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The following Act was passed by Parliament on 11 January 2022 and assented to by the President on 8 February 2022:—

REPUBLIC OF SINGAPORE

No. 5 of 2022.

I assent.

HALIMAH YACOB,
President.
8 February 2022.

(LS)

An Act to amend the Monetary Authority of Singapore Act and the Government Securities Act in connection with reserves management.

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

Short title and commencement

1. This Act is the Monetary Authority of Singapore (Amendment) Act 2022 and comes into operation on a date that the Minister charged with the responsibility for monetary policy appoints by notification in the *Gazette*.

PART 1**AMENDMENTS TO
MONETARY AUTHORITY OF SINGAPORE ACT****Amendment of section 23**

2. Section 23 of the Monetary Authority of Singapore Act is amended —

(a) by deleting subsection (6) and substituting the following subsection:

“(6) Subsection (5) does not apply to the following:

(a) any subscription for reserves management Government securities issued by the Government under the Government Securities (Debt Market and Investment) Act 1992 that is —

(i) made solely in connection with the transfer of foreign reserve assets from the Authority to the Government, where such assets are in excess of the amount the Authority considers necessary for the conduct of monetary policy; or

(ii) made by way of a reinvestment of the principal sum payable, upon redemption, on any reserves management Government securities held by the Authority;

(b) any subscription for debt securities (including Treasury bills but not reserves management Government securities) issued by the Government that is made in connection with the conduct of monetary policy or the development of the bond market in Singapore;

(c) any subscription for debt securities issued by any public authority that is made in connection with the development of the bond market in Singapore,

but only insofar as that subscription does not compromise the object of the Authority referred to in section 4(1)(a).”; and

(b) by inserting, immediately before the definition of “relevant Suspicious Transaction Reporting Officer” in subsection (11), the following definition:

““foreign reserve asset” means any moneys in a currency other than Singapore dollars or a financial asset not denominated in the currency of Singapore;”.

PART 2

AMENDMENTS TO GOVERNMENT SECURITIES ACT

Amendment of long title

3. The long title to the Government Securities Act as amended by the Government Borrowing (Miscellaneous Amendments) Act 2021 (called in this Part the amended principal Act) is amended by inserting, immediately after the words “Government Securities Fund”, the words “, the issue of reserves management Government securities in exchange for foreign reserve assets”.

Amendment of section 2

4. Section 2 of the amended principal Act is amended —

(a) by inserting, immediately after the definition of “financial institution”, the following definition:

““foreign reserve asset” has the meaning given by section 23(11) of the Monetary Authority of Singapore Act 1970;”;

(b) by inserting, immediately after the words “any Treasury Bill” in the definition of “Government securities”, the words “and any RMGS”; and

(c) by inserting, immediately after the definition of “repealed 1923 Act”, the following definition:

““RMGS” means an instrument called a reserves management Government security that is issued under Part 3A;”.

Amendment of section 3

5. Section 3(1) of the amended principal Act is amended by inserting, immediately after paragraph (b), the following paragraph:

“(ba) all foreign reserve assets received by the Government from the Authority in exchange for RMGS issued to the Authority, all income from these foreign reserve assets and all proceeds realised from the disposition of any of the foreign reserve assets;”.

Amendment of section 4

6. Section 4 of the amended principal Act is amended by inserting, immediately after subsection (2), the following subsection:

“(3) To avoid doubt, this section does not prevent the Minister causing any foreign reserve assets that are not moneys comprised in the Government Securities Fund to be disposed of and the proceeds thereof to be applied in accordance with subsection (1).”.

Amendment of section 5

7. Section 5 of the amended principal Act is amended —
- (a) by inserting, immediately after the words “of moneys” in paragraph (a), the words “and assets”; and
 - (b) by deleting paragraph (b) and substituting the following paragraph:
 - “(b) arising from or incidental to —
 - (i) any borrowing under this Act, the repealed 1923 Act and under any other written law authorising moneys borrowed to be paid into the Government Securities Fund; and
 - (ii) any redemption of Government securities, Treasury Bills or RMGS, including the transfer of assets to the Authority upon redemption of any RMGS.”.

New Part 3A

8. The amended principal Act is amended by inserting, immediately after section 15, the following Part:

“PART 3A

RESERVES MANAGEMENT GOVERNMENT SECURITIES

Limit on issue of RMGS to Authority

15A.—(1) In return for the issue of reserves management Government securities to the Authority under this Part, the Minister may, subject to subsection (2), accept from the Authority foreign reserve assets of an amount which the Authority considers is in excess of its requirements for performing its functions and duties in the conduct of monetary policy.

(2) The total amount of reserves management Government securities issued under this Part and not redeemed must not at

any time exceed \$580,000,000,000, or any higher amount specified in a resolution of Parliament with which the President concurs in the President's discretion under Article 144(1)(a) of the Constitution.

(3) In applying subsection (2) —

- (a) any foreign reserve assets accepted under subsection (1) in exchange for any RMGS issued must be converted into Singapore dollars at the appropriate rate of exchange on the first working day immediately before the RMGS is issued; and
- (b) any foreign reserve assets transferred to the Authority on redemption of any RMGS must be converted into Singapore dollars at the appropriate rate of exchange on the first working day immediately before the day the RMGS is redeemed.

(4) The valuation of any foreign reserve assets that are not in the form of cash must be determined solely by or on behalf of the Minister, and not the Authority.

(5) RMGS must not be issued to a person other than the Authority.

Terms of RMGS

15B.—(1) Every RMGS issued under this Part is redeemable at par only.

(2) Every RMGS —

- (a) is not transferable without the consent of the Minister; and
- (b) is issued subject to such other conditions as to repayment, redemption and other matters as may be agreed between the Minister and the Authority, which may include —
 - (i) repayment of the principal sum in the form of financial assets not in the form of cash or not

denominated in the currency of Singapore or both; and

- (ii) redemption of the RMGS before the maturity date specified in the RMGS at the election of either the Government or the Authority.

Principal sums and interest charged on Government Securities Fund

15C. The principal sums and interest payable in respect of any RMGS are charged upon and are payable out of the Government Securities Fund without authority other than this section.”
