



THE STATUTES OF THE REPUBLIC OF SINGAPORE

GOVERNMENT SECURITIES ACT 1992

2020 REVISED EDITION

This revised edition incorporates all amendments up to and including 1 December 2021 and comes into operation on 31 December 2021.

Prepared and Published by

THE LAW REVISION COMMISSION
UNDER THE AUTHORITY OF
THE REVISED EDITION OF THE LAWS ACT 1983

Government Securities Act 1992

ARRANGEMENT OF SECTIONS

PART 1

PRELIMINARY

Section

1. Short title
2. Interpretation

PART 2

ESTABLISHMENT AND REGULATION OF GOVERNMENT SECURITIES FUND

3. Government Securities Fund
4. Application of moneys in Government Securities Fund
5. Expenses
6. Deficiencies in Government Securities Fund
7. Surpluses in Government Securities Fund
8. Application of Financial Procedure Act 1966
9. Withdrawal of moneys from Government Securities Fund
10. Mode of payment out of Government Securities Fund

PART 3

AUTHORISATION OF BORROWING AND APPLICATION OF PROCEEDS

11. Power to issue Government securities
- 11A. Securities lending arrangements
12. Payment into Government Securities Fund
13. Principal sums and interest charged on Government Securities Fund

PART 4

PROVISIONS APPLICABLE TO ISSUE
AND REGISTRATION OF STOCKS
AND BEARER BONDS

Section

14. Issue and form of stocks
15. Register of stocks
16. Bearer bonds

PART 5

BOOK-ENTRY GOVERNMENT SECURITIES

17. Interpretation of this Part
18. Issue of book-entry Government securities
- 18A. Transfers and pledges of book-entry Government securities
19. Transfers and pledges effected by Authority under book-entry clearing system
20. Transfers and pledges effected by other means
21. Authority to be discharged by action on instructions
22. Confirmation of transaction

PART 6

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

23. Payment of interest
24. Redemption of Government securities
- 24A. Early redemption
25. Sinking fund
26. Delivery up of stocks and bearer bonds on repayment

PART 7

ADVANCE DEPOSITS

27. Acceptance of advance deposits
28. Power to make advance deposits
29. Saving

PART 7A

PRIMARY DEALERS

Section

- 29A. Appointment as primary dealers
- 29B. Conditions of appointment as primary dealers
- 29C. Directions to primary dealers
- 29D. Cancellation, etc., of appointment as primary dealer
- 29E. Appeal to Minister
- 29F. Inspection of books

PART 8

GENERAL

- 30. Invitation to take up Government securities and refusal of application
- 31. Regulations

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.

[6 March 1992]

PART 1

PRELIMINARY

Short title

1. This Act is the Government Securities Act 1992.

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 1970;

- “bearer bonds” means bearer bonds issued under Part 4;
- “book-entry Government securities” means any stock or bond issued in Singapore under Part 5 in the form of an entry on the records of the Authority;
- “financial institution” means any person licensed, approved, registered or regulated by the Authority, or exempted from such licensing, approval, registration or regulation, under any written law administered by the Authority;
- “Government securities” means stocks, bearer bonds, book-entry Government securities or other securities which may be issued under this Act;
- “Government Securities Fund” means the Government Securities Fund established under Part 2;
- “primary dealer” means a person approved under Part 7A to be a primary dealer;
- “public debt securities” means any securities issued under the Significant Infrastructure Government Loan Act 2021;
- “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 4;
- “trustee stock” means any of the securities mentioned in the Trustees Act 1967 in which trustees may invest.

[15/2021]

PART 2**ESTABLISHMENT AND REGULATION
OF GOVERNMENT SECURITIES FUND****Government Securities Fund**

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

- (a) all sums representing the proceeds of loans raised or advance deposits accepted under this Act;
- (b) all sums representing the proceeds of loans raised under the Local Treasury Bills Act 1923 on or after 1 April 1996;
- (c) all moneys from time to time authorised to be paid into the Government Securities Fund by this Act or any other written law; and
- (d) 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 is 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 1966, except any stock, bond, fund or security issued by the Government.

