



# ATLAS

BY BNP PARIBAS

## CASH MANAGEMENT

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Singapore is a small territory with few natural resources. It enjoys a strategic geographical location in Asia and a world-leading, technically competent and productive workforce. Singapore ranks as one of the world's most open economies and well-run states. Over the past decade, the focus of Singapore's economic policy has shifted to maintaining its competitiveness in attracting trade and investment flows by building a more technology-driven, innovation-based growth model.

Singapore's real GDP growth has been more volatile since the early 2000s. It already slowed from 3.5% in 2018 to 1.3% in 2019 as Singapore is vulnerable to the impact of the US-China trade conflict and global trade weakening given its very high degree of trade and financial openness (exports represented more than 200% of GDP in 2019 and trade-related sectors account for more than 50% of GDP). The city-state was very hard hit by the COVID-19 shock, with an economic contraction of 5.4% in 2020. However, Singapore's strong macroeconomic fundamentals, with solid external and fiscal accounts, and sound policy management represent comfortable cushions against shocks. Economic growth is expected to be modest, with the government forecast at between 1.0% 3.0% for 2024.

## Summary

## BNP Paribas presence

BNP Paribas has had a presence in Singapore since 1968, with 850 employees and a full banking license. In addition, Singapore is BNP Paribas' regional hub for south-east Asia, enabling customers to access comprehensive payments, collections, cash and liquidity management and international trade finance solutions across the region. This is particularly important for regional treasury centres of multinational corporations that are seeking to implement cohesive regional and global solutions.

## Currency

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- Singapore dollar (SGD).

## Exchange rates

	2019	2020	2021	2022	2023
Exchange rate: SGD per USD	1.36	1.38	1.34	1.38	1.34

Source: IMF, International Financial Statistics, June 2024.

## Central Bank

- The Singapore central bank is the Monetary Authority of Singapore (MAS - [www.mas.gov.sg](http://www.mas.gov.sg)).

### Bank supervision

- Singapore banks are supervised by the MAS.

## Bank accounts

## Resident / non-resident status

- A company is considered resident in Singapore if it has a permanent or registered address in Singapore and maintains its place of effective management in Singapore.

## Bank accounts for resident entities

	Within SINGAPORE	Outside SINGAPORE
Local Currency	Permitted without restriction, fully convertible	Permitted although subject to the restrictions of that particular currency, fully convertible
Foreign Currency	Permitted without restriction, fully convertible	Permitted without restriction, fully convertible

## Bank accounts for non-resident entities

	Within SINGAPORE	Outside SINGAPORE
Local Currency	Permitted without restriction, fully convertible	Permitted without restriction, fully convertible
Foreign Currency	Permitted without restriction, fully convertible	Not applicable

## Lifting fees

- Lifting fees, most typically per item-based charges and/or subscription fees, are applied on payments between resident and non-resident bank accounts.

## BNP Paribas Cash Management Capabilities

## Collections

Cash collections	✓
Cheque collections	✓
Direct debit collections	✓
Domestic incoming transfers	✓
Virtual IBAN	●
Virtual accounts	✓
International incoming transfers	✓
Card acquiring	✓

## Payments

Cash withdrawals	✓
Cheque payments	✓
Direct debit payments	✓
Domestic outgoing transfers	✓
Commercial cards	●
Virtual cards	✓
International outgoing transfers	✓
SWIFT gpi	✓
Real-time international payments through BNP Paribas' network	●
Card issuing	●

## Channels

Local e-Banking	●
Global e-Banking - Connexis	✓
SWIFT/ host to host	✓

Payments & collections

## Market overview

Cash payments have been replaced by card-based e-money, which is the most popular non-cash payment instructions in volume terms in Singapore. The Singapore Quick Response Code (SGQR) was also launched in 2018 and is now the primary means for Scan and Pay, available at over 210,000 merchant payment points.

Electronic banking services are available from all banks. There is no national electronic banking standard in Singapore, so companies use banks' proprietary services.

Online and mobile banking services are provided by all of the country's banks. The country is third in the digital competitiveness ranking 2023. As of October 2023, the number of digital banking users reached 1 million and this is expected to grow to 1.7 million by 2025. Payments via internet and mobile banking with a value of up to SGD 200,000 can be processed in near real time via FAST.

