



Monetary Authority of Singapore

LEGAL PROTECTION AND INDEMNIFICATION

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Agenda

- Legal Protection and Indemnification
- Agency Accountability and Data Confidentiality

Legal Protection and Indemnification

- Deposit insurance agencies have different mandates: “Pay Box” and “Risk Minimiser”
- Legal protection and indemnification more pertinent to “risk minimisers”
- “Pay Box” regimes rely on supervisors. Legal protection and indemnification equally relevant to supervisors

Legal Protection and Indemnification

- Legal protection allows supervisors and deposit insurers to carry out mandates effectively
- Need for legal protection is widely recognised and encouraged
 - Basel Core Principles
 - IAIS Insurance Core Principles
 - FSF Working Group on Deposit Insurance

Legal Protection and Indemnification

MAS' Experience

- Legal protection provided in statute (MAS Act and financial sector legislation)
 - Covers public officers for actions carried out in good faith
- FSAP recommendations to strengthen protection
 - Synchronise scope of immunity provisions in disparate Acts administered by MAS
 - Extend protection to non-employees acting on behalf of MAS

Legal Protection and Indemnification

- Indemnification

- Statutory indemnification may not prevent legal actions
- Indemnification programme should include legal support in the event of legal action against bank supervisors and deposit insurance officers

Legal Protection and Indemnification

MAS' Experience

- Review of indemnification provision to improve protection and clarity
 - Whether indemnification automatic or discretionary
 - Whether agency funds legal costs as they arise or only upon successful defence

Accountability and Confidentiality

- Accountability is a corollary of legal protection
 - Need to ensure proper conduct by supervisors and deposit insurers

Accountability and Confidentiality

MAS' Experience

- Corporate
 - Public communication of MAS policies
 - External audit of MAS activities and accounts
- Employee
 - Code of conduct
- Continuing efforts to enhance transparency

Accountability and Confidentiality

- Confidentiality of information vital
 - Bank supervisors and deposit insurers must maintain the trust of financial institutions

MAS' Experience

- Official Secrets Act to maintain confidentiality of information

Summary

- Legal protection and indemnification essential for bank supervisors and deposit insurers
- Frameworks for legal protection and accountability continuously updated and improved

MAS

Thank You