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

Expenses

5. There are charged upon and payable out of the Government Securities Fund all expenses —

- (a) arising from or incidental to the investment and management of moneys in the Government Securities Fund; and
- (b) arising from or incidental to —
 - (i) the borrowing and repayment of moneys; and
 - (ii) the investment and management of moneys in any sinking fund created,

under this Act, the Local Treasury Bills Act 1923 on or after 1 April 1996, and under any other written law authorising moneys borrowed to be paid into 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;
- (b) to repay any principal sum payable on any Treasury Bill or book-entry Treasury Bill issued under the Local Treasury Bills Act 1923 on or after 1 April 1996; or
- (c) to meet any other obligation charged upon the Government Securities Fund arising from this Act or any other written law,

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

Surpluses in Government Securities Fund

7. The Minister may by warrant under the hand of the Minister authorise the transfer to the Consolidated Fund of 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 1966

8. Sections 6 and 13 of the Financial Procedure Act 1966 do 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. Moneys must not 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. A payment must not be made out of the Government Securities Fund unless the payment is authorised by a warrant signed by the Minister.

PART 3**AUTHORISATION OF BORROWING AND
APPLICATION OF PROCEEDS****Power to issue Government securities**

11.—(1) The Parliament may, by a resolution under Article 144(1)(a) of the Constitution with which the President concurs, authorise the amount of borrowing by the issue of Government securities in Singapore under this Act, and may, from time to time, vary that amount.

(2) The Minister may, from time to time, borrow such sums by the issue of Government securities in Singapore except that the aggregate amount borrowed (whether before, on or after 14 September 2004) and outstanding at any time must not exceed the amount specified in any resolution (varied or otherwise) mentioned in subsection (1).

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

Securities lending arrangements

11A.—(1) The Authority may, from time to time, enter into securities lending arrangements by lending Government securities issued under this Act to primary dealers.

(2) Lending Government securities must include an arrangement under which Government securities are sold and repurchased.

(3) Nothing in this section affects the power of the Minister to make investments under section 7 of the Financial Procedure Act 1966.

Payment into Government Securities Fund

12. All moneys, including advance deposits, received under this Act must 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 charged upon and must be payable out of the Government Securities Fund.

PART 4**PROVISIONS APPLICABLE TO ISSUE
AND REGISTRATION OF STOCKS
AND BEARER BONDS****Issue and form of stocks**

14.—(1) Any stock issued under this Act must be —

(a) issued by the Authority upon such terms as may be prescribed; and

(b) authenticated either by the signature of the Minister or by facsimile of the Minister's signature or in such manner as may be approved by the Minister.

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

Register of stocks

15.—(1) All stocks issued under this Act must 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 are transferable by an instrument of transfer registered by the Authority.

(3) Stocks issued under this Act must not 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 must be —

(a) issued by the Authority upon such terms as may be prescribed; and

(b) authenticated either by the signature of the Minister or by facsimile of the Minister’s signature or in such other manner as may be approved by the Minister.

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

(3) Bearer bonds are transferable by delivery without endorsement.

PART 5**BOOK-ENTRY GOVERNMENT SECURITIES****Interpretation of this Part**

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

“depository institution” means a financial institution approved by the Authority which regularly —

(a) accepts in the course of its business book-entry Government securities by way of a custodial service for its customers; and

- (b) 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 —

- (a) as collateral for loans or advances; or
- (b) 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 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 depositary with respect to such securities.

Transfers and pledges of book-entry Government securities

18A. A holder of book-entry Government securities may transfer or pledge the book-entry Government securities, except where the transfer or pledge is prohibited in, or is not in accordance with, the terms of the issue of the book-entry Government securities.

[15/2015]

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

19.—(1) A transfer or 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 is effected, despite 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) —

- (a) has 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) has the effect of a taking of delivery by the transferee or pledgee;
- (c) constitutes the transferee or pledgee a holder; and
- (d) if a pledge, has the effect of vesting a security interest in favour of the pledgee.

(3) A transfer or pledge of a book-entry Government security effected in accordance with this section has 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) Despite section 19, a transfer or pledge of book-entry Government securities, or any interest in such securities, 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 in such securities, if the securities were issued by the Authority in the form of engraved or printed certificates.

