

Development Loan (1987) Regulations

Table of Contents

1 Citation

2 Definitions

3 Private placements

4 Applications

5 Applications to be submitted through primary dealers

6 Receipt of applications

7 Issue on a non-competitive basis

8 Issue on a competitive basis

9 Inadequate applications

10 Full or partial allotments

11 Interest

12 Notification of successful applications

13 Payment

14 Interest payments

15 Interest payments for stock

16 Interest payments for bearer bonds

17 Interest payments for book-entry Government securities

18 Redemption

19 Income tax

20 Conditions of taxable stock, bonds or securities

21 Withholding taxes

22 Estate duty

23 Sinking Fund

24 Transfers

25 Re-opened issues

FIRST SCHEDULE Primary Dealers

SECOND SCHEDULE Development Loan (1987) Act (Chapter 81A, Section 25)

Legislative History

**DEVELOPMENT LOAN (1987) ACT
(CHAPTER 81A, SECTION 25)**

DEVELOPMENT LOAN (1987) REGULATIONS

Rg 1

REVISED EDITION 1990

(25th March 1992)

[30th April 1987]

Citation

1. These Regulations may be cited as the Development Loan (1987) Regulations.

Definitions

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

“application” means an application to purchase stock, bearer bonds or book-entry Government securities;

“approved” means approved by the Minister;

“auction day” means such date as is specified in a public notice as the auction day of an issue of stock, bearer bonds or book-entry Government securities;

“maturity date” means such date on which any stock, bearer bond or book-entry 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 24 of the Act;

“stock” means registered stock issued under Part III of the Act;

“yield” means the rate of return on any stock, bearer bond or book-entry Government security computed on the basis of the price of such stock, bond or security, the total interest payments and the period commencing from the date of the stock, bearer bond or book-entry Government security to the date of maturity of the stock, bond or security.

Private placements

3.—(1) These Regulations shall not apply in relation to any issue of stock, bearer bonds or book-entry Government securities under the Act which is not offered to the public for purchase by way of a public notice.

(2) The manner in which, the prices at which and the terms and conditions (including terms and conditions as to redemption and interest) on which the stock, bearer bonds or book-entry Government securities referred to in paragraph (1) may be issued shall be as determined by the Minister.

Applications

4.—(1) Any person who intends to purchase stock, bearer bonds or book-entry Government securities in pursuance of a public notice may apply to purchase such stock, bearer bonds or book-entry Government securities on a competitive basis or on a non-competitive basis.

(2) All applications made in pursuance of a public notice shall be in forms as may be

prescribed by the Authority for the purpose of this regulation. The forms may be obtained from the Ground Floor Reception Counter at the Monetary Authority of Singapore Building, Singapore during such hours as that office is open for business.

(3) All applications made in pursuance of a public notice shall be accompanied by an authorisation in writing signed by the applicant authorising the transfer of funds to the Authority from a specified account maintained at a specified financial institution in payment of any stock, bearer bonds or book-entry Government securities allotted to the applicant.

(4) Any person may submit more than one application in pursuance of a public notice except that each application shall be made separately in the form referred to in paragraph (2).

(5) 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.

(6) All applications made on a competitive basis in pursuance of a public notice shall be expressed as a yield of the stock, bearer bonds or book-entry Government securities not exceeding two decimal places.

Applications to be submitted through primary dealers

5.—(1) Any application made in pursuance of a public notice by a person other than a primary dealer, shall be given to a primary dealer before the auction day specified in the public notice for endorsement by the primary dealer.

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

Receipt of applications

6.—(1) Applications made in pursuance of a public notice in accordance with these Regulations may be received by the Authority at the Ground Floor Reception Counter at the Monetary Authority of Singapore Building, Singapore during such times as that office is open for business except that no such application shall be received after 12 noon of the auction day specified in the public notice.

(2) The Authority may refuse any application without assigning any reason.

Issue on a non-competitive basis

7. Subject to these Regulations, the Authority shall allot stock, bearer bonds or book-entry 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 a competitive basis

8.—(1) Subject to these Regulations, the Authority shall allot the balance of stock, bearer bonds or book-entry Government securities of any issue remaining after allotment under regulation 7 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 two or more applications made on a competitive basis and only part of the amount of stock, bearer bonds or book-entry Government securities applied for at such yield can be allotted, the amount of stock, bearer bonds or book-entry Government securities allotted at such yield among the applicants shall be in proportion to the amounts applied for by the respective applicants.

Inadequate applications

9. No allotment of any stock, bearer bonds or book-entry Government securities shall be made on any application made in pursuance of a public notice for an amount of stock, bearer bonds or book-entry Government securities which is less than the minimum nominal amount specified in regulation 4.

Full or partial allotments

10. The Authority may allot the full amount of stock, bearer bonds or book-entry Government securities applied for in an application or part thereof.

Interest

11. Subject to regulation 25, the interest rate of stock, bearer bonds or book-entry Government securities allotted under regulations 7 and 8 shall be the weighted average of the yields expressed in the successful applications made on a competitive basis in pursuance of a public notice, rounded down to the nearest one-eighth percent.

Notification of successful applications

12.—(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 endorsed the application made by the successful applicant a notice specifying the particulars of allotment of stock, bearer bonds or book-entry Government securities to the successful applicant.