

10 October 2025

BY email to liquidity@mas.gov.sg

ASIFMA Response to MAS Consultation Paper (P013-2025) on Guidelines on Liquidity Risk Management

Dear MAS colleagues,

The Asia Securities Industry and Financial Markets Association (“ASIFMA”)¹, on behalf of our members, welcomes the opportunity to provide feedback on the Draft Guidelines on Liquidity Risk Management (Banks). We would like to thank the Monetary Authority of Singapore (“MAS”) for granting us additional time to consider the consultation paper, enabling us to deliver a more comprehensive response.

We appreciate and understand the necessity for the Liquidity Risk Management (Bank) rules to be updated to reflect contemporary realities, and we are, in principle, supportive of the approach undertaken by MAS.

We wish to highlight that ASIFMA’s membership primarily comprises multinational banks operating under different legal entities in Singapore. Accordingly, our response focuses on aspects relevant to this community. Singaporean banks that are also ASIFMA members are aligned with these messages; however, they will provide more comprehensive views in their individual submissions.

Question 1: MAS welcomes comments and suggestions on the areas of the proposed Guidelines that require further clarification or adjustments.

On behalf of our members, ASIFMA respectfully offers the following comments and requests for clarification on specific aspects of the proposed Guidelines. Our suggestions are outlined below:

¹ [ASIFMA](#) is an independent, regional trade association with over 150 member firms comprising a diverse range of leading financial institutions from both the buy and sell side, including banks, asset managers, professional services firms and market infrastructure service providers. Together, we harness the shared interests of the financial industry to promote the development of liquid, deep and broad capital markets in Asia. ASIFMA advocates stable, innovative and competitive Asian capital markets that are necessary to support the region’s economic growth. We drive consensus, advocate solutions and effect change around key issues through the collective strength and clarity of one industry voice. Our many initiatives include consultations with regulators and exchanges, development of uniform industry standards, advocacy for enhanced markets through policy papers, and lowering the cost of doing business in the region. Through the [GFMA](#) alliance with [SIFMA](#) in the United States and [AFME](#) in Europe, ASIFMA also provides insights on global best practices and standards to benefit the region.

1. **Proportionality and Applicability to Foreign Bank Branches:** Referring to section 1.5 (as with all other guidelines issued by MAS, banks should apply the Guidelines in a proportionate manner, taking into account the nature, size, and complexity of their activities), we encourage MAS to adopt a tiered, risk-sensitive liquidity regime for branches of foreign banks. Smaller branches with limited scale and low liquidity risk should be subject to reduced requirements, thereby aligning obligations with actual risk exposure.

MAS's existing supervisory risk ratings (AML, operations, cybersecurity) could be extended to include, for example, a liquidity sub-rating, enabling transparent calibration of supervisory intensity. Clear size thresholds (e.g., total assets, wholesale/external funding volumes) can be used to define tiers. For branches of global banks operating under robust home liquidity regimes and group recovery and resolution frameworks, MAS should permit recognition of parent liquidity governance—subject to enforceability and legal constraints. Such a proportional design will maintain strong supervision without overburdening smaller branches, respect global banks' existing liquidity systems, focus MAS's resources on higher-risk entities, complement MAS's emphasis on proportionality, leverage credible precedent, and help make Singapore a more attractive location for global banking operations.

In addition, we encourage MAS to consider the following aspects regarding the Head Office–Branch relationship:

- **Conflicting Head Office Requirements:** Branch entities typically adopt the parent group's management framework and are subject to home jurisdiction(s). We seek clarification on the arrangements or guidelines that MAS would provide if differences arise between home regulations and MAS requirements, particularly where the branch entity subject to the MAS regime has a simple business profile and a small balance sheet (as defined by MAS).
 - **Framework documentation for BBPLC:** A branch may rely on the same documentation as BBPLC when acting as a solo entity (regulated by the foreign home jurisdiction—PRA). Since the MAS Guidelines on Sound Risk Management were written, MAS has permitted increasing reliance on the home jurisdiction regulator. Therefore, while specific local Singapore liquidity requirements remain, we propose that liquidity policy documentation be aligned with that reviewed and approved by the home regulator (PRA).
 - **Expectations for Foreign Bank Branches:** We request further clarification on the application of the stated requirements in this consultation paper for foreign bank branches. For example, while expectations for stress testing have been specified, there are no such guidelines for other areas, such as cash flow projection.
 - **Roles and Responsibilities of Board and Senior Management:** We would like to inquire whether the local Asset and Liability Council could assume all oversight responsibilities of the Board under section 3 for a foreign bank branch that does not have a Board of Directors.
2. **Group Policies and Procedures:** Sections 5 (Liquidity Strategy and Incentives), 6 (Policies and Procedures), and 7 (Risk Identification) would particularly benefit from allowing firms and banking subsidiaries to utilize group policies and procedures, in a manner similar to what is permitted under Sections 13 and 18.

