

Government Securities Regulations

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FIRST SCHEDULE Primary Dealers

SECOND SCHEDULE Government Securities Act (Chapter 121A)

Legislative History

**GOVERNMENT SECURITIES ACT
(CHAPTER 121A, SECTION 31)**

GOVERNMENT SECURITIES REGULATIONS

Rg 1

G.N. No. S 184/1992

REVISED EDITION 2002

(31st January 2002)

[1st April 1992]

Citation

1. These Regulations may be cited as the Government Securities Regulations.

Definitions

2. In these Regulations, unless the context otherwise requires —

“application” means an application to purchase Government securities;

“approved” means approved by the Minister;

“auction day” means such date as specified in a public notice as the auction day of an issue of Government securities;

“maturity date” means such date on which any Government security is redeemable at par;

“owner”, in relation to stock, means an owner of stock or the owners of stock in joint account;

“primary dealer” means any financial institution specified in the First Schedule;

“public notice” means a public notice issued by the Authority under section 30 of the Act;

“yield” means the rate of return on any Government security computed on the basis of the price of the Government security, the total interest payments and the period commencing from the date of issue of the Government security to the date of maturity of the Government security.

Applications

3.—(1) Any person who intends to purchase Government securities in pursuance of a public notice may apply to purchase such Government securities on a competitive basis or on a non-competitive basis.

(2) An application shall be made on what is commonly known as the Internet using the electronic application service provided by the Authority; and for this purpose, the Authority may enter into agreements with users of the service and issue a user guide setting out the terms and manner of use of the service.

[S 7/2002 wef 04/01/2002]

(3) In the event of a malfunction or failure of the electronic application service, an application shall be made in written form and in accordance with the user guide.

[S 7/2002 wef 04/01/2002]

(4) A person who is unable to use the electronic application service to make an application for any reason other than a malfunction or failure of the electronic application service may make the application in the manner referred to in paragraph (3) if he pays the Authority an administrative fee of \$10.30 for each such application.

[S 7/2002 wef 04/01/2002]

[S 357/2007 wef 04/07/2007]

(5) This regulation is subject to regulation 4.

[S 7/2002 wef 04/01/2002]

(6) All applications made in pursuance of a public notice shall not be for less than the minimum nominal amount of \$1,000 and shall be made in multiples of \$1,000.

(7) All applications made on a competitive basis in pursuance of a public notice shall be expressed as a yield of the Government securities not exceeding 2 decimal places.

Applications to be submitted through primary dealers

4.—(1) An application made in pursuance of a public notice by a person other than a primary dealer shall be submitted by the primary dealer on behalf of that person.

[S 7/2002 wef 04/01/2002]

(1A) An application by a primary dealer on its own behalf shall be kept distinct from an application made by the primary dealer on behalf of another person, and the applications shall be submitted separately to the Authority.

[S 7/2002 wef 04/01/2002]

(1B) Any application by a primary dealer on behalf of other persons must be kept distinct from each other and submitted separately to the Authority.

[S 7/2002 wef 04/01/2002]

(2) The primary dealer shall submit all applications received under paragraph (1) to the Authority not later than 12 noon of the auction day.

(2) The primary dealer shall submit all applications received under paragraph (1) to the Authority not later than 12 noon of the auction day.

Authority to refuse applications after 12 noon

5. The Authority shall refuse to accept any application made in pursuance of a public notice that is received after 12 noon of the auction day or such extended time as the Authority may in any case allow.

[S 7/2002 wef 04/01/2002]

Issue on non-competitive basis

6. Subject to these Regulations, the Authority may allot Government securities to applications made on a non-competitive basis in priority to all applications made on a competitive basis and at the average yield expressed in the successful applications on a competitive basis.

Issue on competitive basis

7.—(1) Subject to these Regulations, the Authority may allot the balance of Government securities of any issue remaining after allotment under regulation 6 to successful applications made on a competitive basis in relation to the issue.

(2) The lowest yield in ascending order expressed in the applications made on a competitive basis shall be used to determine the successful applications made on a competitive basis.

(3) Where the same yield has been offered in 2 or more applications made on a competitive basis and only part of the amount of Government securities applied for at such yield can be allotted, the amount of Government securities allotted at such yield

among the applicants shall be in proportion to the amounts applied for by the respective applicants.

Inadequate applications

8. No allotment of any Government security shall be made on any application made in pursuance of a public notice for an amount of Government security which is less than the minimum nominal amount specified in regulation 3.

Full or partial allotments

9. The Authority may allot the full amount of Government securities applied for in an application or part thereof.

Interest

10.—(1) Subject to regulation 20, the interest rate of Government securities allotted under regulations 6 and 7 shall be determined in accordance with paragraph (2) or (3).

(2) The interest rate of Government securities in an issue of Government securities shall be as stated in the public notice for that issue.

(3) Where no interest rate is stated in the public notice for the issue of the Government securities, the interest rate of Government securities shall be the weighted averages of the yields expressed in the successful applications made on a competitive basis in pursuance of the public notice, rounded down to the nearest one-eighth percent.

Notification of successful application

11.—(1) The Authority shall notify every successful applicant who is a primary dealer.

(2) Where a successful applicant is not a primary dealer, the Authority shall give to the primary dealer which had submitted the application made by the successful applicant a notification specifying the particulars of allotment of Government securities to the successful applicant.

(3) The primary dealer on receipt of a notice under paragraph (2) shall forthwith inform the successful applicant of the particulars specified in the notice.

Payment

12.—(1) Payment for allotted Government securities shall be made by way of a pre-authorised funds transfer to the Authority from the account of the applicant's settlement bank specified in the application, in accordance with the terms of authorisation provided to the Authority by the settlement bank.