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Home Affairs Uniformed Services Superannuation (Amendment) Bill

Bill No. 28/2019.

Read the first time on 7 October 2019.

A BILL

i n t i t u l e d

An Act to amend the Home Affairs Uniformed Services
Superannuation Act (Chapter 126B of the 2012 Revised Edition).

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 is the Home Affairs Uniformed Services Superannuation (Amendment) Act 2019 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

Amendment of section 2

2. Section 2 of the Home Affairs Uniformed Services Superannuation Act (called in this Act the principal Act) is amended —

(a) by deleting the words “Police (Senior) Service or the Police (Junior) Service” in the definition of “police officer” and substituting the words “Police Service”; and

(b) by inserting, immediately after the definition of “prison officer”, the following definition:

““public authority” means a body established or constituted by or under a public Act to perform or discharge a public function;”.

Amendment of section 4

3. Section 4(1) of the principal Act is amended by deleting the words “Police (Senior) Service, the Police (Junior) Service” in paragraph (b) and substituting the words “Police Service”.

Amendment of section 12

4. Section 12 of the principal Act is amended by inserting, immediately after subsection (3), the following subsection:

“(3A) The Fund must be held, managed and administered separately from other Government funds.”.

Amendment of section 15

5. Section 15 of the principal Act is amended by inserting, immediately after subsection (3), the following subsection:

“(4) In this section —

“derivatives contract” has the meaning given by section 2(1) of the Securities and Futures Act (Cap. 289);

“effective management”, for an investment portfolio, includes — 5

(a) the efficient exposure of the portfolio to certain assets or classes of assets;

(b) the diversification of investments within the portfolio; 10

(c) the reduction of costs relating to the portfolio; or

(d) the enhancement of the value of, or the returns on, the portfolio;

“investments” means —

(a) the acquisition of assets, or interests in assets, with the expectation of obtaining returns (whether in the form of capital or income) on such assets or interests; or 15

(b) the use of financial products (including, without limitation, any derivatives contract) or the entering into financial arrangements for the purposes of effective management of an investment portfolio.”. 20

New sections 20A and 20B

6. The principal Act is amended by inserting, immediately after section 20, the following sections: 25

“Ability to delegate, etc.

20A.—(1) The Board may delegate the performance or exercise of any of its functions or powers, either generally or specially, subject to the conditions or restrictions it thinks fit, to any of the following persons: 30

(a) a trustee;

- (b) a public officer;
- (c) an employee of a public authority;
- (d) an agent, a consultant or an investment manager appointed or engaged under section 20(2).

5 (2) A delegation by the Board under subsection (1) of the performance or exercise of any of its functions or powers to a person (called in this Act a delegate) must be made by —

- (a) resolution of the Board; and
- (b) written notice given to the delegate.

10 (3) A delegation by the Board under subsection (1) of the performance or exercise of any of its functions or powers to a delegate mentioned in subsection (1)(d) may authorise that delegate to subdelegate the performance or exercise of the function or power to an appropriately qualified employee or
15 contractor of that delegate (called in this Act a subdelegate).

(4) A subdelegation by a delegate under an authorisation given to the delegate under subsection (3) must be subject to the same conditions or restrictions imposed on the delegate under subsection (1) (called in this section the original conditions or
20 restrictions), except that the delegate may —

- (a) modify any of the original conditions or restrictions to apply a more stringent form of that condition or restriction to the subdelegate; or
- (b) impose on the subdelegate any additional condition or
25 restriction not inconsistent with the original conditions or restrictions.

(5) Subsections (1) and (3) do not apply to any function or power that is declared by this Act or any other written law to be non-delegable.

30 (6) A subdelegate to whom a function or power of the Board is subdelegated under an authorisation given to a delegate under subsection (3) is not authorised to further delegate that function or power to anyone else.

(7) A delegation or subdelegation in accordance with this section is not affected by any change in the membership of the Board.

Board's delegates and subdelegates

20B.—(1) A delegate (or subdelegate) who purports to perform a function or exercise a power of the Board under delegation (or subdelegation) —

(a) is taken to do so in accordance with the terms of the delegation (or subdelegation) under section 20A, unless the contrary is shown; and

(b) must produce evidence of the delegation (or subdelegation), if reasonably requested to do so.

(2) Every delegate and subdelegate of the Board is, when performing any function or exercising any power of the Board, taken to be —

(a) a public servant for the purposes of the Penal Code (Cap. 224); and

(b) a public officer for the purposes of the Financial Procedure Act (Cap. 109), and section 20 of that Act applies to each of these persons even though they are not or were not in the employment of the Government.”.

EXPLANATORY STATEMENT

This Bill seeks to amend the Home Affairs Uniformed Services Superannuation Act (Cap. 126B) —

(a) to broaden the range of investments that the INVEST Fund (a pension fund established under the Act) may engage in;

(b) to provide for the delegation of the functions and powers of the Board of Trustees appointed under the Act to administer and manage the INVEST Fund (the Board);

- (c) to provide for the separate administration of the INVEST Fund from other Government funds; and
- (d) to make miscellaneous amendments to the Act.

Clause 1 relates to the short title and commencement.

Clause 2 amends section 2 (on definitions) to update the definition of “police officer”, and to define the expression “public authority” which is used in the Bill.

Clause 3 amends section 4 (on conversion of existing officers to INVEST Plan) to update references to the Police Service.

Clause 4 amends section 12 (on establishment of INVEST Fund) to provide that the INVEST Fund is to be administered separately from other Government funds.

Clause 5 amends section 15 (on investment) to broaden the range of investments that the Board may engage in for the INVEST Fund. The Board’s current investment powers under that section are viewed as being limited to traditional investment types such as stocks and securities. The clause expands the meaning of the expression “investments” to enable the Board to engage in the use of other financial products or arrangements (such as derivatives) for effective management of its investment portfolios.

Clause 6 inserts new sections 20A and 20B.

The new section 20A enables the Board to delegate its functions or powers, either generally or specially, to any of the following persons (a delegate):

- (a) a trustee (i.e., a member of the Board);
- (b) a public officer;
- (c) an employee of a public authority (as defined under clause 2);
- (d) an agent, a consultant or an investment manager appointed or engaged by the Board under section 20(2).

A delegation must be made by resolution of the Board and by written notice given to the delegate.

The Board may impose conditions or restrictions when making a delegation, and the delegate to whom those conditions or restrictions apply is bound by them.

When the Board delegates any of its functions or powers to an agent, a consultant or an investment manager appointed or engaged under section 20(2), the Board may authorise that delegate to subdelegate that function or power to an appropriately qualified employee or contractor of that delegate (a subdelegate). A subdelegate cannot further delegate that function or power to anyone else.

Generally, a subdelegate is subject to the same conditions or restrictions (the original conditions or restrictions) as the delegate who made the subdelegation. However, the delegate may modify any of the original conditions or restrictions to make its application more stringent for the subdelegate, or impose on the subdelegate any additional condition or restriction which is not inconsistent with the original conditions or restrictions.

The new section 20B provides for the validity of the actions of a delegate and subdelegate, and what a delegate and subdelegate must do.

The new section 20B also provides that all delegates and subdelegates, when performing or exercising the Board's functions or powers, are public servants for the purposes of the Penal Code (Cap. 224) and public officers for the purposes of the Financial Procedure Act (Cap. 109). Section 20 of the Financial Procedure Act (on disciplinary punishment for loss of public moneys, etc.) applies to these persons even though they are not or were not in the employment of the Government.

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.
