



THE STATUTES OF THE REPUBLIC OF SINGAPORE

LOCAL TREASURY BILLS ACT 1923

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

Local Treasury Bills Act 1923

ARRANGEMENT OF SECTIONS

Section

1. Short title
2. Interpretation
3. Power to borrow by issue of Treasury Bills
4. Principal of Bills
5. Proceeds of Bills
6. Amounts and period of currency of Bills
7. Repayment of Bills
8. Cancellation of repaid Bills
9. Transfers and pledges effected by Authority under book-entry clearing system
10. Transfers and pledges effected by other means
11. Authority to be discharged by action on instructions
12. Confirmation of transaction

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

[11 May 1923]

Short title

1. This Act is the Local Treasury Bills Act 1923.

Interpretation

2. In this Act, unless the context otherwise requires —
“Authority” means the Monetary Authority of Singapore established under the Monetary Authority of Singapore Act 1970;

“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 —

(a) accepts in the course of its business book-entry Treasury Bills 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 Treasury Bills;

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

“Government Securities Fund” means the Government Securities Fund established under Part 2 of the Government Securities Act 1992;

“pledge” includes a pledge of, or any security interest in, a book-entry Treasury Bill —

(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;

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

Power to borrow by issue of Treasury Bills

3.—(1) Where Parliament by resolution authorises the borrowing of moneys under this Act and the President has given his concurrence under Article 144(1)(a) of the Constitution for such borrowing, the Minister may —

(a) borrow, by the issue of Treasury Bills in Singapore, sums not exceeding the amount specified in the resolution; and

(b) 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.

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

(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.

Principal of Bills

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

Proceeds of Bills

5. The proceeds of the issue of such Treasury Bills shall be paid into the Government Securities Fund.

Amounts and period of currency of Bills

6. Every Treasury Bill issued under this Act shall be —
- (a) for the sum of \$1,000 or a multiple of \$1,000; and
 - (b) 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.

Repayment of Bills

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

Cancellation of repaid 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.

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

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

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.

(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.

Transfers and pledges effected by other means

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 —

(a) the bailee to which notification of the pledge of the book-entry Treasury Bills may be given; or

(b) 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.

Authority to be discharged by action on instructions

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 —

(a) effected pledges or made entries regarding the book-entry Treasury Bills; or

(b) 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.

(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.

Confirmation of transaction

12.—(1) The Authority shall, following any transaction affecting book-entry Treasury Bills maintained for any depositor under this Act, issue to each depositor a confirmation thereof in the form of an advice (serially numbered or otherwise).

(2) The advice referred to in subsection (1) shall specify the amount and description of the book-entry Treasury Bills and any other pertinent transaction data.

LEGISLATIVE HISTORY
LOCAL TREASURY BILLS
ACT 1923

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. Ordinance 4 of 1923 — Treasury Bills (Local) Ordinance, 1923

Bill	:	G.N. No. 1627/1922
First Reading	:	30 October 1922
Second Reading	:	26 February 1923
Notice of Amendments	:	26 February 1923
Third Reading	:	23 April 1923
Commencement	:	7 May 1923 (assent) 11 May 1923 (publication)

2. 1926 Revised Edition — Ordinance No. 193 (Local Treasury Bills)

Operation	:	1 August 1926
-----------	---	---------------

3. 1936 Revised Edition — Local Treasury Bills Ordinance (Chapter 239)

Operation	:	1 September 1936
-----------	---	------------------

4. Ordinance 1 of 1938 — Treasury Officers (Titles and Powers) Ordinance, 1938

(Amendments made by section 2 read with the Schedule to the above Ordinance)

Bill	:	G.N. No. 3460/1937
First Reading	:	15 December 1937
Second Reading	:	14 February 1938
Notice of Amendments	:	14 February 1938
Third Reading	:	14 February 1938
Commencement	:	7 March 1938 (section 2 read with the Schedule)

5. 1955 Revised Edition — Local Treasury Bills Ordinance (Chapter 69)

Operation	:	1 July 1956
-----------	---	-------------

6. G.N. No. S 223/1959 — Singapore Constitution (Modification of Laws) Order, 1959

Commencement : 3 June 1959

7. Ordinance 72 of 1959 — Transfer of Powers (No. 2) Ordinance, 1959
(Amendments made by section 2 read with the First Schedule to the above Ordinance)

Bill : 31/1959
 First Reading : 22 September 1959
 Second Reading : 11 November 1959
 Notice of Amendments : 11 November 1959
 Third Reading : 11 November 1959
 Commencement : 20 November 1959 (section 2 read with the First Schedule)

8. 1970 Revised Edition — Local Treasury Bills Act (Chapter 72)

Operation : 1 April 1971

9. 1985 Revised Edition — Local Treasury Bills Act (Chapter 167)

Operation : 30 March 1987

10. Act 10 of 1987 — Local Treasury Bills (Amendment) Act 1987

Bill : 6/1987
 First Reading : 13 March 1987
 Second and Third Readings : 26 March 1987
 Commencement : 10 April 1987

11. 1988 Revised Edition — Local Treasury Bills Act (Chapter 167)

Operation : 30 April 1988

12. Act 11 of 1991 — Statutes (Miscellaneous Amendments) Act 1991

(Amendments made by section 2 read with item (17) of the Schedule to the above Act)

Bill : 4/1991
 First Reading : 3 January 1991
 Second Reading : 14 January 1991
 Notice of Amendments : 14 January 1991
 Third Reading : 14 January 1991

Commencement : 30 November 1991 (section 2 read with item (17) of the Schedule)

13. Act 6 of 1996 — Local Treasury Bills (Amendment) Act 1996

Bill : 43/1995
 First Reading : 5 December 1995
 Second and Third Readings : 18 January 1996
 Commencement : 1 April 1996

14. Act 15 of 2001 — Local Treasury Bills (Amendment) Act 2001

Bill : 5/2001
 First Reading : 22 February 2001
 Second and Third Readings : 19 April 2001
 Commencement : 1 June 2001

15. 2002 Revised Edition — Local Treasury Bills Act (Chapter 167)

Operation : 31 December 2002

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