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The following Act was passed by Parliament on 27th February 1992 and assented to by the President on 2nd March 1992:—

GOVERNMENT SECURITIES ACT 1992

(No. 1 of 1992)

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REPUBLIC OF SINGAPORE

No. 1 of 1992.

I assent.



WEE KIM WEE
President.
2nd March 1992.

An Act to establish and regulate the Government Securities Fund and to provide for the borrowing of moneys by the issue of Government securities in Singapore.

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 Government Securities Act 1992 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 —

“advance deposits” means such deposits as are received under section 27;

“Authority” means the Monetary Authority of Singapore established under the Monetary Authority of Singapore Act (Cap. 186);

“bearer bonds” means bearer bonds issued under Part IV;

“book-entry Government securities” means any stock or bond issued in Singapore under Part V in the form of an entry on the records of the Authority;

“Government Securities Fund” means the Government Securities Fund established under Part II;

“Government securities” means stocks, bearer bonds, book-entry Government securities or other securities which may be issued under this Act;

“regulations” means regulations made under this Act and, in relation to any particular issue of Government securities, includes any notification in the *Gazette* varying such regulations in relation to that issue;

“sinking fund” means the sinking fund created under section 25;

“stocks” means stocks issued under Part IV;

“trustee stock” means any of the securities mentioned in the Trustees Act (Cap. 337) in which trustees may invest .

PART II

ESTABLISHMENT AND REGULATION OF GOVERNMENT
SECURITIES FUND

Government Securities Fund

3.—(1) A Government Securities Fund is hereby established into which shall be paid —

- (a) all sums representing the proceeds of loans raised or advance deposits accepted under this Act;
- (b) all moneys from time to time authorised to be paid into the Government Securities Fund by this Act or any other written law; and
- (c) all income from the investment of moneys in the Government Securities Fund authorised to be made by this Act, and all profits arising from the realisation of any such investments.

(2) The Government Securities Fund shall be deemed to be a Government fund for the purposes of any written law.

Application of moneys in Government Securities Fund

4.—(1) The Minister may at any time apply all or any part of the moneys in the Government Securities Fund to the purchase of trustee stock or of any other stock, fund, security or investment mentioned in section 7(3) of the Financial Procedure Act (Cap. 109), except any stock, bond, fund or security issued by the Government.

(2) Nothing in subsection (1) shall prohibit the conversion of advance deposits to Government securities issued under this Act.

Expenses

5. All expenses arising from or incidental to —

- (a) the investment and management of moneys in the Government Securities Fund; and
 - (ii) the investment and management of moneys in any sinking fund created,

under this Act and any other written law authorising moneys borrowed to be paid into the Government Securities Fund, shall be charged upon and payable out of the Government Securities Fund.

Deficiencies in Government Securities Fund

6. Where the moneys in the Government Securities Fund are insufficient —

- (a) to repay any principal sum or interest payable on any Government securities issued or advance deposits accepted under this Act; or
- (b) to meet any other obligation arising from this Act or any other written law,

at the time when they become due, the deficiency shall be charged upon and payable out of the Consolidated Fund.

Surpluses in Government Securities Fund

7. The Minister may by warrant under his hand authorise the transfer to the Consolidated Fund any moneys in the Government Securities Fund which, in the opinion of the Minister, are not required to meet the liabilities of the Government Securities Fund.

Application of Financial Procedure Act

8. Sections 6 and 13 of the Financial Procedure Act (Cap. 109) shall not apply to any loan raised under the provisions of this Act or to moneys in the Government Securities Fund.

Withdrawal of moneys from Government Securities Fund

9. No moneys shall be withdrawn from the Government Securities Fund unless they are charged on the Government Securities Fund or otherwise authorised to be withdrawn under this Act.

Mode of payment out of Government Securities Fund

10. No payment shall be made out of the Government Securities Fund unless such payment is authorised by a warrant signed by the Minister.

PART III**AUTHORISATION OF BORROWING AND APPLICATION OF PROCEEDS****Power to issue Government securities**

11.—(1) Where Parliament by resolution authorises the borrowing of moneys under this Act and the President, acting in his discretion, concurs with such borrowing, the Minister may borrow, by the issue of Government securities in Singapore, sums not exceeding the amount specified in such resolution.

