



THE STATUTES OF THE REPUBLIC OF SINGAPORE

DEVELOPMENT LOAN ACT

(CHAPTER 81)

(Original Enactment: Act 1 of 1983)

REVISED EDITION 1985

(30th March 1987)

Prepared and Published by

THE LAW REVISION COMMISSION
UNDER THE AUTHORITY OF
THE REVISED EDITION OF THE LAWS ACT (CHAPTER 275)

PRINTED BY THE GOVERNMENT PRINTER, SINGAPORE

1985

Development Loan Act

ARRANGEMENT OF SECTIONS

PART I

PRELIMINARY

Section

1. Short title
2. Interpretation

PART II

AUTHORISATION AND APPLICATION OF LOAN

3. Power to raise loan
4. Principal and interest charged on Consolidated Fund
5. Application of loan

PART III

PROVISIONS APPLICABLE TO ISSUE AND REGISTRATION OF STOCK AND TO BEARER BONDS

6. Issue and form of stock
7. Refusal of application
8. Register of stock
9. Bearer bonds
10. Payment of interest

PART IV

PROVISIONS RELATING TO REDEMPTION OF STOCK AND BEARER BONDS AND CREATION OF SINKING FUND

11. Redemption of stock and bearer bonds
12. Sinking fund
13. Application of sinking fund
14. Procedure if sinking fund insufficient
15. Delivery up of stock on repayment

PART V
GENERAL

Section

16. Acceptance of advance deposits
 17. Power to make advance deposits
- The Schedule
-

An Act to authorise a sum of \$15,000 million to be raised by way of loan for the purposes of the Development Fund.

[25th March 1983]

PART I
PRELIMINARY

Short title

1. This Act may be cited as the Development Loan Act.

Interpretation

2. In this Act, unless the context otherwise requires —

“advance deposits” means such deposits as are received under section 16(1);

“Authority” means the Monetary Authority of Singapore established under section 3 of the Monetary Authority of Singapore Act [Cap. 186];

“bearer bond” means a bearer bond issued under the provisions of this Act;

“local stock” means any stock issued in Singapore under this Act or under any of the written laws set out in the Schedule;

“trustee stock” means any of the securities mentioned in any written law for the time being in force relating to trustees.

PART II

AUTHORISATION AND APPLICATION OF LOAN

Power to raise loan

3.—(1) The Minister may from time to time raise, in the manner hereinafter provided, a sum of money not exceeding in the whole the sum of \$15,000 million to be applied in the manner provided in this Act.

(2) The loan hereby authorised or any part of it may be raised in Singapore by the issue of registered stock or bearer bonds under the provisions of Part III.

Principal and interest charged on Consolidated Fund

4. The principal moneys and interest represented by stock or bearer bonds issued under the provisions of this Act are hereby charged upon and shall be payable out of the Consolidated Fund.

Application of loan

5. The money received under this Act less the sums required to defray the expenses of issues of stock or bearer bonds or arising from the acceptance of advance deposits under the provisions of this Act shall be paid into the Development Fund constituted under the Development Fund Act [Cap. 80], and shall be applied to the purposes of that Fund.

PART III

PROVISIONS APPLICABLE TO ISSUE AND REGISTRATION
OF STOCK AND TO BEARER BONDS**Issue and form of stock**

6.—(1) Stock issued under the provisions of this Act shall be issued by the Authority upon such terms as may be approved by the Minister and shall be authenticated either by the signature of the Minister or by facsimile of his signature or in such manner as may be approved by the Minister.

(2) Stock issued under the provisions of this Act shall be in such form as the Minister may from time to time approve.

Refusal of application

7. Any application to take up stock issued under the provisions of this Act may be refused by the Authority without any reason assigned therefor.

Register of stock

8.—(1) All stock issued under the provisions of this Act shall be entered in a register to be kept by the Authority.

(2) All stock issued under the provisions of this Act and the right to receive the principal moneys and interest represented by it shall be transferable by an instrument of transfer registered by the Authority.

(3) No stock issued under the provisions of this Act shall be registered except in the name of an individual person or persons or of a corporation.

Bearer bonds

9.—(1) Bearer bonds issued under the provisions of this Act shall be issued by the Authority upon such terms as may be approved by the Minister and shall be authenticated either by the signature of the Minister or by facsimile of his signature or in such manner as may be approved by the Minister.

(2) Every bearer bond shall, when issued, bind the Government to pay the bearer the principal sum mentioned in that bond and interest thereon in accordance with the terms of the issue.

(3) Bearer bonds shall be transferable by delivery without endorsement.

Payment of interest

10.—(1) The interest upon the principal moneys represented by stock or bearer bonds issued under the provisions of this Act shall be paid half-yearly at the office of the Authority as shall be specified in the prospectus relating to the issue of the stock or bearer bonds.

(2) The Minister shall, in each half-yearly period ending with the day on which interest on stock or bearer bonds issued under the provisions of this Act falls due, appropriate out of the Consolidated Fund a sum equal to one half-year's interest on the whole of the stock or bearer bonds so issued in order that the interest for that half-year may be paid therefrom.