PayNow Corporate, an electronic fund transfer service for businesses and corporates, enables businesses and the Singapore Government to pay and receive SGD funds instantly with the linking of the Unique Entity Number (UEN) to their Singapore bank account.

## Payment Systems

MEPS+	Type	<ul style="list-style-type: none"><li>• Real-time gross settlement.</li></ul>
	Participants	<ul style="list-style-type: none"><li>• 60 direct (as of 03 June 2024)</li></ul>
	Transaction types processed	<ul style="list-style-type: none"><li>• High-value and urgent SGD-denominated credit transfers.</li><li>• Net obligations from Singapore's other payment systems.</li></ul>
	Operating hours	<ul style="list-style-type: none"><li>• 09:00–19:00 SGT, Monday to Friday.</li></ul>
	Clearing cycle details (e.g. cut- off times)	<ul style="list-style-type: none"><li>• Payments are cleared and settled in real time.</li><li>• Customer payment cut-off time = 19:00 SGT.</li></ul>

	System holidays	<p>MEPS+ is closed on all Singaporean bank holidays. Singapore's bank holidays are: 2nd half 2021: July 20*, August 9, November 4*, December 25. 2022: January 1, February 1, 2, April 15, May 2, 3*, 16*, July 11*, August 9, October 24*, December 26.</p> <p>Singapore bank holidays can be found on the Ministry of Manpower website: <a href="https://www.mom.gov.sg/employment-practices/public-holidays">https://www.mom.gov.sg/employment-practices/public-holidays</a> .</p>
IBG	Type	<ul style="list-style-type: none"> <li>• Multilateral deferred net settlement system.</li> </ul>
	Participants	<ul style="list-style-type: none"> <li>• 48</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• Low-value and non-urgent SGD-denominated electronic credit and debit payments.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 08:00-18:45 SGT, Monday to Friday.</li> </ul>
	Clearing cycle details (e.g. cut- off times)	<ul style="list-style-type: none"> <li>• Payments are cleared and settled for same-day on a basis up to three business days within three business days.</li> <li>• Cut off time = 17:00 SGT.</li> </ul>
	System holidays	<p>Singapore bank holidays can be found on the Ministry of Manpower website: <a href="https://www.mom.gov.sg/employment-practices/public-holidays">https://www.mom.gov.sg/employment-practices/public-holidays</a></p>
SGDCTS	Type	<ul style="list-style-type: none"> <li>• Multilateral net settlement.</li> </ul>
	Participants	<ul style="list-style-type: none"> <li>• 60</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• SGD-denominated cheques which are truncated into electronic items before being processed.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 08:30-23:00 SGT, Monday to Friday.</li> </ul>
	Clearing cycle details (e.g. cut- off times)	<ul style="list-style-type: none"> <li>• Payments are cleared and settled on a next-day basis.</li> <li>• The SGDCTS operates two clearing cycles daily: 12:00 and 17:30 SGT.</li> <li>• Return cheque cut-off time = 12:00 SGT.</li> <li>• Normal cheque cut-off time = 17:30 SGT.</li> <li>• Final settlement takes place via MEPS+.</li> <li>• Funds are typically available by 14:00 SGT the following day.</li> </ul>

	System holidays	<ul style="list-style-type: none"> <li>Singapore bank holidays can be found on the Ministry of Manpower website: <a href="https://www.mom.gov.sg/employment-practices/public-holidays">https://www.mom.gov.sg/employment-practices/public-holidays</a></li> </ul>
USDCTS	Type	<ul style="list-style-type: none"> <li>Multilateral deferred net settlement system.</li> </ul>
	Participants	<ul style="list-style-type: none"> <li>50</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>USD-denominated cheques drawn on Singapore banks</li> <li>Cheques are truncated into electronic items before being processed.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>11:00-23:00, SGT Monday to Friday.</li> </ul>
	Clearing cycle details (e.g. cut off times)	<ul style="list-style-type: none"> <li>Payments are cleared and settled on a two-day cycle (three-day cycle if beneficiaries or remitting banks are indirect members).</li> <li>Return cheque cut-off time = 12:00 SGT.</li> <li>Normal cheque cut-off time = 17:30 SGT.</li> <li>Final settlement takes place across participants' accounts held at the USDCTS's settlement bank, Citibank.</li> <li>Funds are typically available by 14:00 SGT the following working day.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>Singapore bank holidays can be found on the Ministry of Manpower website: <a href="https://www.mom.gov.sg/employment-practices/public-holidays">https://www.mom.gov.sg/employment-practices/public-holidays</a></li> <li>US bank holidays can be found from the Federal Reserve website: <a href="https://www.federalreserve.gov/aboutthefed/k8.htm">https://www.federalreserve.gov/aboutthefed/k8.htm</a></li> <li></li> </ul>

## Credit transfers

(Please note that the below is all based on what is available in Singapore but does not reflect BNPP's capabilities.)

