

THE GOVERNMENT SECURITIES
DEMATERIALIZATION ACT

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SCHEDULE.

THE GOVERNMENT SECURITIES
DEMATERIALIZATION ACT

Act
2 of 2010.

[16th February, 2010.]

PART I. *Preliminary*

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

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;

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

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.

Schedule.

PART II. Administration

Registrar.

5.—(1) Subject to subsection (2), for the purposes of this Act, the 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.

Register.

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.

Register is prima facie evidence.

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. Dematerialization.

(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. Conversion procedure.

(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*

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— Regulations.

GOVERNMENT SECURITIES DEMATERIALIZATION

- (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.

Minister may amend Schedule.

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

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