

JAMAICA

No. 2 – 2010

I assent,

L.S.]

(Sgd) P. L. Allen
Governor-General

February 15, 2010

AN ACT to make provision for the dematerialization of certain
Government securities; and for connected matters.

[February 16, 2010]

BE IT ENACTED by The Queen's Most Excellent Majesty, by and
with the advice and consent of the Senate and House of
Representatives of Jamaica, and by the authority of the same, as
follows:—

PART I. *Preliminary*

1. This Act may be cited as the Government Securities Short title.
Dematerialization Act, 2010.

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

“Bank” means the Bank of Jamaica established under the Bank
of Jamaica Act;

“commencement date” means the date of commencement of this Act;

“dematerialized” in relation to a security means that the *prima facie* evidence of legal title to the security is established by an electronic book entry;

“dematerialization” means the issuance and recording of securities in electronic format;

“electronic”, in relation to an electronic transfer, means having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities and references to carrying out any act “electronically” shall be similarly construed;

Schedule “Government securities” means any securities issued by the Government under an Act specified in the Schedule;

“immobilization” means the process by which the underlying physical certificates relating to Government securities are deposited with and are held by a depository and the holders do not receive a physical certificate upon purchase of the security and “immobilized” shall be construed accordingly;

“licensed central securities depository” has the meaning assigned to it in section 67A of the Securities Act;

“Register” means a register kept under section 6;

“Registrar” means the Bank or the licensed central securities depository, person or body designated under section 5 as the Registrar.

Object of Act. **3.** The object of this Act is to make provision for the immobilization and dematerialization of Government securities.

Application Schedule **4.** This Act applies to securities issued by the Government under any Act specified in the Schedule, whether before or after the commencement of this Act.

PART II. *Administration*

5.—(1) Subject to subsection (2), for the purposes of this Act, the Registrar Bank is appointed the Registrar of Government securities.

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

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

(2) The Registrar shall enter in the Register a record of—

- (a) rights arising from dematerialized Government securities;
- (b) holders of these rights at any given time;
- (c) any possible rights of third parties to such securities; and
- (d) such particulars as may be prescribed.

7.—(1) The Register shall be *prima facie* evidence of the legal title to any Government security entered therein.

(2) A copy of an extract of the Register, duly certified by the Registrar, shall be admissible in evidence in any court.

PART III. *Dematerialization of Government Securities*

8.—(1) On or after the commencement date, every Government security shall be issued as a dematerialized security.

(2) The legal title to any Government security issued after the commencement date shall be acquired, evidenced and transferred electronically and without a written instrument.

(3) On or after the commencement date, payment of interest on a dematerialized Government security shall be effected by electronic means and in accordance with the provisions of this Act and any regulations made hereunder.

9.—(1) The provisions of this section apply to the conversion of Government securities into dematerialized Government securities.

(2) The Government securities shall be delivered to the Registrar who shall credit the principal value of the dematerialized securities to the securities account of the respective holders, whereupon such securities shall be converted into dematerialized Government securities.

(3) The Registrar may, by notice published on at least two occasions in the *Gazette* and in a daily newspaper circulated in Jamaica, direct all holders of Government securities to deliver their securities to the Registrar for the purpose of their conversion into dematerialized Government securities.

(4) A notice under subsection (3) shall specify the time period, commencing on the first date of such publication, for the conversion of Government securities.

(5) After the expiration of the time period Government securities that are not materialized may only be transferred after they have been converted to dematerialized Government securities.

PART IV. *General*

Regulations

10. The Minister may make regulations for the purposes of giving effect to the provisions of this Act, and in particular, such regulations may contain provisions in relation to the following matters —

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

Consequential
amendments
to other Acts.
Schedule

11. For the purpose of giving effect to this Act, the Minister may, by order subject to negative resolution, make such amendment to any Act specified in the Schedule as appear to him to be necessary or expedient to ensure consistency with the provisions of this Act.

12. The Minister may, by order subject to negative resolution, amend the Schedule.

Minister may amend Schedule. Schedule

13. The Bank of Jamaica Act is amended by inserting next after Part VI, the following as Part VIA —

Amendment to Bank of Jamaica Act.

“ PART VIA. *Depository of Securities*

Depository of securities and other instruments 41A.—(1) The Bank may establish, operate or participate in, a depository of securities or other instruments.

(2) For the purposes of subsection (1), the Bank may—

- (a) enter into agreements with depositories of securities or of other instruments and carry out transactions under the terms of those agreements as may be necessary for the settlement of transactions between members of those depositories and the members of any depository operated by the Bank; and
- (b) make rules and guidelines for the operation of the depository.

(3) Any depository of securities or other instruments operated by the Bank without legislative authority before the date of commencement of the Government Securities Dematerialization Act is hereby declared to have been validly and lawfully operated and the Bank and all officers and agents thereof are hereby indemnified from any legal action arising due to the establishment of, operation of, and participation in such depository.”

SCHEDULE (Sections 4, 11 and 12)

Specified Acts

1. Debenture Registration Act
2. Debentures (Local) Act
3. Land Bonds Act
4. Loans (Equity Investment Bonds) Act
5. Loans (National Development Bonds) Act
6. Loans (National Savings Bonds) Act
7. Local Registered Stock Act
8. Treasury Bills Act

Passed in the House of Representatives this 19th day of January, 2010.

DELROY CHUCK
Speaker.

Passed in the Senate this 22nd day of January, 2010 with twenty-seven (27) amendments.

OSWALD HARDING, OJ, QC, CD
President.

On the 26th day of January, 2010 the House of Representatives agreed to the amendments made by the Senate.

DELROY CHUCK
Speaker.

This printed impression has been carefully compared by me with the authenticated impression of the foregoing Act, and has been found by me to be a true and correct printed copy of the said Act.

Clerk to the Houses of Parliament.