(2) The Authority is deemed not to be —

(a) a bailee for the 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 the 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 of the securities and such securities are on deposit with the Authority in an account, that depository institution is, for the purposes of effecting delivery of the securities to a purchaser or pledgee, deemed to be —

(a) the bailee to which notification of the pledge of the securities may be given; or

(b) the person in possession from which acknowledgment of the holding of the securities may be obtained.

(4) The Authority must 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 is void.

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

Authority to be discharged by action on instructions

21.—(1) The Authority is not 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 —

(a) effected pledges or made entries regarding the securities;
or

(b) transferred or delivered the securities,

according to the instructions of its depositor even if the depositor had no right to dispose of or take any other action in respect of the securities.

(2) The Authority is 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.—(1) The Authority must, following any transaction affecting book-entry Government securities maintained for any depositor under this Part, issue to each depositor a confirmation of the transaction in the form of an advice (serially numbered or otherwise).

(2) The advice mentioned in subsection (1) must specify the amount and description of the securities and any other pertinent transaction data.

PART 6**PROVISIONS RELATING TO INTEREST PAYMENTS
ON AND REDEMPTION OF GOVERNMENT
SECURITIES AND CREATION OF SINKING FUND****Payment of interest**

23.—(1) Subject to subsection (2), the interest payable on any Government securities issued under this Act must be paid half-yearly at the office of the Authority as is specified in the regulations relating to the issue of the Government securities.

(2) Where any Government security that is redeemable at the election of the holder thereof at any time is redeemed before its date of maturity, a portion of the half-yearly interest payable on that Government security (calculated on a pro-rata basis) must be payable on such date as may be specified as the redemption date in the duly served notice of intention to redeem that Government security.

(3) The Minister must —

- (a) in each half-yearly period ending on the day on which interest on the Government securities falls due; or
- (b) in the case of Government securities that are redeemable at the election of the holders thereof at any time, as soon as practicable after due notice of intention to redeem the Government securities before their date of maturity is given,

appropriate out of the Government Securities Fund a sum equal to the appropriate interest (or portion of it) on all the Government securities that is due and payable in order to pay that interest.

Redemption of Government securities

24.—(1) Subject to subsection (2) and section 24A, Government securities are redeemable at par —

- (a) on such date as may be specified in accordance with the regulations relating to the issue of such Government securities (called in this Part the date of maturity); or
- (b) in the case of Government securities that are redeemable at the election of the holder thereof at any time, on the earlier of the following dates:
 - (i) the date of maturity;
 - (ii) such date as may be specified as the redemption date in any notice of intention to redeem that is duly served in the prescribed manner.

[15/2021]

(2) In the case of Government securities that are held by the Authority for the purpose of securities lending to primary dealers under section 11A, such Government securities are redeemable on

such conditions as are agreed upon between the Government and the Authority.

(3) After the date of maturity of the Government securities under subsection (1), all the interest on the principal sums payable on the Government securities ceases and determines, whether or not payment of the principal sums has been demanded.

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

Early redemption

24A.—(1) The Authority may, from time to time, by public notice invite the public to apply to redeem any Government securities specified in the public notice before the date of maturity of those Government securities.

(2) The public notice referred to in subsection (1) may specify —

(a) the terms and conditions relating to the early redemption of the Government securities specified in the public notice, including the manner in which any offer for early redemption is to be made; and

(b) such other information as the Authority may consider necessary.

(3) The Authority may refuse any application to redeem any Government securities before the date of maturity of those Government securities without giving any reason.

(4) Section 24(3) and (4) applies, with the necessary modifications, to any redemption of Government securities under this section.

(5) This section applies to Government securities issued before, on or after 1 April 2010.

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.

(2) The total amount in the sinking fund must not exceed the outstanding principal sums payable on the Government 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 other stock, bond, fund, security or investment mentioned in section 7(3) of the Financial Procedure Act 1966, except any stock, bond, fund or security issued by the Government under any written law.

(4) All income from investments of moneys in the sinking fund and all profits arising from the realisation of any such investments must 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 must be delivered to the Authority for cancellation as specified in the regulations relating to the issue of the stock or bearer bonds.