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

Payment into Government Securities Fund

12. All moneys, including advance deposits, received under this Act shall be paid into the Government Securities Fund.

Principal sums and interest charged on Government Securities Fund

13. The principal sums and interest payable on Government securities issued and advance deposits accepted under this Act are hereby charged upon and shall be payable out of the Government Securities Fund.

PART IV**PROVISIONS APPLICABLE TO ISSUE AND REGISTRATION
OF STOCKS AND BEARER BONDS****Issue and form of stocks**

14.—(1) Any stock issued under this Act shall be issued by the Authority upon such terms as may be prescribed in the regulations and shall be authenticated either by the signature of the Minister or by facsimile of his signature or in such manner as may be approved by the Minister.

(2) Any stock issued under this Act shall be in such form as the Minister may from time to time approve.

Register of stocks

15.—(1) All stocks issued under this Act shall be entered in a register to be kept by the Authority.

(2) All stocks issued under this Act and the right to receive the principal sums and interest payable on such stocks shall be transferable by an instrument of transfer registered by the Authority.

(3) No stock issued under this Act shall be registered except in the name of an individual person or persons or of a corporation.

Bearer bonds

16.—(1) Bearer bonds issued under this Act shall be issued by the Authority upon such terms as may be prescribed in the regulations and shall be authenticated either by the signature of the Minister or by facsimile of his signature or in such manner as may be approved by the Minister.

(2) Every bearer bond shall, when issued, bind the Government to pay the bearer the principal sum mentioned in that bond and interest thereon in accordance with the terms and conditions of the issue.

(3) Bearer bonds shall be transferable by delivery without endorsement.

PART V

BOOK-ENTRY GOVERNMENT SECURITIES

Interpretation and application

17. In this Part, unless the context otherwise requires —

“depository institution” means a financial institution approved by the Authority which regularly accepts in the course of its business book-entry Government securities 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 Government securities;

“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, book-entry Government securities 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.

Issue of book-entry Government securities

18.—(1) The Authority may —

(a) issue book-entry Government securities upon such terms as may be prescribed in the regulations by means of entries on its records which include the name of the depositor and the amount and description of the securities;

(b) maintain accounts of book-entry Government securities —

(i) for any depositor on such terms and conditions as may be specified by the Authority for such securities the depositor holds for its own account and, where the depositor is a depository institution, for the account of its customers;

(ii) for the Government; and

(iii) for the Authority; and

(c) otherwise service and maintain book-entry Government securities.

(2) The Authority is authorised to take all action necessary in respect of book-entry Government securities to enable the Authority in its own capacity to perform its obligations as depository with respect to such securities.

Transfers and pledges effected by Authority under book-entry clearing system

19.—(1) A transfer or a pledge of book-entry Government securities 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 securities transferred or pledged.

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

- (a) have the effect of delivery of the book-entry Government security as if the security 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 Government security effected in accordance with this section shall have priority over any transfer or pledge involving, or any interest in, the security effected or created in any other manner before, on or after the date of the transfer or pledge in accordance with this section.

Transfers and pledges effected by other means

20.—(1) Notwithstanding section 19, a transfer or a pledge of book-entry Government securities, 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 book-entry Government securities, or any interest therein, if the securities were 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 Government securities not effected in accordance with section 19; and
- (b) a person in possession of book-entry Government securities for purposes of acknowledgment of transfers of such securities not effected in accordance with section 19.

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

(4) The Authority shall not accept any notice or advice of a transfer or pledge of any book-entry Government security not effected in accordance with section 19 and any such notice or advice shall be void.

(5) The Authority may continue to deal with its depositor in accordance with this Part notwithstanding any transfer or pledge not effected in accordance with section 19.

Authority to be discharged by action on instructions

21.—(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 Government securities maintained in

accounts maintained by the Authority, effected pledges or made entries regarding the securities, or transferred or delivered the securities, according to the instructions of its depositor notwithstanding that the depositor had no right to dispose of or take any other action in respect of the securities.

(2) The Authority shall be fully discharged of its obligations under this Part by the transfer or delivery of book-entry Government securities upon the instructions of its depositor.