- Credit transfers are used by companies to pay salaries and suppliers, and for treasury payments.
- Credit transfers are available as both paper-based and electronic payment instruments.
- High-value and urgent domestic SGD-denominated credit transfers can be settled in real time via MEPS+.
- Low-value, non-urgent and high-volume credit transfers can be settled via the IBG on a same day basis or up to three business days.

- Low-value credit transfers can also be settled via FAST (SGD 200,000 or less). FAST can be used 24 hours a day, seven days a week. Thirty banks and seven non-financial institutions participate in FAST.
- Low-value credit transfers can also be made via PayNow (SGD 200,000 or less) on a near real-time basis. Payments are settled via FAST. PayNow has adopted the Singapore Quick Response Code (SGQR) specifications, enabling businesses to collect payments via the service through QR codes. There are nine bank participants in PayNow, and three non-bank financial institutions. There are twenty-one bank participants in PayNow, and five non-bank institutions. Over 80% of individuals and businesses are registered on PayNow.
- PayNow Corporate enables entities such as businesses to pay and receive SGD funds instantly with the linking of the Unique Entity Number (UEN) to their Singapore bank account. PayNow corporate registrations totalled 240,000 by end 2020.
- As of February 2021, eligible non-bank financial institutions have had direct access to FAST and PayNow, enabling users of e-wallets to make real-time transfers between bank accounts and e-wallets as well as across different e-wallets.
- Cross-border transfers can be made via SWIFT and settled through correspondent banks abroad.
- In 2020, the volume and value of credit transfers increased 24.4% and 10.8% respectively, to 255 million transactions, with a value of SGD 664.3 billion.

## Direct debits

In 2021, the Association of Banks in Singapore (ABS) launched the eGIRO service that fully digitises the current paper-based GIRO process.

## Cheques

- The cheque is a popular cashless payment instrument, used by both consumers and companies.
- Cheques are truncated into electronic items before being settled on a next-day basis.
- Singapore has two cheque truncation systems: one for SGD-denominated cheques (SGDCTS), the other for USD-denominated cheques (USDCTS).
- Final settlement of SGD and USD-denominated cheques takes place via MEPS+.
- In July 2023, MAS announced that all corporate cheques will be eliminated by end-2025 while individuals will still be able to use cheques for a period after 2025.

## Card payments

- Card payments are increasingly popular, especially for retail transactions. There were 7.0 million credit cards in circulation at the end of December 2023.

- Contactless payment cards are issued and their use increasing.
- Visa-branded payment cards are the most widely issued, although MasterCard, American Express and Diners Club credit cards are also available.
- All card payments are processed via NETS on a same-day basis.
- All cards issued have EMV chips.
- In 2023, the volume of card payments grew 21.6% year on year to 1.98 million transactions. The total value also grew 13.7% to SGD 1.41 billion.

## ATM/POS

- There are three main ATM networks in Singapore: the proprietary DBS-POSB network, the atm5 network, which is used by six foreign banks, and the NETS network, which is operated by MasterCard and used by the United Overseas Bank and the Overseas-Chinese Banking Corp. The networks are not interoperable.
- All payments are processed via NETS on a same-day basis.
- All ATMs and POS terminals are EMV-compliant.
- The MEPS operated Shared ATM Network switch connects all ATMs in Singapore.

## Electronic wallet

- The dominant electronic wallet schemes are the NETS operated CashCard and FlashPay schemes, as well as an independent EZ-Link card.
- Single and multi-purpose stored-value cards are both available.
- Card-based e-money transactions fell 33.8% and 36.7% in volume and value terms respectively in 2020, on 2019 figures.
- Mobile wallets are widely accepted throughout Singapore due to the SGQR code. Popular e-payment methods include GrabPay, AliPay Nets and PayLah.
- E-money payments are settled on a next-day basis via NETS.
- In 2023, E-money transactions saw a slight decline of 6.8% in terms of volume to 2.22 million transactions compared to the previous year. The total value grew by 11.5% to SGD 2.4 billion in the same period.

