



FOR IMMEDIATE RELEASE

MEDIA RELEASE

**COMMISSIONER OF CHARITIES SEEKS VIEWS ON TIGHTENING THE
REGISTRATION OF CHARITIES**

1. The Commissioner of Charities (COC) is seeking views from the public and charities on tightening the registration of charities.
2. In the Charities (Amendment) Bill which has just been tabled in the Parliament in November 2006, the COC would be given power to refuse registration of an organisation as a charity or remove an organisation from the register of charities. This is to protect public interest by ensuring only bona fide organisations are registered as charities. The COC's office is also considering the following proposals to tighten the charity registration process:
 - i. Increase the rigour of assessment of charity applications
 - ii. Monitor newly registered charities more closely
 - iii. Specify conditions for registration and de-registration
3. In making these proposals, the COC's office is mindful of the need to refrain from over-regulation so as not to stifle the charity sector. The COC has written to charities and Institutions of a Public Character to seek their views. The public can comment on these proposals at <http://www.reach.gov.sg> from now till **24 December 2006**.
4. Under the Charities Act, it is mandatory for an organisation which is set up exclusively for charitable purposes to be registered with the Commissioner of Charities (COC) within three months of its establishment. The organisation has to submit an application form which captures basic information on the organisation. The COC's office is currently developing a Charity Portal so as to facilitate online registration of charities, among other functions, by early next year. The registration process will be streamlined such that organisations are not required to submit multiple copies of the same information to different government agencies to register a charity.

Issued by:
Commissioner of Charities
Ministry of Community Development, Youth and Sports
24 November 2006

Attachment: Consultation paper on tightening the registration of charities

TIGHTENING REGISTRATION OF CHARITIES

CURRENT CHARITY REGISTRATION REQUIREMENTS

1. Currently under the Charities Act, it is mandatory for an organisation which is set up exclusively for charitable purposes to be registered with the Commissioner of Charities (COC) within three months of its establishment. The organisation has to submit an application form which captures basic information on the organisation. This includes information on the charity's objects, activities and particulars¹ of the charity trustees. They will also have to submit their governing instrument (i.e. Memorandum and Articles of Association, Constitution, Trust Deed, etc.) and the latest set of audited Statements of Accounts² if available. If the governing instrument and the relevant documents are in order, the COC's office will proceed to approve the registration. Subsequently the charity trustee is notified of the application outcome along with the charity registration number.

2. To ensure only bona fide organisations are registered as charities, the COC's office is putting forth the following proposals to tighten the charity registration process. In making these proposals, the COC's office is mindful of the need to refrain from over-regulation so as not to stifle the charity sector.

PROPOSALS

Proposal 1: Increase the rigour of assessment of charity applications

Enhanced Registration Form Requirements (Currently on trial – refer to Annex A)

3. Currently an organisation provides only basic information at the point of registration. While this ensures ease of registration, it does not enable the COC's office to conduct a more thorough evaluation of the application. Hence it is proposed that the charity registration form be expanded to include the following additional information:

- i. **Declaration of trustees' age, occupation, previous experience in running a charity and relevant qualifications** (e.g. highest academic qualification obtained) – As trustees have the general control and management of the administration of the charity, it is important to ascertain their general background to assess their suitability.
- ii. **Declaration of any remuneration or benefit received by the trustees directly or indirectly from the charity** – Generally, charity trustees are not expected to receive any salary in respect of their voluntary services as

¹ Names, I.C No., address, position held in committee, date of appointment.

² This is applicable only to organisations which have already been operating for some time.

trustees. However, they may be reimbursed reasonable and out-of-pocket expenses from the charity's income. A charity trustee should therefore declare this information if he/she is in a position where any personal interest may conflict with his/her role as a charity trustee.

- iii. **More information on the charity's activities (which also include their fund-raising plans) and disbursement plans for public funds raised –** With charities becoming more complex, there is a need for the COC's office to understand in more detail the nature of their plans and activities. For example, charities planning to raise funds from the public should show how they intend to use the funds in accordance to their intended charitable purposes and not hoard them.

Developing guidelines on the use of names for new charities

4. Currently, the Registry of Societies (ROS) and Accounting and Corporate Regulatory Authority (ACRA) have guidelines on names of societies, companies and businesses. These include a list of words that cannot be used in the name of a society without the prior approval and support from the relevant authorities (refer to Annex B). These include "Singapore" and "National". The guidelines also disallow vulgar, undesirable names or names already in use by another business or organisation.

5. To prevent the misuse of certain words that will convey the wrong impression to the public, it is proposed that additional guidelines be developed to tighten the approval of names of new charities. They are as follows:

- i. Allow the use of the word "Foundation" only if the organisation is financed by a donation or legacy to aid the organisation's intended charitable purposes or an endowment for such organisation; and
- ii. Allow the use of word "International" only if the organisation has objects and activities serving beyond local geographical boundaries.

Alerting new charities of similar services or names with existing charities

6. To ensure more efficient use of charitable resources in the charity sector, it is proposed that the COC's office alert new applicants on possible overlaps in services or names with existing charities before assessing their applications. The COC's office will advise the applicant, for instance, to reconsider its governing instrument if the objects and activities are similar to that of an existing charity or to collaborate with other existing charities.

