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# Launch of Deposit Insurance Scheme in Singapore



Singapore, 28 March 2006...The Monetary Authority of Singapore (MAS) and the Singapore Deposit Insurance Corporation (SDIC) today announced that the deposit insurance scheme will commence on 1 April 2006. This follows the enactment of the Deposit Insurance Act in 2005.

2. From 1 April, the deposit insurance scheme will compensate individuals and charities for the first \$20,000 of their Singapore dollar deposits in standard savings, current and fixed deposit accounts, net of liabilities, in the event that their bank or finance company fails.
3. The scheme compensates depositors through a fund built up from contributions by full banks and finance companies. Full banks and finance companies will pay their first premium contributions into the fund on 3 April 2006.
4. SDIC, a separate entity incorporated as a company limited by guarantee under the Companies Act, will administer the deposit insurance scheme and manage the deposit insurance fund.
5. SDIC Chief Executive Officer, Ooi Sin Teik, said: "The deposit insurance scheme is designed to safeguard the savings of small depositors. The scheme represents another layer of protection to complement the role of prudent bank management and MAS supervision."

"Although Singapore is well respected for the stability and robustness of its financial sector, experience elsewhere has shown that having an explicit guarantee in place will provide certainty and confidence to depositors."

Mr Ooi added that the SDIC is in the process of publishing a consumer guide on deposit insurance to be distributed through bank branches. It is also setting up a website to inform and educate the public on the scheme.

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