



BNP PARIBAS

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**COMMENTS ON PUBLIC CONSULTATION PAPER ON REVIEW OF THE ELECTRONIC
TRANSACTIONS ACT (ETA) (CAP. 88)**



Comments on Public Consultation Paper on Review of the
Electronic Transactions Act (ETA) (Cap. 88)

1. Introduction

1.1 This Memorandum sets out BNP Paribas Singapore Branch's (the "**Bank's**") comments on the Infocomm Media Development Authority ("**IMDA**") consultation paper (the "**Consultation Paper**") dated 27 June 2019 on the review of the ETA.

1.2 We thank the IMDA for the opportunity to provide comments on the Consultation Paper.

2. Statement of Interest

2.1 BNP Paribas established its presence in Singapore in 1968. We offer products and services in Corporate and Institutional Banking (Advisory and Capital Markets, and Financing Solutions), Wealth Management, Asset Management and Securities Services. Our clients include large multinationals, local and regional corporations, financial institutions and high net worth individuals/accredited investors.

3. Comments: Section 2.6 - Powers of Attorney, Indentures and Trusts – Question 8

3.1 In relation to Section 2.6.3 and 2.6.4 and Question 8 of the Consultation Paper, the Bank respectfully submits that in addition to "Powers of Attorneys" ("**POAs**") made for the purpose of enforcement of security interests (per section 2.6.3), IMDA may also wish to consider excluding POAs made for the purpose of facilitating banking transactions such as account holder authorisations to a bank to open and operate accounts in the account holder's name and authorisations to authorised signatories to provide instructions to the bank on the account holder's behalf, to arrange for borrowings etc.

3.2 Such authorisations are at risk of being characterised as POAs instead of mere instructions and these authorisations would often be included in the documentation at the account opening stage with a bank/financial institution.

3.3 Extending the coverage and statutory protections of the ETA to include these would be in line with (a) the aims of facilitating innovation and digitalisation of business services identified in the consultation paper and (b) the push by the Monetary Authority of Singapore ("**MAS**") for financial institutions to use technology to increase efficiency and improve the customer on-

boarding experience (e.g. through electronic customer onboarding)¹.

4. Conclusion

4.1 We greatly appreciate the IMDA's consideration of our comments and look forward to hearing from the IMDA.

4.2 Should you require any further information, please do not hesitate to contact the following:

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¹ MAS Media Release, "MAS Encourages Financial Institutions to Use Technology to On-board Customers More Efficiently" dated 8 February 2018, available at: <https://www.mas.gov.sg/news/media-releases/2018/mas-encourages-financial-institutions-to-use-technology-to-on-board-customers-more-efficiently>