PART IV

PROVISIONS RELATING TO REDEMPTION OF STOCK AND BEARER BONDS AND CREATION OF SINKING FUND

Redemption of stock and bearer bonds

11. Stock or bearer bonds issued under the provisions of this Act shall be redeemable at par on such dates as may be specified in the prospectus, after which dates all the interest on the principal moneys represented thereby shall cease and determine, whether payment of the principal moneys has been demanded or not.

Sinking fund

12.—(1) Commencing not later than two years after the date on which interest on stock or bearer bonds issued under the provisions of this Act commences to run, the Minister shall in each half-year ending on the day on which interest on the stock or bearer bonds falls due in addition to the sum appropriated in accordance with section 10(2) appropriate out of the Consolidated Fund for the formation of a sinking fund a sum equal to one-half of the annual contributions specified in the prospectus relating to the issue of the stock or bearer bonds.

[6/85]

(2) Notwithstanding subsection (1), the Minister may from time to time appropriate out of the Consolidated Fund money for the purpose of making additional contributions to the sinking fund established under subsection (1):

Provided that the total amount in the sinking fund with the additional contributions does not exceed the outstanding principal moneys represented by the stock and bearer bonds.

(3) All appropriations from the Consolidated Fund made prior to 27th September 1985 to such sinking fund shall be deemed to have been lawfully made in accordance with the provisions of this Act.

(4) If at any time the Minister is satisfied that the value of the sinking fund will be sufficient with further accumulations of interest but without further payment of contributions to enable the loan to be redeemed out of the proceeds of the sinking fund when it falls due to be redeemed, the Minister may suspend further payments of contributions to the sinking fund:

Provided that the Minister may at any time recommence payment of such contributions if he considers this to be necessary.

(5) The Minister may at any time apply all or any part of the moneys in the sinking fund created under this section to the purchase of trustee stock or local stock or of any other stock, fund, security or investment mentioned in section 7(3) of the Financial Procedure Act [Cap. 109].

(6) The Accountant-General shall in each year pay into the sinking fund created under this section a sum equal to the annual interest that would have been payable on any local stock purchased under subsection (5) if such stock had not been purchased as aforesaid.

Application of sinking fund

13. The sinking fund created under section 12 shall be applied in the first place in payment of all expenses of, or incidental to, the management of the sinking fund and the redemption of the stock or bearer bonds issued under the provisions of this Act, and then in repayment of principal moneys represented by the stock or bearer bonds.

Procedure if sinking fund insufficient

14. In case the sinking fund created under section 12 is insufficient for the repayment of all principal moneys represented by stock or bearer bonds issued under the provisions of this Act at the time when they become due, the Minister shall make good the deficiency out of the Consolidated Fund.

Delivery up of stock on repayment

15. Before the repayment of the principal moneys represented by any stock or bearer bonds issued under the provisions of this Act, the stock or bearer bonds shall be delivered to the Authority for cancellation as shall be specified in the prospectus relating to the issue of the stock or bearer bonds.

PART V

GENERAL

Acceptance of advance deposits

16.—(1) In anticipation of the raising of a loan under this Act the Minister may, if he thinks fit, authorise acceptance by the Authority of advance deposits. Advance deposits may be accepted on such terms as the Authority may determine.

(2) Where a depositor gives notice that he wishes the whole or part of the advance deposits made by him to be repaid, the deposits or that part of them, as the case may be, shall be repaid to him immediately, but no interest shall be payable on them.

(3) Advance deposits shall carry interest at the rate applicable to the stocks eventually allocated for such deposits. Interest shall be calculated from the date the deposit was effectively received by the Authority and shall be a charge on the Consolidated Fund. If cheques for the advance deposits cannot be cleared on the day of receipt, interest shall be calculated from the next working day.

Power to make advance deposits

17. Any power to invest conferred on a person by any instrument or written law shall, unless the contrary intention appears therein, be deemed to include power to make advance deposits in accordance with this Act.

THE SCHEDULE

Section 2

(a) The Development Loan (Local) Ordinance 1959 (No. 50 of 1959).

THE SCHEDULE — *continued*

- (b) The Development Loan Ordinance 1961 (No. 7 of 1961).
- (c) The Development Loan Act (1970 Ed. Cap. 66).
- (d) The Development Loan Act 1972 (No. 6 of 1972).
- (e) The Development Loan Act 1974 (No. 18 of 1974).
- (f) The Development Loan Act 1978 (No. 1 of 1978).

LEGISLATIVE HISTORY
DEVELOPMENT LOAN ACT
(CHAPTER 81)

This Legislative History is provided for the convenience of users of the Development Loan Act. It is not part of the Act.

1. Act 1 of 1983 — Development Loan Act 1983

Date of First Reading : 3 December 1982
(Bill No. 23/1982) published on
8 December 1982

Date of Second and Third Readings : 4 March 1983

Date of commencement : 25 March 1983

2. 1985 Revised Edition — Development Loan Act

Date of operation : 30 March 1987