



MAS 761

13 September 2010

NOTICE TO PRIMARY DEALERS
GOVERNMENT SECURITIES ACT, CAP 121A

OBLIGATIONS OF PRIMARY DEALERS

1 Scope

This Notice is issued pursuant to section 29C of the Government Securities Act (Cap 121A) (“the Act”), and governs the roles and responsibilities of primary dealers in the Government securities market. This Notice applies to all primary dealers.

2 Definitions

2.1 In this Notice –

“effective two-way price” in relation to a Government securities transaction, means a dual price quotation which would include both a bid price and an offer price that a primary dealer will honour for a particular Government security;

“Government securities” means the stocks, bearer bonds, book-entry Government securities or other securities which may be issued under the Act.

2.2 The expressions used in this Notice shall, except where expressly defined in this Notice or where the context otherwise requires, have the same respective meanings as in the Act.

3 Participation in Government Securities Auctions

3.1 A primary dealer shall apply to take up Government securities in every invitation by public notice to take up such securities under the Act.

3.2 At every Government securities auction, a primary dealer shall apply for at least $\frac{1}{x}$ of the Government securities issuance amount, where x is the number of primary dealers in the First Schedule of the Government Securities Regulations.

4 Market Making

4.1 A primary dealer shall quote effective two-way prices for every Government securities sale and repurchase agreement and every outright Government securities purchase or sale transaction, under all market conditions, when requested to by another counterparty.

5 Effective Date

This Notice shall take immediate effect.