## Short term investments

## Market overview

## **Interest payable on credit balances**

- Interest-bearing current accounts are permitted, although not widely available.

## **Demand deposits**

- Demand deposits denominated in SGD or major foreign currencies are available with terms ranging from overnight to over one year.

## **Time deposits**

- Time deposits are available in SGD or major foreign currencies for terms ranging from one week to over one year.

## **Certificates of deposit**

- Domestic banks issue SGD-denominated certificates of deposit with terms ranging from three months to five years. The minimum investment is SGD 100,000.
- Some banks issue foreign currency denominated certificates of deposit with terms ranging from one month to five years. The minimum investment is USD 100,000.
- Certificates of deposit can be issued paying fixed or variable interest.

## **Treasury (government) bills**

- MAS auctions various treasury bills based on their auctions and issuance calendar found at <https://www.mas.gov.sg/bonds-and-bills/auctions-and-issuance-calendar>. The minimum investment amount is SGD 1,000.

## **Commercial paper**

- Singapore's most reputable companies do issue commercial paper, but it is not widely available.

## **Money market funds**

- Money market funds are popular short-term investment instruments.

## **Repurchase agreements**

- Repurchase agreements are commonly available in Singapore.

## **Banker's acceptances**

- Banker's acceptances are rarely used in Singapore.

## BNP Paribas Trade Finance Capabilities

### Trade payments

Documentary credits	✓
Documentary collections	✓

### Guarantees

Bank guarantees	✓
Standby letters of credit	✓

### Supply chain management

Receivables	✓
Payables	✓
Inventory	✓

### Trade channels

Connexis Trade	✓
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Connexis Supply Chain	✓
SWIFTNet Trade for Corporates	✓
Connexis Connect	✓
Connexis Guarantee	✓
SWIFTnet Supply Chain	✓

- The professionals in the BNP Paribas Global Trade Solutions (GTS) team in Singapore offer both local and regional support across Asia Pacific. GTS in Singapore provides a wide range of product offerings from traditional trade products to supply chain management solutions complemented by excellent service delivery by ISO-certified middle and back offices. With strong product expertise and in-depth knowledge of local market requirements, BNP Paribas has become a leading trade finance bank in the region.

## International trade

### General trade rules

- As a member of the Association of Southeast Asian Nations (ASEAN), Singapore has entered into the ASEAN Trade in Goods Agreement (ATIGA) between member states (Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam). Singapore is also a member of the ASEAN Free Trade Area (AFTA) and is committed to reducing and eliminating tariffs between members.
- As a member of the Asia-Pacific Economic Cooperation (APEC) forum, Singapore has agreed to liberalise trade and investment rules between members.

### Trade agreements

- Singapore has 27 implemented free trade agreements in place with more than 30 trading partners, including USA, China, Australia, the GCC, the TPSEP, EFTA and Japan.
- Singapore is a signatory of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The CPTPP came into force in December 2018.
- Singapore is a signatory of the Regional Comprehensive Economic Partnership (RCEP). The country ratified the agreement in April 2021.

- ASEAN has signed free trade agreements (FTAs) with Australia, China, Japan, Hong Kong, India, New Zealand and South Korea.

## Imports / exports

Imports	Integrated circuits	Gold	Refined petroleum products	Gas turbines	Crude petroleum	
Primary Import sources	China (16.0%)	Malaysia (11.0%)	USA (9.0%)	Taiwan (7.0%)	Japan (5.0%)	Indonesia (5.0%)
Exports	Integrated circuits	Gold	Refined petroleum products	Gas turbines	Packaged medicines	
Export markets	China (15.0%)	Hong Kong (13.0%)	Malaysia (9.0%)	USA (8.0%)	Indonesia (7.0%)	India (5.0%)

## Import / export volumes

		2016	2017	2018	2019	2020
Exports	- goods USD m	371,402	413,883	458,950	441,350	411,634
	- services USD m	155,160	169,686	206,748	217,187	187,564
Imports	- goods USD m	284,256	316,496	357,370	344,508	317,991
	- services USD m	157,599	180,247	200,122	208,198	172,689
Current account as % GDP		18.0	18.2	17.1	16.9	NA

Source: IMF, International Financial Statistics, June 2021.



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