, is defined as the sum of the values of the following:

(*a*) any loss-absorbing instrument (not being a liability) that has been issued by the Division 6 FI;

(*b*) any loss-absorbing instrument that is a liability that is owed by the Division 6 FI;

(*c*) any other financial resource that the Division 6 FI holds,

that may be used to absorb losses of the Division 6 FI and to facilitate the recapitalisation of the Division 6 FI.

The values of any such instrument or financial resource is that as determined in accordance with a written notice issued under the new section 57B.

The new section 57B empowers the Authority to impose, by written notice, requirements relating to the total loss-absorbing capacity to be maintained by a Division 6 FI and related disclosure requirements.

Clause 10 amends section 143(2) to provide that a licensee (as defined in section 136(1)) must appoint at least one person to be present at the licensee's permanent place of business to respond to queries related to countering proliferation financing, in addition to queries related to anti-money laundering or countering the financing of terrorism.

Clause 11 makes miscellaneous amendments to various provisions consequential on the new definition of "proliferation financing" in section 2 (inserted by clause 2) and the new definitions of "AML/CFT/CPF authority" and "AML/CFT/CPF requirement" in section 17(1) (inserted by clause 7).

Clauses 12, 13, 15, 16 and 17 make related amendments to the Banking Act 1970, the Financial Advisers Act 2001, the Insurance Act 1966, the Securities and Futures Act 2001 and the Trust Companies Act 2005, respectively, arising from the replacement of the definition of "AML/CFT authority" in section 17(1) by clause 7.

Clause 14 makes a related amendment to section 43(5A)(*a*) of the Financial Holding Companies Act 2013 to replace the reference to an "AML/CFT authority as defined in section 152 of the Monetary Authority of Singapore Act (Cap. 186)" with a reference to an "AML/CFT/CPF authority as defined in section 17(1) of the Financial Servies and Markets Act 2022". Section 152 of the Monetary Authority of Singapore Act 1970 was repealed by section 205(2)(*d*) of the Act and re-enacted as section 17 of the Act. The replacement of the reference to an "AML/CFT authority" with a reference to an "AML/CFT/CPF authority" is consequential on the replacement of the definition of "AML/CFT authority" in section 17(1) by clause 7.

Clause 18 makes related amendments to the Variable Capital Companies Act 2018 to clarify the meaning of "proliferation financing" and to make related amendments arising from the amendment of section 17(1) by clause 7.

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.