

## CACS Paper 1 – Industry & Product Knowledge

### Summary of Updates (June 2021 – Version 2.3)

The updates made to the CACS Paper 1 (March 2019– Version 2.2) are summarized as follows:

*\*Additions / updates / corrections are indicated in blue italics.*

*Deletions are indicated in strikethrough.*

*Section and page references relate to the updated study guide.*

Chapter / Section	Page No	Update / Amendment
<b>1.4.1 Types of Covered Entities</b>	5	<b>Banking business</b> refers to the business of receiving money on current or deposit accounts, paying and collecting cheques drawn by or paid in by clients, and the making of advances to clients. MAS issues different types of licences to qualified firms. Covered Entities may be licensed as Full Banks, Wholesale Banks, <del>Offshore Banks</del> and Merchant Banks.
<b>1.4.1.1 Full Banks</b>	6	Full Banks provide the whole range of banking business approved under the Banking Act as compared to Wholesale <del>and Offshore</del> Banks, which may only provide a restricted range of banking services. <i>Full Banks are allowed to take deposits of any amount in any currency, including offering savings accounts. They also provide capital markets products, custodial business, underwriting, corporate finance activities and some even offer life policies as distributors for insurance companies. Since they do not have restrictions in offering deposit products, many of the Full Banks are also in the retail banking business as well. Their clientele base is more diversified with mass retail, private banking and institutional clients.</i>
<b>1.4.1.3 Offshore Banks</b>	7	<i>Delete section 1.4.1.3</i>
<b>1.4.1.4 Merchant Banks</b>	8	<b>1.4.1.4-3 Merchant Banks</b>
<b>1.4.1.5 Asian Currency Unit (“ACU”) and other Activities of Banks and Merchant Banks</b>	9	<b>1.4.1.5 4 Asian Currency Unit (“ACU”) and Other Activities of Banks and Merchant Banks</b>

Chapter / Section	Page No	Update / Amendment
<b>1.4.1.6</b> <b>Capital Markets Services License (“CMSL”) Holders</b>	9	<b>1.4.1.6 5 Capital Markets Services Licence (“CMSL”) Holders</b>
<b>3.5.7</b> <b>Common Reporting Standard (CRS)</b>	65	The CRS builds on the the United States <b>Foreign Account Tax Compliance Act (FATCA)</b> reporting regime to maximise efficiency and reduce costs for implementing jurisdictions and their FIs. More than 100 jurisdictions, including major financial centres such as Dubai, Hong Kong, Luxembourg and Switzerland, have endorsed the CRS and <i>have will-commenced</i> AEOI in either 2017 or 2018. Singapore has committed to implement the CRS <i>and the first exchange took place in September 2018.</i>
<b>Appendix D</b> <b>(Review Questions)</b>	122	<p><del>5. What can a wholesale bank do that an offshore bank cannot?</del></p> <p><del>a. A wholesale bank can accept fixed deposits from both residents and non-residents of Singapore.</del></p> <p><del>b. A wholesale bank can accept fixed deposits only from residents of Singapore.</del></p> <p><del>c. A wholesale bank can accept fixed deposits only from non-residents of Singapore.</del></p> <p><del>d. A wholesale bank cannot accept fixed deposits of any kind.</del></p> <p><i>5 Which of the following statement is correct?</i></p> <p><i>a. Full banks are allowed to take deposits of any amount in any currency.</i></p> <p><i>b. Wholesale banks are allowed to take deposit of any amount in any currency.</i></p> <p><i>c. Merchant banks are allowed to take deposits of any amount in any currency.</i></p> <p><i>d. Asian Currency Unit is allowed to take deposits of any amount in any currency.</i></p>