PART 7

ADVANCE DEPOSITS

Acceptance of advance deposits

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

(2) Advance deposits must carry interest at such rate as may be determined by the Authority which is to 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 is to be calculated from the next working day.

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

(5) The Minister must, 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 from that sum.

(6) If a depositor wishes the whole or part of the advance deposits made by the depositor to be repaid, the depositor must give at least 2 working days' notice to the Authority of the depositor's intention and the advance deposits or that part of them (as the case may be) must be repaid to the depositor 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 is, unless the contrary intention appears in such instrument or other written law, deemed to include power to make advance deposits in accordance with this Act.

Saving

29. All advance deposits accepted by the Authority before 6 March 1992 under the Development Loan (1987) Act (Cap. 81A, 1988 Revised Edition) in excess of the limit prescribed in section 3 of that Act are deemed to have been lawfully accepted as advance deposits under this Act on that date.

PART 7A

PRIMARY DEALERS

Appointment as primary dealers

29A.—(1) The Authority may, on application, appoint as a primary dealer any financial institution which carries on or intends to carry on, or holds itself out as carrying on or willing to carry on the business of either or both of the following:

- (a) applying to the Authority to purchase Government securities or public debt securities on behalf of another person pursuant to any public invitation under section 30 or the Significant Infrastructure Government Loan Act 2021;
- (b) offering to redeem any Government securities or public debt securities on behalf of another person pursuant to any public invitation under section 24A or the Significant Infrastructure Government Loan Act 2021 or otherwise.

[15/2021]

(2) In determining whether to appoint a financial institution as a primary dealer, the Authority must consider the following:

- (a) the financial standing of the financial institution;
- (b) the experience of that financial institution in carrying on the business mentioned in subsection (1), and its ability to perform the duties which would be imposed on it by or under this Act;
- (c) the public interest.

(3) The Authority may, in any particular case, require the financial institution applying to be appointed as a primary dealer (called in this section the applicant) to provide such information or document as the Authority deems relevant to its considerations under subsection (2).

(4) The Authority may refuse an application if —

- (a) the applicant does not provide the Authority with such information or document as is required under subsection (3);
- (b) in the opinion of the Authority, the applicant does not meet, or is unlikely to be able to continue to meet, such requirements as may be prescribed in relation to carrying on any business mentioned in subsection (1); or
- (c) the applicant makes any statement, or provides any information or document, in relation to its application that is false or misleading in any material particular, or omits to state any matter or thing without which its application is false or misleading in a material particular.

(5) Every appointment as a primary dealer under this section continues in force for such period as may be specified by the Authority, unless the appointment is earlier cancelled or suspended.

(6) If a person who is not a primary dealer carries on or holds himself, herself or itself out as carrying on or willing to carry on any business mentioned in subsection (1), the person shall be guilty of an offence and shall be liable on conviction —

- (a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part of a day during which the offence continues after conviction; or
- (b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part of a day during which the offence continues after conviction.

Conditions of appointment as primary dealers

29B.—(1) The Authority may appoint any financial institution as a primary dealer subject to such conditions or restrictions as the Authority thinks fit.

(2) Without limiting subsection (1), the Authority may impose such conditions or restrictions with respect to the type of services which may or may not be provided by the primary dealer as the Authority may consider appropriate.

(3) Subject to subsections (4), (5) and (6), the Authority may at any time add to, vary or revoke any condition or restriction of any financial institution's appointment as a primary dealer.

(4) Before making any modification to the conditions or restrictions of any financial institution's appointment as a primary dealer under this section, the Authority must, unless the Authority in respect of any particular case considers that it is not practicable or desirable to do so, give notice to the financial institution concerned —

- (a) stating that the Authority proposes to make the modification in the manner specified in the notice;
- (b) stating the reasons why the Authority proposes to make the modification; and
- (c) specifying the time (being at least 28 days from the date of service of notice on the financial institution) within which written representations with respect to the proposed modification may be made.

(5) Where the Authority receives any written representation under subsection (4)(c), the Authority must consider the representation and may —

- (a) reject the representation; or
- (b) withdraw or amend the proposed modification in accordance with the representation or otherwise,

and, in either case, the Authority must upon receiving the representation issue a written notice to the primary dealer concerned requiring that effect be given within a reasonable time to the proposed modification specified in the notice or to such modification as may subsequently be amended by the Authority.

