

DEVELOPMENTAL INVESTMENT FUND ACT 2000

(No. 6 of 2000)

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An Act to establish a Developmental Investment Fund and to define its purposes, to authorise the raising of loans for the Developmental Investment Fund and for matters connected therewith, and to make consequential amendments to the Development Fund Act (Chapter 80 of the 1995 Revised Edition) and the External Loans Act (Chapter 102 of the 1985 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

PART I
PRELIMINARY

Short title and commencement

1. This Act may be cited as the Developmental Investment Fund Act 2000 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Interpretation

2. In this Act, unless the context otherwise requires —

“developmental purpose” means —

- (a) to promote, assist in or facilitate the establishment, development or expansion of any industry or class of business enterprise that will enhance, directly or indirectly, economic growth and employment opportunities in Singapore, that enjoys good export market prospects or that will enhance Singapore’s international competitiveness;
- (b) to construct, improve, extend or replace any buildings, building or engineering works, plant, machinery, equipment or other infrastructure required in respect of or connected with the economic development or general welfare of Singapore;
- (c) to reclaim or develop any land in Singapore or to commercially exploit or apply any scientific knowledge or technology; or
- (d) to promote, assist or facilitate any research, survey, investigation or other work preparatory to any purpose referred to in paragraph (a), (b) or (c);

“financial year”, in relation to the Fund, means a period of 12 months ending on 31st March in any year;

“Fund” means the Developmental Investment Fund established under section 3;

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- “invest” includes entering into a transaction or an arrangement for the protection or enhancement of investments;
- “Minister” means the Minister responsible for finance;
- “property” means any legal or equitable estate or interest (whether present or future and whether vested or contingent) in real or personal property of any description;
- “public authority” means any board or authority established by or under any written law to perform or discharge any public function;
- “responsible Minister” has the meaning assigned to it in section 6(1);
- “securities” includes shares, inscribed stock, debentures, bonds, debenture stock, notes or any other document creating, evidencing or acknowledging indebtedness;
- “sinking fund” means any sinking fund created under section 15.

PART II

DEVELOPMENTAL INVESTMENT FUND

Establishment of Developmental Investment Fund

3.—(1) There shall be established a fund to be called the Developmental Investment Fund into which shall be paid —

- (a) all moneys from time to time appropriated from the Consolidated Fund and authorised to be paid into the Fund by this Act or any other written law;
- (b) all sums representing the proceeds of loans raised under this Act;
- (c) all other revenues of Singapore allocated by any written law to the Fund; and
- (d) the net income from investments of moneys in the Fund authorised to be made by this Act or any other written law.

(2) The Fund shall be regarded as a Government fund and as comprising public moneys for the purposes of any other written law.

(3) For the purposes of subsection (1)(d), the net income from investments shall be the amount ascertained by adding to, or deducting from, the income received from investments of moneys in the Fund any profit derived or loss sustained, as the case may be, from the realisation of such investments.

Purposes of Fund

4.—(1) The moneys in the Fund may be withdrawn and applied for all or any of the following purposes only:

- (a) to invest in, subscribe for or acquire any securities in any public authority, corporation or body corporate for any developmental purpose;
- (b) to form or to participate in the formation of any company for any developmental purpose;
- (c) to invest in any funds or property (whether within or outside Singapore) for any developmental purpose;
- (d) the payment of any charges, fees or expenses incidental or arising from carrying out any of the activities in paragraphs (a), (b) and (c);
- (e) the payment of any expenses referred to in section 7.

(2) Section 7(3) of the Financial Procedure Act (Cap. 109) shall not apply to the application of any moneys in the Fund in accordance with subsection (1)(a), (b) or (c).

General responsibility for Fund

5.—(1) The Minister shall be responsible for the control, supervision and management of all moneys of the Fund not assigned to any responsible Minister under section 6(1).

