

MEDIA RELEASE

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The Association of Banks in Singapore Issues Code of Banking Practice for Small Businesses

Guidelines specifically target how banks should administer their banking operations and services for small businesses.

Singapore – The Association of Banks in Singapore (ABS) has launched the “Code of Banking Practice for Small Businesses”, a comprehensive set of guidelines that spell out the minimum standards of operations and services that small businesses can expect from their banks. Small businesses are defined as non-GST registered companies.

An initiative of ABS’ member banks, the Code was drawn up to articulate best practices in the provision of banking services to small businesses. With this initiative, ABS member banks are pledging their commitment to honouring and delivering, with effect from today, standards of practice and service that are on par with those stated in the Code.

ABS Director Mrs Ong-Ang Ai Boon says: “We have targeted small businesses in the latest Code because these companies are an important segment of our banks’ customer base. The Code can help small business owners better understand their rights and responsibilities when dealing with their banks, especially for those companies which do not have bilateral contracts for bank services or assigned relationship managers as contact points. The Code will also allow banks to preserve and enhance their relationship with their smaller customers, and ensure greater transparency and harmonisation of small business banking practices in the market.”

The Code prescribes standards for the major elements in banking such as the opening, operation and closing of accounts, interest rates for loans and deposits, fees and charges, understanding risks and credit facilities. It also covers standards for service delivery across channels and for disclosures in product features, terms and conditions, interest rates and fees and charges. Under the Code, for instance, banks should inform customers 30 days in advance before implementation of any change to their terms and conditions, fees and charges and discontinuation of service/relocation of premises.

The Code also advises small businesses on other areas from transaction processing to safeguarding the security of their accounts, including their ATM Card, cheque books, PIN, mobile phones/ PCs and Internet banking facilities.

The Code is available free-of-charge at banks and bank branches.

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