

# **External Loans Act 1968**

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## **EXTERNAL LOANS ACT 1968**

### **2020 REVISED EDITION**

This revised edition incorporates all amendments up to and including 1 December 2021 and comes into operation on 31 December 2021

An Act to authorise the raising of loans outside Singapore, to provide sums required for the purposes of the Development Fund or for the repayment or amortisation of external loans, and to make general provision with respect to external loans.

[1 June 1968]

### Short title

1. This Act is the External Loans Act 1968.

### Power to raise external loans and application of moneys raised

- 2.—(1) The Minister may, from time to time, raise loans outside Singapore —

- (a) for the purposes of the Development Fund established by the Development Fund Act 1959 but not to meet nationally significant infrastructure expenditure within the meaning of section 11 of the Significant Infrastructure Government Loan Act 2021;
- (b) for the purposes of the Developmental Investment Fund established by the Developmental Investment Fund Act 2000; or
- (c) for the repayment or amortisation of loans raised outside Singapore.

[15/2021]

(2) Subject to subsection (3), any moneys raised by way of loan under this section are hereby appropriated first to the payment of the expenses in connection with the raising of the loan and, subject to payment of those expenses, to the purposes for which the loan is raised.

(3) If the moneys raised by way of loan under this section for the repayment or amortisation of any loan exceed the amounts required for that purpose after the application thereto of any amounts available in a sinking fund relating to the loan, then the excess shall be applied and is hereby appropriated to the redemption, at such times and in such manner as the Minister may determine, of securities of Singapore.

(4) Any moneys raised under this Act shall not in the aggregate exceed such sum or sums as the President, acting in his discretion, if he concurs with the recommendation of the Minister, may, from time to time, authorise by order under this Act.

(5) In applying subsection (4), any moneys raised in a currency other than Singapore dollars shall be converted into Singapore dollars as at the day when the amount to be raised is determined and by the use of such rate of exchange as the managing director of the Monetary Authority of Singapore may certify to be then appropriate.

### Raising of loans

3.—(1) For the purpose of raising external loans in accordance with the provisions of this Act, the Minister may authorise the creation and issue of such securities as he thinks fit.

- (2) The securities issued for raising any external loan shall bear such rate of interest,

and be subject to such terms and conditions as to repayment, redemption and other matters, including provision for a sinking fund, as may be determined by or with the authority of the Minister.

(3) In connection with the raising of any external loan, the Minister may make such arrangements as he sees fit for the underwriting of any offer for subscription or sale of the securities.

(4) The Minister is hereby authorised to include, among the terms and conditions of any external loan, provisions for exemption from tax or for exempting from exchange control any debt charges in respect of an external loan; and the Minister shall by order make such provision as he considers necessary to give effect to any such exemption from tax or from exchange control, and any such order shall have effect notwithstanding anything in any other written law relating to the tax, or to exchange control, as the case may be.

(5) Without prejudice to subsection (1), (2), (3) or (4), the terms and conditions authorised by subsection (2) shall include provision for the following matters:

- (a) for charging on any assets as security (whether originally or in the event of any debts of Singapore being charged thereon) the debt charges in respect of an external loan;
- (b) for Singapore, in proceedings relating to securities issued for an external loan, to submit to the jurisdiction of the courts of the country in which the loan is raised.

(6) All debt charges in respect of any external loan shall be charged on the Consolidated Fund.

(7) In this section, “debt charges” includes interest, sinking fund charges, the repayment or amortisation of debt, and all expenditure in connection with the raising of loans and the service and redemption of debt created by such loans.

### **Management of external loans**

4. In connection with any external loan, the Minister may whether by deed or otherwise —

- (a) appoint a registrar, and provide for the establishment and maintenance of a register of any securities, for the location of the register and for the extent to which the register is to be conclusive of the title to those securities or of any other matter;
- (b) provide for the conversion of registered securities into securities transferable by delivery or vice versa;