(6) If no written representation is received by the Authority within the time specified under subsection (4)(c) or if any written representation made under that subsection is subsequently withdrawn, the modification takes effect as specified in the notice given under that subsection.

Directions to primary dealers

29C.—(1) The Authority may give directions to be observed by any primary dealer or class of primary dealers —

- (a) to ensure the continuity or reliability of the provision of services by the primary dealer or class of primary dealers to its or their customers; or
- (b) in the public interest.

(2) A direction under subsection (1) —

- (a) must require the primary dealer or every primary dealer in that class of primary dealers concerned (according to the circumstances of the case) to do, or not to do, such things as are specified in the direction or are of a description as specified in the direction, including but not limited to the manner in which the primary dealer conducts the business mentioned in section 29A(1) with its customers;
- (b) takes effect at such time, being the earliest practicable time, as is determined by or under that direction; and
- (c) may be varied or revoked at any time by the Authority.

(3) Every primary dealer must comply with every direction of the Authority given to the dealer under this section.

(4) It is not necessary to publish any direction in the *Gazette*.

Cancellation, etc., of appointment as primary dealer

29D.—(1) If the Authority is satisfied that —

- (a) a primary dealer is contravening, or is likely to contravene or has contravened —
 - (i) any provision of this Act applicable to the primary dealer; or
 - (ii) any condition or restriction of its appointment as a primary dealer;
- (b) a primary dealer has not complied with any direction issued by the Authority under section 29C;
- (c) a primary dealer has gone or is likely to go into compulsory or voluntary liquidation other than for the purpose of amalgamation or reconstruction;
- (d) a receiver, a receiver and manager or an equivalent person has been appointed, whether in Singapore or elsewhere, in relation to or in respect of any property of the primary dealer;

- (e) a primary dealer has obtained the appointment as a primary dealer by fraud or misrepresentation;
- (f) a primary dealer has failed to satisfy any of the primary dealer's obligations under or arising from this Act;
- (g) a primary dealer has been convicted, whether in Singapore or elsewhere, of an offence involving fraud or dishonesty or the conviction for which involved a finding that the primary dealer had acted fraudulently or dishonestly;
- (h) a primary dealer is no longer in a position to effectively carry out the primary dealer's duties or responsibilities as a primary dealer under this Act and the regulations made under this Act; or
- (i) a primary dealer is carrying on its business mentioned in section 29A(1) in a manner that is likely to be detrimental to its clients or contrary to the public interest,

the Authority may by order cancel the appointment as a primary dealer.

(2) The Authority may, if it considers it desirable to do so, in lieu of an order cancelling the appointment as a primary dealer, by order do either or both of the following:

- (a) suspend the appointment for such period (not exceeding 6 months) as it thinks fit;
- (b) reprimand the primary dealer in writing.

(3) In the case of a failure by a primary dealer to comply with any direction issued by the Authority under section 29C, the Authority may, in addition to any order that may be made under subsection (2), order the primary dealer to pay to the Authority, for every day or part of a day of such failure, a financial penalty in accordance with such formula as the Minister may, by notification in the *Gazette*, prescribe.

(4) A financial penalty collected by the Authority under subsection (3) must be paid into the Consolidated Fund.

(5) The Authority must not make any order under subsection (1), (2) or (3) unless an opportunity of being heard by a representative in writing had been given to the primary dealer against which the

Authority intends to exercise its powers, being a period of at least 21 days but not more than 28 days.

(6) Where the Authority has made any order under subsection (1), (2) or (3) against any primary dealer, it must serve on the primary dealer concerned a notice of its order.

(7) Subject to subsections (8) and (9), any order made by the Authority under subsection (1), (2) or (3) against any primary dealer must not take effect until the expiry of 21 days after the Authority has served the notice of its order on the primary dealer concerned.

(8) Any order cancelling or suspending an appointment as a primary dealer must not operate so as to —

- (a) prejudice the enforcement by any person of any right or claim against the financial institution formerly appointed as a primary dealer, or by the financial institution formerly so appointed, of any right or claim against any person; or
- (b) affect the validity or enforceability of any agreement, transaction or arrangement in respect of Government securities or Treasury bills entered into (whenever) by the primary dealer.

