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Notification No. B 44 — The Payment and Settlement Systems (Finality and Netting) (Amendment) Bill is published for general information. It was introduced in Parliament on 6 November 2017.

Payment and Settlement Systems (Finality and Netting) (Amendment) Bill

Bill No. 44/2017.

Read the first time on 6 November 2017.

A BILL

i n t i t u l e d

An Act to amend the Payment and Settlement Systems (Finality and Netting) Act (Chapter 231 of the 2003 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 is the Payment and Settlement Systems (Finality and Netting) (Amendment) Act 2018 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

Amendment of section 2

2. Section 2(1) of the Payment and Settlement Systems (Finality and Netting) Act (called in this Act the principal Act) is amended —

(a) by deleting the definitions of “book-entry Government securities” and “default arrangements” and substituting the following definitions:

““book-entry securities” means any securities that —

(a) are issued —

(i) by the Government, or a statutory board, under any written law; or

(ii) by a corporation; and

(b) are transferable by a book-entry, on a register or otherwise;

“business day”, in relation to a designated system —

(a) in any case where the Rules of the designated system specify what constitutes a business day for that case, has the same meaning as in those Rules; or

(b) in any other case, means any day other than a Saturday, Sunday or public holiday;

“collateral holder”, in relation to a designated system, means any person who has possession, control or ownership of any collateral security

of the designated system under an arrangement with the operator of the designated system relating to that collateral security;

“collateral security”, in relation to a designated system, means any property held by or deposited with a collateral holder for the purpose of securing any liability arising directly in connection with ensuring — 5

(a) the clearing or settlement of payment obligations by the designated system; or 10

(b) the clearing, settlement or transfer of book-entry securities by the designated system;

“default arrangements” means the arrangements made by the operator of a designated system to limit systemic and other types of risks that arise when a participant is or is likely to become unable to meet its obligations in respect of a transfer order, examples of which include any of the following arrangements: 15 20

(a) any arrangements for netting;

(b) any arrangements for the closing out of open positions;

(c) any arrangements relating to collateral security;” 25

(b) by inserting, immediately after the definition of “relevant office holder”, the following definition:

“ “Rules”, in relation to a designated system, means any rules, regulations, by-laws or other similar body of written statements, by whatever name called, and whether or not contained in the constituent documents of the designated 30