

**THE STATUTES OF THE REPUBLIC OF SINGAPORE**

**LOCAL TREASURY BILLS ACT  
(CHAPTER 167)**

**1970 Ed. Cap. 72  
Ordinance  
4 of 1923**

Amended by  
1 of 1938  
72 of 1959  
10 of 1987  
S 223/59

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# Local Treasury Bills Act

## ARRANGEMENT OF SECTIONS

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An Act to provide for the borrowing of money by the issue of Treasury Bills in Singapore.

[11th May 1923]

1. This Act may be cited as the Local Treasury Bills Act. Short title.
2. In this Act, unless the context otherwise requires — Interpretation. 10/87. Cap. 186.
  - “Authority” means the Monetary Authority of Singapore established under section 3 of the Monetary Authority of Singapore Act;
  - “book-entry Treasury Bill” means a Treasury Bill issued in Singapore under this Act in the form of an entry on the records of the Authority;
  - “depository institution” means a financial institution approved by the Authority which regularly accepts in the course of its business book-entry Treasury Bills by way of a custodial service for its customers

and maintains accounts in the names of its customers reflecting ownership or interest in such book-entry Treasury Bills;

“depositor” means any person in whose name an account is established and maintained on the records of the Authority;

“pledge” includes a pledge of, or any security interest in, a book-entry Treasury Bill as collateral for loans or advances, or to secure deposits of public moneys or the performance of an obligation;

“security interest” means an interest, not being an interest arising from a trust, in property which secures the payment of a debt or performance of an obligation;

“Treasury Bill” includes a book-entry Treasury Bill.

Power to  
borrow by  
issue of  
Treasury  
Bills.

3.—(1) The Minister whenever authorised thereto by a resolution of Parliament may borrow, by the issue of Treasury Bills in Singapore, sums not exceeding the amount specified in the resolution; and the Minister may also borrow from time to time, by the issue of such Treasury Bills, such sums as may be required to pay off at maturity Treasury Bills already lawfully issued and outstanding.

10/87.

(2) The Authority may, on behalf of the Minister, undertake the issue and management of Treasury Bills issued under this Act.

10/87.

(3) Without prejudice to subsection (2), the Authority may —

(a) issue book-entry Treasury Bills by means of entries on its records;

(b) maintain accounts of book-entry Treasury Bills —

(i) for any depositor on such terms and conditions as may be specified by the Authority for such book-entry Treasury Bills the depositor holds for its own account and, where the depositor is a depositary institution, for the account of its customers;

(ii) for the Government; and

(iii) for the Authority;

(c) service and maintain book-entry Treasury Bills; and

(d) take all other necessary action in respect of book-entry Treasury Bills to enable the Authority to perform its obligations as depositary with respect to such book-entry Treasury Bills. [2

4. The principal moneys represented by the Treasury Bills issued under this Act are hereby charged upon and shall be payable out of the Consolidated Fund. [3

Principal  
of Bills.

5. The proceeds of the issue of such Treasury Bills shall be paid into the Consolidated Fund. [4

Proceeds  
of Bills.

6. Every Treasury Bill issued under this Act shall be for the sum of \$10,000 or a multiple of \$10,000, and shall be payable at par at such time or times as the Minister shall, before the issue of such Treasury Bills, fix and determine, but not later than one year from the date of issue. [5

Amounts  
and period  
of currency  
of Bills.

7. The Minister shall appropriate out of the Consolidated Fund the necessary sum to pay the principal represented by the Treasury Bills when they fall due. [6

Repayment  
of Bills.

8.—(1) Upon repayment of the principal moneys represented by the Treasury Bills, the Bills shall be delivered up to the Authority to be cancelled by the Authority. [7

Cancellation  
of repaid  
Bills.  
10/87.

(2) Subsection (1) shall not apply to book-entry Treasury Bills. [7

9.—(1) A transfer or a pledge of any book-entry Treasury Bill to the Authority or to the Government or to any transferee or pledgee eligible to maintain an appropriate account in its name with the Authority shall be effected, notwithstanding any written law to the contrary, by the Authority making an appropriate entry in its records of the book-entry Treasury Bill transferred or pledged. [7

Transfers  
and pledges  
effected by  
Authority  
under  
book-entry  
clearing  
system.  
10/87.

(2) The making of an entry in the records of the Authority under subsection (1) shall —

- (a) have the effect of a delivery of the book-entry Treasury Bill as if the Bill had been issued in the form of an engraved or printed certificate;
- (b) have the effect of a taking of delivery by the transferee or pledgee;
- (c) constitute the transferee or pledgee a holder; and

(d) if a pledge, have the effect of vesting a security interest in favour of the pledgee.

(3) A transfer or a pledge of a book-entry Treasury Bill effected in accordance with this section shall have priority over any transfer or pledge involving, or any interest in, the book-entry Treasury Bill effected or created in any other manner before, on or after the date of the transfer or pledge in accordance with this section. [8

Transfers  
and pledges  
effected by  
other means.  
10/87.

**10.—(1)** Notwithstanding section 9, a transfer or a pledge of a book-entry Treasury Bill, or any interest therein, which is maintained by the Authority in an account may be effected by any means that would be effective to effect a transfer or pledge of a book-entry Treasury Bill, or any interest therein, if the Bill was issued by the Authority in the form of engraved or printed certificates.

(2) The Authority shall be deemed not to be —

(a) a bailee for purposes of notification of pledges of book-entry Treasury Bills not effected in accordance with section 9; and

(b) a person in possession of book-entry Treasury Bills for purposes of acknowledgment of transfers of such Bills not effected in accordance with section 9.

(3) Where book-entry Treasury Bills are recorded on the books of a depositary institution for account of the pledgor or transferor thereof and such Treasury Bills are on deposit with the Authority in an account, the depositary institution shall, for the purposes of effecting delivery of the book-entry Treasury Bills to a purchaser or pledgee, be deemed to be the bailee to which notification of the pledge of the book-entry Treasury Bills may be given or to be the person in possession from which acknowledgment of the holding of the book-entry Treasury Bills may be obtained.

(4) The Authority shall not accept any notice or advice of a transfer or pledge of any book-entry Treasury Bill not effected in accordance with section 9 and any such notice or advice shall be void.

(5) The Authority may continue to deal with its depositor in accordance with this Act notwithstanding any transfer or pledge not effected in accordance with section 9. [9

**11.—(1)** The Authority shall not be liable for conversion or for participation in any breach of fiduciary duty where the Authority has, in respect of book-entry Treasury Bills maintained in the accounts of the Authority, effected pledges or made entries regarding the book-entry Treasury Bills, or transferred or delivered the book-entry Treasury Bills, according to the instructions of the depositor notwithstanding that the depositor had no right to dispose of or take any other action in respect of the book-entry Treasury Bills.

Authority to be discharged by action on instructions. 10/87.

(2) The Authority shall be fully discharged of its obligations under this Act by the transfer or delivery of book-entry Treasury Bills upon the instructions of the depositor. [10

**12.** The Authority shall issue to each depositor following any transaction affecting book-entry Treasury Bills maintained for such depositor under this Act a confirmation thereof in the form of an advice (serially numbered or otherwise) which shall specify the amount and description of the book-entry Treasury Bills and any other pertinent transaction data. [11

Confirmation of transaction. 10/87.