(9) An order of reprimand under subsection (2) takes effect on the date it is served on the primary dealer concerned.

(10) The Authority may recover on behalf of the Government any financial penalty ordered under subsection (3) as though the financial penalty were a civil debt due to the Authority.

Appeal to Minister

29E.—(1) Any primary dealer who is aggrieved by —

- (a) any notice of a condition or restriction of any financial institution's appointment as a primary dealer under section 29B;
- (b) any direction given by the Authority under section 29C or variation of any such direction; or

- (c) any order of the Authority under section 29D(1), (2) or (3) except an order of reprimand,

may, within 14 days of the receipt by the primary dealer of the notice of the condition or restriction, the direction (or variation of the direction) or order (as the case may be) appeal to the Minister whose decision is final.

(2) Where an appeal is lodged under this section —

- (a) the order under section 29D cancelling the appointment as a primary dealer does not take effect unless the order is confirmed by the Minister or the appeal is for any reason dismissed by the Minister or withdrawn; and
- (b) all other notices, directions (or variation of the directions) or orders appealed against take effect and must be complied with until the determination of the appeal.

(3) Subject to subsection (4), the Minister may determine an appeal under this section by confirming, varying or reversing the notice, direction (or variation of the direction) or order of the Authority that is appealed against.

(4) If the Minister is satisfied that an appeal by a primary dealer is instituted or pursued without reasonable ground, the Minister may, without calling for a reply from the Authority, but after giving the primary dealer an opportunity to be heard, determine the appeal by confirming the notice, direction (or variation of the direction) or order of the Authority that is appealed against.

Inspection of books

29F.—(1) The Authority may from time to time inspect, under conditions of secrecy, the books of a primary dealer relating to its business mentioned in section 29A(1) for the purposes of ensuring that —

- (a) any condition or restriction imposed by the Authority under section 29B on the primary dealer is complied with;
- (b) any direction given by the Authority under section 29C to the primary dealer is complied with; or

- (c) the primary dealer has satisfied or satisfies any of its obligations under or arising from this Part.
- (2) For the purposes of an inspection under this section —
- (a) a primary dealer, and any person who is in possession of the books of the primary dealer relating to its business mentioned in section 29A(1), must produce such books (and afford the Authority access to such books) and provide such information and facilities as may be required by the Authority to conduct the inspection;
 - (b) the primary dealer must procure that any such person in paragraph (a) who is in possession of the books of the primary dealer produce the books to the Authority and provide such information or facilities as may be required by the Authority; and
 - (c) the Authority may —
 - (i) make copies of, or take possession of, any of such books; and
 - (ii) retain possession of any of such books for so long as is necessary for the purposes of exercising a power conferred by this section (except subsection (4)).
- (3) No person is entitled, as against the Authority, to claim a lien on any of the books, but such a lien is not otherwise prejudiced.
- (4) While the books of a primary dealer are in the possession of the Authority, the Authority —
- (a) must permit another person to inspect at all reasonable times such books (if any) as the other person would be entitled to inspect if they were not in the possession of the Authority; and
 - (b) may permit another person to inspect any of the books.
- (5) The Authority may require a person who produced any book to the Authority to explain, to the best of the person's knowledge and belief, any matter about the compilation of the book or to which the book relates.

(6) Any person who, without reasonable excuse, fails to comply with subsection (2) or a requirement of the Authority under subsection (5) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part of a day during which the offence continues after conviction.

(7) In this section, “book”, with its grammatical variations, includes any record, register, document or other record of information, and any account or accounting record, however compiled, recorded or stored, whether in written or printed form or on microfilm or in any electronic form or otherwise.