- Stress Testing and Scenario Analysis (Section 11): We seek clarification on whether the assessment of significant currency by a Singapore branch of a foreign bank may be performed on a consolidated basis at the Head Office level, provided the significant currencies are freely transferable and convertible.
 - Contingency Funding Plan (“CFP”, Section 18): We would appreciate clarification on whether the CFP of a Singapore branch of a foreign bank can be covered under the Head Office level CFP, which contains details on liquidity support that the Head Office would provide to the branch in the event of a crisis.
3. **Distinction Between Good Practices and Minimum Standards:** While the paper highlights various observed “good practices,” it remains unclear whether MAS expects all banks to implement these practices or if they are intended merely as recommended benchmarks. A clearer distinction between minimum supervisory expectations and references to good practices would greatly facilitate effective implementation planning.
4. **Risk Appetite (Section 4.2):** Under section 4.2, it says “The Risk Appetite should be clearly documented...” We would like to inquire if this is equivalent to having a Local Risk Appetite Statement with all risk appetites across various risks included.

Question 2: MAS seeks comments on any other aspects of liquidity risk management that have not been covered in the proposed Guidelines and warrant further guidance from MAS.

ASIFMA would like to respectfully offer some comments for consideration on specific aspects of liquidity risk management from the proposed Guidelines:

1. **Intraday Liquidity Management:** We would like to inquire whether MAS intends to further enhance the local payment infrastructure and make intraday data on payment flows more accessible to banks, similar to the availability of intraday Real Time Gross Settlement (RTGS) data in Hong Kong.
2. **Use of Central Bank Facilities:** The Guidelines reference the availability of MAS intraday liquidity and standing facilities. We would appreciate clarification from MAS on the following points:
- Whether access to these facilities may be considered as part of the intraday liquidity buffer.
 - Whether reliance on such facilities should be subject to specific limits or additional stress assumptions.
3. **Calibration of Intraday Liquidity Buffers:** While the paper notes that buffer levels should be informed by stress test results, further guidance from MAS would be helpful on the following points:
- The extent to which MAS’ intraday liquidity facilities may be relied upon when determining buffer sizes, as opposed to a requirement to hold unencumbered liquid assets independently.
 - The degree to which intraday buffers are expected to be maintained on a standalone basis for local branches v.s. standalone subsidiaries of foreign banks.

- 4. Request for Additional Engagement:** The industry seeks further engagement on Sections 9 and 15, as well as on expectations regarding intraday liquidity issues more broadly. We note that foreign bank branches and subsidiaries typically maintain conservative High Quality Liquid Asset buffers and possess the capability to ringfence and control outflows.

Question 3: MAS seeks comments on the proposed transition period of six months.

In response to the consultation on the proposed Guidelines, the industry respectfully recommends that MAS extend the transition period from six months to a minimum of twelve months, and potentially up to eighteen months.

This recommendation is based on several key considerations: the introduction of numerous new and amended requirements, together with more detailed expectations for liquidity risk management, will necessitate substantial adjustments to existing processes and systems.

Many of these requirements, including those related to stress testing, will require significant technological development and infrastructure enhancement. Additionally, branches of foreign banks operating in Singapore may need additional time for internal socialization of the guidelines and for securing the necessary approvals from their head office stakeholders before implementation can begin and be completed.

The complexity of adapting reporting frameworks and ensuring the comprehensive applicability of the guidelines across varying branch setups further underscores the operational challenges presented by a six-month timeline. Extending the transition period to twelve or eighteen months will allow institutions to implement the requirements in a thorough, well-governed, and sustainable manner, thereby supporting both regulatory objectives and operational resilience.

We look forward to ongoing engagement with the MAS on the issues set out in this consultation response. Should you have any further questions or wish to follow up, please contact Diana Parusheva-Lowery, ASIFMA's Managing Director and Head of Public Policy and Sustainable Finance, at DParusheva@asifma.org or +852 9822 2340.

We are also available to meet and discuss this consultation response, should you consider it appropriate.

Sincerely,



Diana Parusheva-Lowery
Managing Director, Head of Policy and Sustainable Finance
Asia Securities Industry and Financial Markets Association (ASIFMA)
F: +852 9822 2340
DParusheva@asifma.org