

**2018-10-22**

**OBJECTS AND REASONS**

This Bill would make provision for the dematerialisation of Government securities and other matters related thereto.

*Arrangement of Sections*

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SCHEDULE

*SPECIFIED ACTS*



## **BARBADOS**

A Bill entitled

An Act to provide for the dematerialisation of Government securities and other matters related thereto.

ENACTED by the Parliament of Barbados as follows:

PART I

*Preliminary*

**Short title**

1. This Act may be cited as the *Dematerialisation of Government Securities Act, 2018*.

**Interpretation**

2. In this Act,

“Bank” means the Central Bank of Barbados established by the *Central Bank of Barbados Act, Cap. 323C*;

“dematerialised” in relation to a Government security means that the *prima facie* evidence of the existence of legal title or any trade or transaction respecting the ownership of a Government security is established by an entry in the Register in an electronic form made in accordance with this Act;

“dematerialisation” means the issuance, registration, recording and transfer of a Government security in electronic form;

“electronically transferred” means the transfer of ownership of a Government security by electronic, digital, magnetic, wireless, optical, electromagnetic or other similar capabilities;

“Government security” means

- (a) a savings bond, debenture, treasury bill, tax certificate or treasury note issued by the Government in accordance with an Act specified in the *Schedule*; and
- (b) such other security as may be issued by or guaranteed by the Government from time to time;

“licensed central securities depository” means a self-regulatory organisation;

“Register” means a register kept in accordance with section 5;

“Registrar” means a person or body designated as the Registrar in accordance with section 4;

“securities account” means an account to which a financial asset is or may be credited in accordance with an agreement under which the person maintaining the account undertakes to treat the person for whom the account is maintained as entitled to exercise the rights that comprise the financial asset;

“self-regulatory organisation” means a person who is approved to carry on business as a central securities depository in accordance with the *Securities Act*, Cap. 318A.

### **Application**

3. This Act shall apply to a Government security issued before or after the commencement of this Act.

## PART II

### *Administration*

#### **Appointment of Registrar**

4.(1) For the purpose of this Act, the Bank is appointed the Registrar of Government securities.

(2) Notwithstanding subsection (1), the Minister may, by order, designate a licensed central securities depository or other person or body as the Registrar.

#### **Register**

5.(1) For the purposes of this Act, the Registrar shall cause to be kept a register to be known as the Register of Dematerialised Government Securities.

- (2) The Registrar shall enter in the Register a record of
- (a) the name and address of a person who holds dematerialised Government securities at any given time;
  - (b) the principal value of dematerialised Government securities held by the person referred to in paragraph (a);
  - (c) the interest to be paid in respect of dematerialised Government securities;
  - (d) the rights accruing from dematerialised Government securities;
  - (e) the rights of third parties to dematerialised Government securities; and
  - (f) any other particulars as may be prescribed for inclusion in the Register or that are required for the proper administration of a system of dematerialised Government securities.

**Register is *prima facie* evidence**

- 6.(1) The Register shall be *prima facie* evidence that a person holds the legal title to any Government security entered therein.
- (2) A copy of an extract from the Register which is duly certified by the Registrar shall be admissible in evidence in any court.

PART III

*Dematerialisation of Government Securities*

**Dematerialisation**

- 7.(1) Upon the commencement of this Act,
- (a) every Government security shall be issued as a dematerialised security; and



- (b) the legal title to any Government security issued after the commencement of this Act shall be acquired, evidenced and electronically transferred without an instrument in writing.
- (2) Payment of interest on a dematerialised Government security may be effected by electronic means and in accordance with the provisions of any regulation made hereunder.

**Notice respecting conversion of Government securities**

8. The Registrar, by notice published on at least 2 occasions both in the *Official Gazette* and in a daily newspaper circulated in Barbados, shall

- (a) inform the public of the termination of the issuing of certificates of ownership of Government securities, the commencement of an electronic registration of Government securities and the holding of information relating to Government securities in the form of an electronic record;
- (b) specify the date upon which the conversion of the records of Government securities into an electronic format shall commence and end;
- (c) inform the public that from the date of commencement of this Act all Government securities shall be issued as dematerialised Government securities;
- (d) notify the public that all Government securities in a paper form shall be required to be converted to dematerialised Government securities;
- (e) describe the procedure to be followed to effect the dematerialisation;
- (f) direct all holders of Government securities to surrender their certificates of ownership of the Government securities to the Registrar for the purpose of the conversion of the Government securities into dematerialised Government securities.

**Conversion and transfer of Government securities**

**9.(1)** Where a certificate of ownership of a Government security is surrendered to the Registrar pursuant to section 8, the Registrar shall

- (a) convert the Government security to which the certificate refers into a dematerialised Government security; and
- (b) credit the principal value of the dematerialised Government security to the securities account of the respective holder of the security.

(2) Where

- (a) a notice is published in accordance with section 8; and
- (b) the period stipulated in the notice in respect of the conversion of the record of a Government security into a dematerialised format expires,

ownership of a Government security which is not dematerialised before the expiration of the period stipulated in the notice shall only be transferred or redeemed where the security is converted to a dematerialised format.

**PART IV**

*Miscellaneous*

**Immunity of officers of the Bank**

**10.** An officer of the Bank or any person appointed under section 4(2) shall not be liable in respect of any thing done or omitted to be done in good faith in the discharge or in connection with the discharge of the functions conferred on him in respect of the dematerialisation of Government securities.

**Regulations**

**11.** The Minister may make regulations in relation to the following matters:

- (a) the keeping of the Register;
- (b) the issue, administration, registration, transfer, redemption and the holding of dematerialised Government securities and the payment of interest on dematerialised Government securities;
- (c) third party rights to dematerialised Government securities; and
- (d) any other matter required to be prescribed in accordance with this Act.

**Minister may amend Schedule**

**12.(1)** The Minister may by order amend the *Schedule*.

(2) An order made pursuant to subsection (1) shall be subject to negative resolution.

**SCHEDULE**

*(Sections 2 and 12(1))*

*SPECIFIED ACTS*

1. *Local Loans Act, Cap. 98*
2. *Savings Bonds Act, Cap. 104A*
3. *Treasury Bills and Tax Certificates, Cap. 106*

Read three times and passed the House of Assembly this  
day of \_\_\_\_\_, 2018.

**Speaker**

Read three times and passed the Senate this \_\_\_\_\_ day of  
, 2018.

**President**