PART 8

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 giving 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 must be made;

- (c) prescribing the manner in which Government securities must be issued or advance deposits accepted, which may include by syndicated arrangements or like arrangements involving financial institutions agreeing to underwrite any issue of Government securities under this Act, to be liable to subscribe for or to procure subscribers for Government securities, or to provide other financial accommodation to the Government with respect to any Government securities;
- (d) prescribing the manner in which applications to be appointed as a primary dealer are to be made;
- (e) prescribing the duties and obligations of a primary dealer;
- (f) providing that section 75B of the Banking Act 1970 applies to a primary dealer as if the primary dealer were a bank licensed under that Act, with such prescribed exceptions, modifications and adaptations as the differences between Part 4 and that Act require; and
- (g) exempting any financial institution or class of financial institutions from all or any of the provisions of Part 7A.

[15/2021]

(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.

(3) The regulations may also provide that any contravention of any provision of the regulations shall be an offence punishable —

- (a) in the case of an individual, with a fine not exceeding \$12,500 or with imprisonment for a term not exceeding 12 months or with both and, in the case of a continuing offence, with a further fine not exceeding \$1,250 for every day or part of a day during which the offence continues after conviction; or

- (b) in any other case, with a fine not exceeding \$25,000 and, in the case of a continuing offence, with a further fine not exceeding \$2,500 for every day or part of a day during which the offence continues after conviction.

LEGISLATIVE HISTORY

GOVERNMENT SECURITIES ACT 1992

This Legislative History is a service provided by the Law Revision Commission on a best-efforts basis. It is not part of the Act.

1. Act 1 of 1992 — Government Securities Act 1992

Bill	:	2/1992
First Reading	:	13 January 1992
Second and Third Readings	:	27 February 1992
Commencement	:	6 March 1992

2. 1993 Revised Edition — Government Securities Act (Chapter 121A)

Operation	:	15 March 1993
-----------	---	---------------

3. Act 9 of 1996 — Government Securities (Amendment) Act 1996

Bill	:	44/1995
First Reading	:	5 December 1995
Second and Third Readings	:	18 January 1996
Commencement	:	1 April 1996

4. Act 6 of 2002 — Government Securities (Amendment) Act 2002

Bill	:	8/2002
First Reading	:	3 May 2002
Second and Third Readings	:	24 May 2002
Commencement	:	8 July 2002

5. 2002 Revised Edition — Government Securities Act (Chapter 121A)

Operation	:	31 December 2002
-----------	---	------------------

6. Act 29 of 2004 — Government Securities (Amendment) Act 2004

Bill	:	33/2004
First Reading	:	20 July 2004
Second and Third Readings	:	2 September 2004
Commencement	:	14 September 2004

7. Act 2 of 2010 — Government Securities (Amendment) Act 2010

Bill	:	25/2009
------	---	---------

First Reading	:	23 November 2009
Second and Third Readings	:	11 January 2010
Commencement	:	1 April 2010

8. Act 10 of 2013 — Financial Institutions (Miscellaneous Amendments) Act 2013

(Amendments made by section 6 of the above Act)

Bill	:	4/2013
First Reading	:	4 February 2013
Second and Third Readings	:	15 March 2013
Commencement	:	18 April 2013 (section 6)

9. 2014 Revised Edition — Government Securities Act (Chapter 121A)

Operation	:	30 April 2014
-----------	---	---------------

10. Act 15 of 2015 — Government Securities (Amendment) Act 2015

Bill	:	12/2015
First Reading	:	13 April 2015
Second and Third Readings	:	11 May 2015
Commencement	:	31 August 2015

11. Act 15 of 2021 — Significant Infrastructure Government Loan Act 2021

(Amendments made by section 30 of the above Act)

Bill	:	6/2021
First Reading	:	5 April 2021
Second and Third Readings	:	10 May 2021
Commencement	:	3 August 2021 (section 30)

Abbreviations

C.P.	Council Paper
G.N. No. S (N.S.)	Government Notification Number Singapore (New Series)
G.N. No.	Government Notification Number
G.N. No. S	Government Notification Number Singapore
G.N. Sp. No. S	Government Notification Special Number Singapore
L.A.	Legislative Assembly
L.N.	Legal Notification (Federal/Malaysian Subsidiary Legislation)
M. Act	Malayan Act/Malaysia Act
M. Ordinance	Malayan Ordinance
Parl.	Parliament
S.S.G.G. (E) No.	Straits Settlements Government Gazette (Extraordinary) Number
S.S.G.G. No.	Straits Settlements Government Gazette Number