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The following Act was passed by Parliament on 21st October 2008 and assented to by the President on 29th October 2008:—

REPUBLIC OF SINGAPORE

No. 27 of 2008.

I assent.

(LS)

S R NATHAN,
President.
29th October 2008.

An Act to amend the Constitution of the Republic of Singapore
(1999 Reprint).

Be it enacted by the President with the advice and consent of the
Parliament of Singapore, as follows:

Short title and commencement

1. This Act may be cited as the Constitution of the Republic of Singapore (Amendment) Act 2008 and shall come into operation on such date as the President may, by notification in the *Gazette*, appoint.

Amendment of Article 21

2. Article 21(3) of the Constitution of the Republic of Singapore (referred to in this Act as the Constitution) is amended by inserting, immediately after the words “22D(2) and (6),” ,“142(1A),”.

Amendment of Article 142

3. Article 142 of the Constitution is amended —

(a) by inserting, immediately after clause (1), the following clauses:

“(1A) Notwithstanding clauses (1C) and (2), where —

- (a) before the start of any financial year, the President, acting in his discretion, concurs with the advice of the Minister responsible for finance on the long-term real rates of return which are expected to be earned on the respective components of the relevant assets (referred to in this Article as the expected long-term real rates of return); and
- (b) the Minister responsible for finance thereafter certifies under his hand to the President the spending limit for that financial year, specifying an amount which shall not be more than 50% of the total of all amounts ascertained by applying the expected long-term real rates of return so agreed under paragraph (a) for that financial year on the respective components of the relevant assets,

any reference in this Part to the reserves not accumulated by the Government during its current term of office shall exclude those reserves equal to the amount so certified.

(1B) Any provisional certificate on the spending limit for a financial year issued by the Minister responsible for finance under clause (1A)(b) at any time during the financial year shall have the same effect as if it is a final certificate on the

spending limit for the financial year until it is superseded by the issue of the final certificate on the spending limit for that same financial year.

(1C) In addition to clause (2), the net investment income and realised capital gains that are —

- (a) directly attributable to the relevant assets; and
- (b) received by the Government during a financial year in any current term of office of the Government,

shall for the purposes of this Part accrete and be deemed to form part of the past reserves of the Government with effect from the date of the receipt thereof.”;

- (b) by inserting, immediately after the words “past reserves of the Government” in clause (2)(b), the words “not comprised in the relevant assets”;
- (c) by inserting, immediately after the words “past reserves of the Government” where they first appear in clause (3), the words “not comprised in the relevant assets”; and
- (d) by deleting the definition of “past reserves of the Government” in clause (4) and substituting the following definitions:

““past reserves of the Government” means the reserves not accumulated by the Government during its current term of office, including accretions thereto deemed under clauses (1C) and (2) to be part thereof, but less such amount that is certified under clause (1A)(b) or such amount adjusted pro-rata based on the period a financial year falls partially within any current term of office of the Government;

“real rate of return” means an annual percentage of return on investment of relevant assets of the Government adjusted for changes in prices due to inflation or deflation and after deducting all expenses arising from or incidental to investing and managing the relevant assets;

“realised capital gains”, in relation to any relevant assets, means all proceeds realised from the disposition of the relevant assets less all costs and expenses arising from

or incidental to the disposition, purchase or conversion of the relevant assets, and includes any realised capital losses;

“relevant assets” means all of the following:

- (a) the total net assets managed by the Government of Singapore Investment Corporation Pte. Ltd. and all its wholly-owned subsidiaries (including those with registered offices outside Singapore) as fund managers for the Government, for any company wholly-owned by the Government and for all the wholly-owned subsidiaries of such a Government company;
- (b) such moneys of the Government as the Monetary Authority of Singapore receives from the Government as banker to the Government; and
- (c) the excess of the assets of the Monetary Authority of Singapore over its liabilities, being assets and liabilities not directly attributable to the Government, and being not already comprised in paragraph (b),

less the following liabilities:

- (i) the total liabilities of the Government that is attributable to its borrowings under the Government Securities Act (Cap. 121A) and the Local Treasury Bills Act (Cap. 167); and
- (ii) the total liabilities of the Government that is represented by any Government Fund (other than a Government Fund required by written law to be held, managed and administered separately from other Government funds) established by a public Act for special purposes and not already comprised in paragraph (i).”.

Amendment of Article 144

4. Article 144(3) of the Constitution is amended by deleting paragraph (c).