

Government Securities (Amendment) Bill

Bill No. 8/2002.

Read the first time on 3rd May 2002.

A BILL

intituled

An Act to amend the Government Securities Act (Chapter 121A of the 1993 Revised Edition).

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 may be cited as the Government Securities (Amendment) Act 2002 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

5 Amendment of section 23

2. Section 23 of the Government Securities Act is amended —

(a) by deleting the word “The” in the 1st line of subsection (1) and substituting the words “Subject to subsection (2), the”; and

10 (b) by deleting subsection (2) and substituting the following subsections:

“(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) shall 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 shall —

20 (a) in each half-yearly period ending on the day on which interest on the Government securities falls due; or

25 (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 thereof) on all the Government securities that is due and payable in order to pay that interest.”.

30 Amendment of section 24

3. Section 24 of the Government Securities Act is amended by deleting subsection (1) and substituting the following subsections:

“(1) Government securities shall be redeemable at par —

(a) on such date as may be specified in the regulations relating to the issue of such Government securities (referred to in this Act as the date of maturity); or

5 (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; or

10 (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 (1A) After the date of maturity of the Government securities under subsection (1), all the interest on the principal sums payable on the Government securities shall cease and determine, whether payment of the principal sums have been demanded.”

EXPLANATORY STATEMENT

This Bill seeks to amend the Government Securities Act (Cap.121A) to deal with a new class of Government securities that are redeemable at any time and at the election of the holder thereof.

Clause 1 relates to the short title and commencement.

Clause 2 amends section 23 to allow the payment of a portion of the half-yearly interest on Government securities (calculated on a pro-rata basis) where any Government security that is redeemable at any time and at the election of the holder thereof are redeemed before its date of maturity.

Clause 3 amends section 24 to provide for the redemption of the new class of Government securities. The amendment provides that these Government securities are redeemable on their date of maturity or the redemption date specified by the holder thereof in the notice of intention to redeem, whichever is the earlier.

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.