(2) Notwithstanding the assignment of any part of the moneys in the Fund to any responsible Minister under section 6(1), the Minister shall remain overall responsible for the control, supervision and management of the Fund.

Responsible Ministers in charge of accounts in Fund

6.—(1) The Minister may, if it appears to him expedient in the interests of the improved management and sound and more efficient investment of any part of the moneys in the Fund, by order direct that, as of a date appointed in that order, an account within the Fund shall be established comprising those moneys and placed under the control, supervision and management of a Minister who is assigned in that order (referred to in this Act as the responsible Minister).

(2) In the discharge of his functions in relation to the Fund or an account established under subsection (1), it shall be the duty of the Minister or responsible Minister, as the case may be —

- (a) to manage the Fund or account, as the case may be, so that the revenue of the Fund or account is not less than sufficient to meet expenses which are properly chargeable to the Fund or account;
- (b) to establish and adhere to investment policies, and adopt standards and procedures that a reasonable prudent person would apply to a portfolio of investments to avoid undue risk of loss and to obtain a reasonable return; and
- (c) in the case of the responsible Minister, to achieve such specific developmental objectives as the Minister may from time to time by order under subsection (1), after consultation with the responsible Minister, determine to be desirable of achievement.

Expenses

7.—(1) All expenses incidental to or arising from the administration, investment and management of moneys in the Fund or any account established under section 6(1) shall be charged upon and payable out of the Fund or account, as the case may be.

(2) All expenses incidental to or arising from —

- (a) the raising of any loan and repayment of moneys under this Act; and
- (b) the investment and management of any sinking fund created under this Act,

shall be charged upon and payable out of the Fund.

Fund surpluses

8.—(1) The Minister may, by warrant under his hand, authorise the transfer to the Consolidated Fund any moneys in the Fund which, in the opinion of the Minister, are not immediately required to meet the liabilities or the purposes of the Fund.

(2) The Minister may, after consulting the relevant responsible Minister, at any time by warrant under his hand direct the transfer to the Fund of all or any moneys from any account established under section 6(1) under the charge of that responsible Minister.

Withdrawals

9.—(1) No moneys shall be withdrawn from the Fund or any account established under section 6(1) unless they are charged upon the Fund or are authorised or directed to be withdrawn or transferred under this Act.

(2) No payment shall be made out of the Fund unless the payment is authorised by the Minister or, in the case of moneys in an account established under section 6(1), unless the payment is authorised by the responsible Minister in charge of that account.

PART III

AUTHORISATION TO RAISE LOANS

Power to raise loans

10.—(1) The Minister may, from time to time, by the issue of such securities in Singapore as he thinks fit, raise loans of a sum not exceeding in the whole S\$10,000 million.

(2) Notwithstanding subsection (1), but subject to Article 144 of the Constitution, Parliament may by resolution authorise the Minister to raise loans under this Act of a sum not exceeding in the whole such higher sum as may be specified in the resolution.

Application of loan

11. Any moneys raised by way of loan under this Act are hereby appropriated first to the payment of expenses in connection with the raising of the loan and such moneys, less payment of those expenses, shall be paid into and applied for the purposes of the Fund.

Principal and interest

12. The principal and interest represented by the securities issued under this Act are hereby charged upon and shall be payable out of the Fund.

Deficiencies in Fund

13. Where the moneys in the Fund are insufficient to repay any principal sum or interest payable on any securities issued under this Act, or to meet any other obligation arising under this Act, at the time when they become due, the deficiency shall be charged upon and payable out of the Consolidated Fund.

Issue of securities

14.—(1) Subject to subsection (2), the securities issued under this Act shall bear such rates of interest, and be subject to such other terms and conditions as to repayment, redemption and other matters, including provision for a sinking fund, as may be determined by the Minister.

(2) Any securities issued under this Act shall be redeemable at par on such dates as may be determined by the Minister, after which dates all the interest on the principal moneys represented thereby shall cease and determine, whether payment of the principal moneys has been demanded or not.

