

THE STATUTES OF THE REPUBLIC OF SINGAPORE

EXTERNAL LOANS ACT

(CHAPTER 102)

**1970 Ed. Cap. 67
Act
4 of 1968**

REVISED EDITION 1985

PRINTED BY THE GOVERNMENT PRINTER, SINGAPORE

1986

External Loans Act

ARRANGEMENT OF SECTIONS

Section

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3. Raising of loans.
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5. Exchange of securities.
6. Cancellation of securities exchanged or redeemed.

An Act to authorise the raising of loans outside Singapore, to provide sums required for the purposes of the Development Fund or for the repayment or amortisation of external loans, and to make general provision with respect to external loans.

[1st June 1968]

1. This Act may be cited as the External Loans Act. Short title.

- 2.—(1) The Minister may, from time to time, raise loans outside Singapore — Power to raise external loans and application of moneys raised.
Cap. 80.
 - (a) for the purposes of the Development Fund established by the Development Fund Act; or
 - (b) for the repayment or amortisation of loans raised outside Singapore.

- (2) Any moneys raised by way of loan under this section are hereby appropriated first to the payment of the expenses in connection with the raising of the loan and, subject to payment of those expenses, to the purposes for which the loan is raised:

Provided that if the moneys so raised for the repayment or amortisation of any loan exceed the amounts required for that purpose after the application thereto of any amounts available in a sinking fund relating to the loan, then the excess shall be applied and is hereby appropriated to the

redemption, at such times and in such manner as the Minister may determine, of securities of Singapore.

(3) Any moneys raised under this Act shall not in the aggregate exceed such sum or sums as the President, acting on the recommendation of the Minister, may, from time to time, authorise by order under this Act.

(4) In applying subsection (3), any moneys raised in a currency other than Singapore dollars shall be converted into Singapore dollars as at the day when the amount to be raised is determined and by the use of such rate of exchange as the Chairman of the Board of Commissioners of Currency, Singapore, may certify to be then appropriate.

Raising
of loans.

3.—(1) For the purpose of raising external loans in accordance with the provisions of this Act, the Minister may authorise the creation and issue of such securities as he thinks fit.

(2) The securities issued for raising any external loan shall bear such rate of interest, and be subject to such terms and conditions as to repayment, redemption and other matters, including provision for a sinking fund, as may be determined by or with the authority of the Minister.

(3) In connection with the raising of any external loan, the Minister may make such arrangements as he sees fit for the underwriting of any offer for subscription or sale of the securities.

(4) The Minister is hereby authorised to include, among the terms and conditions of any external loan, provisions for exemption from tax or for exempting from exchange control any debt charges in respect of an external loan; and the Minister shall by order make such provision as he considers necessary to give effect to any such exemption from tax or from exchange control, and any such order shall have effect notwithstanding anything in any other written law relating to the tax, or to exchange control, as the case may be.

(5) Without prejudice to any of the foregoing provisions, the terms and conditions authorised by subsection (2) shall include provision for the following matters:

(a) for charging on any assets as security (whether originally or in the event of any debts of Singapore being charged thereon) the debt charges in respect of an external loan;

(b) for Singapore, in proceedings relating to securities issued for an external loan, to submit to the jurisdiction of the courts of the country in which the loan is raised.

(6) All debt charges in respect of any external loan shall be charged on the Consolidated Fund.

(7) In this section "debt charges" includes interest, sinking fund charges, the repayment or amortisation of debt, and all expenditure in connection with the raising of loans and the service and redemption of debt created thereby. [4*

4. In connection with any external loan, the Minister may whether by deed or otherwise —

Management
of external
loans.

- (a) appoint a registrar, and provide for the establishment and maintenance of a register of any securities, for the location of the register and for the extent to which the register is to be conclusive of the title to those securities or of any other matter;
- (b) provide for the conversion of registered securities into securities transferable by delivery or vice versa;
- (c) provide for the authentication of certificates relating to the securities or of other documents;
- (d) appoint trustees of any sinking fund, and provide for the investment, management and application of the sinking fund;
- (e) enable any deed or other instrument to be modified with or without requiring the consent of a meeting of the holders of securities, and provide for the summoning and conduct of such meetings for that or any other purpose, and the majority required at such a meeting for the decision of the meeting on any matter to be binding on the holders of securities; and
- (f) generally regulate, or authorise the registrar to regulate the management of the loan and all matters arising in connection therewith. [5

*Section 3 was omitted as the General Loan and Inscribed Stock Act referred to in that section was repealed by Act 2 of 1986.

Exchange of securities.

5.—(1) The Minister may, for the purpose of carrying out any arrangement made with holders of securities issued under this Act for the exchange of those securities (whether on or before maturity, and whether with or without any further payment) create and issue such other securities as the Minister thinks fit, and sections 4 and 5 shall apply, with any necessary adaptations, to securities issued under this section as if they were issued for raising an external loan.

(2) Any arrangements made for the exchange of securities under this section may include provision for the making of payments to the holders of securities exchanged; and any such payments and all other expenses of any such exchange may be met out of the surplus, if any, created by the exchange in any sinking fund relating to the securities exchanged and, if not so met, shall be charged on the Consolidated Fund as part of the debt charges for those securities.

(3) On any exchange of securities under this section the surplus, if any, thereby created in any sinking fund relating to the securities exchanged, or so much of it as is not applied under subsection (2), may, if the Minister so directs, be transferred to any other sinking fund relating to securities of Singapore, and subject thereto shall be applied at such times and in such manner as the Minister may determine in the redemption of securities of Singapore. [6

Cancellation of securities exchanged or redeemed.

6. All securities exchanged or redeemed in pursuance of the provisions of this Act shall be cancelled and disposed of in such manner as the Minister may determine. [7