



MARITIME AND PORT AUTHORITY OF SINGAPORE

PORT MARINE CIRCULAR  
NO. 2 OF 2024

16 JAN 2024

**WAIVER OF NEED FOR SECURITY DEPOSITS AND BANKER'S GUARANTEES  
WITH EFFECT FROM 1 APRIL 2024**

1. MPA currently requires all billing parties that are billed more than S\$5,000 annually to furnish a security deposit or banker's guarantee for credit terms for payment to MPA. The amount of security required from the billing party varies with the payment mode and credit history with MPA, and is reviewed regularly as part of credit risk assessment.
2. To help reduce costs on maritime businesses, MPA will waive the requirement for existing billing parties to furnish security with effect from 1 April 2024, provided
  - a. The party has an approved General Interbank Recurring Order (GIRO) arrangement with MPA; and
  - b. The party does not have 3 or more GIRO failures annually.
3. With this, more than 80% of MPA's such billing parties are expected to have their security amount worth more than S\$20 million/year waived, thereby improving their cashflow. These billing parties will also be able to save on the charges incurred on the banker's guarantee.
4. Existing billing parties which are not on GIRO arrangement with MPA are strongly encouraged to do so to benefit from the waiver and cost savings. With GIRO arrangements, you will also save time and effort in monitoring and processing the invoices that are due for payment, as long as you ensure there are sufficient funds in the bank account. In addition to the due date stated on the invoices available on digitalPORT@SG™, MPA provides an email notification on the amount for deduction 1 day before the deduction date. Late payment will incur interest charges. To sign up, please access the Interbank GIRO Application form via our MPA website. (E-Services > Transactions with MPA > Opening An Account > Interbank GIRO Form) and send the completed physical form to MPA.

5. MPA will be reaching out to the eligible billing parties to refund the security deposit and/or discharge of banker's guarantee from April 2024 onwards.
6. New billing parties with expected annual billed amount of at least S\$10,000 will be required to furnish an electronic banker's guarantee of S\$5,000 to MPA as part of the account opening process. Details and list of participating financial institutes can be found at <https://www.eguarantee.gov.sg>. Following subsequent credit risk review based on transaction history, waiver will be granted to eligible billing parties.
7. For any queries or clarification, please contact [AR@mpa.gov.sg](mailto:AR@mpa.gov.sg) or 1800-272-7777.
8. MPA PMC No. 15/2017 is hereby cancelled.

CINDY SIM (MS)  
SENIOR DIRECTOR (FINANCE, PROCUREMENT AND ADMIN)  
MARITIME AND PORT AUTHORITY OF SINGAPORE

## FAQs

### For existing billing parties with MPA

Q: If I have an existing GIRO arrangement in place, does it mean that my security deposit will be refunded?

A: Yes, as long as you do not have 3 or more GIRO failures in 2023.

Q: How can I get my security deposit refund?

A: MPA will be reaching out to eligible billing parties from Apr 2024 onwards; the email will indicate the instructions on the refund of security deposit.

Q: When will my banker's guarantee be discharged?

A: We will return the banker guarantee upon expiry. Should you wish to discharge your banker's guarantee earlier, please write in to [AR@mpa.gov.sg](mailto:AR@mpa.gov.sg).

Q: I did not receive any email on the refund of security deposit or discharge of banker's guarantee. How can I check my company's eligibility?

A: Please write in to [AR@mpa.gov.sg](mailto:AR@mpa.gov.sg) to enquire if your company is eligible.

Q: I do not have any GIRO failure in 2023 and my security deposit was refunded. If I have 3 or more GIRO failures in 2024, will I be asked to provide a form of security again?

A: Yes, in the event that there are 3 or more GIRO failures, we will require the company to provide security (in the form of banker's guarantee). Your security will only be discharged in 2026 if you do not have 3 or more GIRO failures in 2025.

Q: I do not have a GIRO arrangement now, but I would like to apply for one. Will my security deposit be refunded / banker's guarantee be discharged once my GIRO application gets approved?

A: Yes. However, should there be 3 or more GIRO failures, we will still require the company to provide a banker's guarantee.

**Illustrative examples:**

Existing Billing Party	On Existing GIRO arrangement with MPA?	GIRO Payment History in 2023	Existing Security Furnished to MPA	Wef 1 Apr 2024
A	Y	Does not have 3 or more failures	\$20,000	<p>MPA will make arrangements for refund / discharge of existing security.</p> <p>Waiver of security is granted, until there is a deterioration of credit history.</p> <p>For example, in July 2024, there were 3 GIRO failures resulting in the need to re-furnish a new banker's guarantee. The new banker's guarantee can only be discharged in 2026, if there is no GIRO failure in 2025.</p>
B	Y	Has 3 or more failures	\$5,000	MPA will require a higher security of \$7,500.
C	N	NA	\$10,000	<p>Company enters into GIRO arrangement prior to/from 1 Apr 2024.</p> <p>With the approved GIRO application, the security will be refunded/discharged.</p> <p>Billing party to maintain good credit rating (i.e. less than 3 GIRO failures in a year) otherwise, security will still be required.</p>