Confirmation of transaction

22. The Authority shall issue to each depositor following any transaction affecting book-entry Government securities maintained for such depositor under this Part a confirmation thereof in the form of an advice (serially numbered or otherwise) which shall specify the amount and description of the securities and any other pertinent transaction data.

PART VI

PROVISIONS RELATING TO INTEREST PAYMENTS ON AND REDEMPTION OF GOVERNMENT SECURITIES AND CREATION OF SINKING FUND

Payment of interest

23.—(1) The interest payable on any Government securities issued under this Act shall be paid half-yearly at the office of the Authority as shall be specified in the regulations relating to the issue of the Government securities.

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

Redemption of Government securities

24.—(1) Government securities issued under this Act shall be redeemable at par on such dates as may be specified in the regulations relating to the issue of the Government securities, after which dates all the interest on the principal sums payable on these Government securities shall cease and determine, whether payment of the principal sums has been demanded or not.

(2) Redemption proceeds of book-entry Government securities shall be disposed of in accordance with the instructions from the depositor for whose account the securities shall have been maintained by the Authority.

Sinking fund

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

Provided that the total amount in the sinking fund shall not exceed the outstanding principal sums payable on such Government securities.

(2) 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 other stock, bond, fund or security or investment mentioned in section 7(3) of the Financial Procedure Act (Cap. 109), except any stock, bond, fund or security issued by the Government under any written law.

(3) 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.

Delivery up of stocks and bearer bonds on repayment

26. Before the repayment of the principal sums payable on any stock or bearer bonds issued under this Act, the stock or bearer bonds shall be delivered to the Authority for cancellation as shall be specified in the regulations relating to the issue of the stock or bearer bonds.

PART VII**ADVANCE DEPOSITS****Acceptance of advance deposits**

27.—(1) In anticipation of the raising of a loan under this Act, the Minister may, if he thinks fit, authorise acceptance by the Authority of advance deposits on such terms as the Authority may determine.

(2) Advance deposits shall carry interest at such rate as may be determined by the Authority which shall be calculated from the date the deposit was effectively received by the Authority.

(3) For the purposes of subsection (2), where cheques for the advance deposits cannot be cleared on the day of receipt, interest shall be calculated from the next working day.

(4) Interest on advance deposits shall be paid half-yearly.

(5) The Minister shall, in each half-yearly period ending with the day on which interest on advance deposits falls due, appropriate out of the Government Securities Fund a sum equal to the appropriate half-year's interest on the advance deposits in order that the interest for that half-year may be paid therefrom.

(6) If a depositor wishes the whole or part of the advance deposits made by him to be repaid, he shall give not less than two working days' notice to the Authority of his intention and the advance deposits or that part of them, as the case may be, shall be repaid to him together with such interest as may be determined by the Authority.

(7) Advance deposits may be converted to Government securities issued under this Act on such date as may be agreed between the Authority and the depositors.

Power to make advance deposits

28. Any power to invest conferred on a person by any instrument or other written law shall, unless the contrary intention appears therein, be deemed to include power to make advance deposits in accordance with this Act.

Saving

29. All advance deposits accepted by the Authority before the commencement of this Act (Cap. 81A) under the Development Loan (1987) Act in excess of the limit prescribed in section 3 of that Act shall be deemed to have been lawfully accepted as advance deposits under this Act on the date of such commencement.

PART VIII

GENERAL

Invitation to take up Government securities and refusal of application

30.—(1) The Authority may, from time to time, by public notice invite the public to apply to take up Government securities issued under this Act.

(2) The Authority may refuse any application to take up Government securities issued under this Act without assigning any reason.

Regulations

31.—(1) The Authority may, with the approval of the Minister, make regulations for prescribing anything which may be prescribed under this Act and generally for the purpose of carrying this Act into effect and, in particular, may make regulations —

- (a) prescribing the terms of issue of Government securities issued or advance deposits accepted under this Act;
- (b) prescribing the manner in which applications to take up Government securities issued under this Act shall be made; and
- (c) prescribing the manner in which Government securities shall be issued or advance deposits accepted.

(2) The Authority may, with the approval of the Minister, by notification in the *Gazette*, vary the regulations in relation to any

particular issue of Government securities issued or advance deposits accepted under this Act.