Sinking fund

15.—(1) The Minister, may from time to time, appropriate out of the Fund moneys for the creation of a sinking fund for the repayment of the principal sums payable on any of the securities issued under this Act.

(2) The total amount in any sinking fund shall not exceed the outstanding principal sums payable on such securities.

(3) The Minister may at any time apply all or any part of the moneys in the sinking fund to the purchase of trustee stock or of any securities, fund or investment authorised for investment under section 7(3) of the Financial Procedure Act (Cap. 109).

(4) All income from investments of moneys in the sinking fund and all profits arising from the realisation of any such investments shall be paid into the sinking fund.

(5) Any sinking fund created under this Act shall be applied in the first place in payment of all expenses of, or incidental to, the management of the sinking fund and the redemption of the securities issued under this Act, and then in repayment of principal moneys represented by the securities.

Payment of interest

16.—(1) The interest payable on any securities issued under this Act shall be paid at the end of every interest period of such duration as the Minister may determine.

(2) The Minister shall, in each such interest period ending on the day on which interest on securities issued under this Act falls due, appropriate out of the Fund a sum equal to the interest for the appropriate interest period on the whole of the securities so issued in order that the interest for that interest period may be paid therefrom.

PART IV

MISCELLANEOUS

Accounts to be kept

17.—(1) The Minister shall —

- (a) cause to be kept proper accounts and records of all transactions and affairs relating to the Fund;
- (b) do all things necessary to ensure that all payments out of the Fund are correctly made and properly authorised; and

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- (c) ensure that adequate control is maintained over the assets and receipts of the Fund.
- (2) Every responsible Minister shall have the same responsibilities as specified in subsection (1) in relation to all moneys in the account established under section 6(1) under his charge.
- (3) Every responsible Minister shall appoint a public officer or an officer of any public authority to be an accounting officer for the account established under section 6(1) under his charge, with responsibility for keeping proper accounts and records in relation thereto, and preparing and signing a statement of the accounts in respect of each financial year.
- (4) Any officer of a public authority who is appointed under subsection (3) as an accounting officer shall be deemed to be —
- (a) public servants for the purposes of the Penal Code (Cap. 224); and
 - (b) public officers for the purposes of the Financial Procedure Act (Cap. 109) and section 20 of that Act shall apply to the officer notwithstanding that he is not or was not in the employment of the Government.

Financial statements and audit reports

18. The Minister shall, as soon as practicable after the close of each financial year, cause to be prepared and submitted to the Auditor-General —

- (a) the financial statements for the Fund relating to that financial year; or
 - (b) if accounts have been established under section 6(1), the consolidated financial statements in respect of the Fund relating to that financial year,
- and the Auditor-General shall then audit and report on them.

Application of Financial Procedure Act

19. Except as otherwise expressly provided in this Act, the Financial Procedure Act and any regulations made thereunder shall apply to the Fund.

Regulations

20. The Minister may make regulations for the sound and efficient management and investment of the Fund, including —

- (a) prescribing the securities, funds and investments or classes of securities, funds and investments in which any moneys in the Fund may be invested for developmental purposes;
- (b) generally regulating the management of any loan raised under this Act and all matters arising in connection therewith; and
- (c) prescribing all other matters that are necessary or expedient for carrying out or giving effect to the provisions of this Act.

Consequential amendments to Development Fund Act and External Loans Act

21.—(1) The Schedule to the Development Fund Act (Cap. 80) is amended by deleting the words “, or other investment in,” in paragraph 6.

(2) Section 2(1) of the External Loans Act (Cap.102) is amended —

- (a) by deleting the word “or” at the end of paragraph (a); and
- (b) by inserting, immediately after paragraph (a), the following paragraph:

“(aa) for the purposes of the Developmental Investment Fund established by the Developmental Investment Fund Act 2000; or”.