Assessing the trustees' capability before allowing multiple registrations

7. For multiple registration applications submitted by an individual trustee or a group of trustees, the COC's office will assess the trustees' experience based on the

regulatory performance of their previous charity or charities if any. For trustees with no prior experience, the COC's office may interview them to seek further clarifications.

Proposal 2: Monitor newly registered charities more closely

8. It is proposed that newly registered charities be required to submit semi-annual reports during the first year of their operations. These reports are not full-scale financial reports but requests for information or clarifications by the COC specific to the charity.

Proposal 3: Specify conditions for registration and de-registration

9. Currently, any organisation set up for charitable purposes must register itself as a charity with the COC within three months of the charity's establishment. The COC cannot refuse registration of organisations set up exclusively for charitable purposes. This may inadvertently lead to suspect organisations getting registered.

10. Hence the COC will be given discretionary powers to refuse registration of applicants as charities and to de-register³ existing charities. Annex C specifies the set of conditions by which the COC can refuse registration of an applicant and to de-register an existing charity.

CONCLUSION

11. The COC's office will like to seek public feedback on the above proposals, including Annex C, to tighten the registration of charities. Kindly provide your comments in the feedback form below.

Attachments

- Annex A – Enhanced Charity Registration Form
- Annex B – Guidelines on the use of names of societies by the Registry of Societies
- Annex C – Proposed conditions by which the COC can refuse registration of a new charity or de-register an existing charity

³ Under S5(3) of the current Charities Act, a charity can only be de-registered if there is a change in its purposes, or if it does not exist anymore, or if it has ceased to operate.

ENHANCED CHARITY REGISTRATION FORM (new items highlighted in bold italics)

Commissioner of Charities

APPLICATION FOR REGISTRATION AS A
CHARITY

Please get ready the following information to fill in the form:

- a. Governing instrument (Constitution, Memorandum & Articles of Association, Rules & Regulations or Trust Deed);
- b. Statement of Accounts for last 3 financial years, if available; and
- c. Particulars of all charity trustees.

Part A – PARTICULARS OF ORGANISATION			
1) Name of organisation			
2) Postal address			
3) Legal entity (Attach certified true copy of governing instrument) <input type="checkbox"/> Society <input type="checkbox"/> Company limited by guarantee <input type="checkbox"/> Quasi-Govt Organisation <input type="checkbox"/> Trust <input type="checkbox"/> Others			4) Date of establishment
5) RCB/ROS registration No. (If applicable)	6) Website address	7) Beneficial area _____ % in Singapore _____ % outside Singapore	
8) Name of contact person	9) Email address	10) Telephone No.	11) Fax No.
12) Annual income and main sources of funds (Attach certified true copies of statements of accounts for the last 3 financial years if available)			
13) Main objective(s) of the organisation			
14) Information on activities carried out by the organisation to attain its objectives. Note: Detailed plans of activities which also include fundraising plans (if any), to be carried out within the first two years of establishment should be provided. Applicants should also state the fund disbursement plans [i.e. please specify the period and method of disbursement of funds raised to the beneficiaries/ charitable causes]. Use separate sheet if necessary			

<p>15) Are the activities or programmes of the organisation open to the public or confined only to members or sectional interest group?</p>		
<p>16) Is the organisation affiliated to any other organisation in Singapore or overseas and the nature of affiliation (if any)?</p>		
<p>17) Are fees charged for the activities / programmes?</p>		
<p>18) Particulars of charity trustees i.e. Directors, Members of Executive / Management committee, Trustees, Board Members. <i>(PI fill in the necessary information in the Annex attached)</i></p> <p><i>Generally, charity trustees are not expected to receive any salary in respect of their voluntary services as trustees. However, they may be reimbursed reasonable and out-of-pocket expenses from the charity's income. A charity trustee should therefore declare this information if he/she is in a position where any personal interest may conflict with his/her role as a charity trustee. Hence we will like to know if any of the trustees will receive remuneration (such as salary, fees and allowances).</i></p> <p>19) Will any trustees receive any remuneration or benefit directly or indirectly from the charity? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If <u>yes</u>, please provide the details:</i></p>		
<p>20) Address of land / buildings occupied for charitable purposes <i>(State whether owned or rented)</i></p>	<p>21) Address of other land / buildings owned by charity <i>(State the use)</i></p>	
<p>Part B – DECLARATION (To be made by Chairman / Board Member / Trustee)</p>		
<p>I hereby declare that the information given in this form and in any documents attached is true, correct and complete.</p>		
<p>_____</p> <p>Name</p>	<p>_____</p> <p>Designation</p>	<p>_____</p> <p>NRIC No.</p>
<p>_____</p> <p>Signature</p>	<p>_____</p> <p>Date</p>	

(Attached Annex for Charity Registration Form – new requirements highlighted in italics)

PARTICULARS OF CHARITY TRUSTEES

No.	Name	Designation	NRIC	Age	Highest Education Level	Occupation	Experience in Charity [#] (Y/N)	Address	Date of Appt	Relationship*

Experience in charity – this refers to the trustee's experience as a Board member or Committee member of another existing registered charity
 * Relationship – state relationship between each charity trustee [e.g. Family (Spouse, Brother etc.), business, etc)

ROS Guidelines for Names of a Society

The society's proposed name should not be the same or similar to that of another society or company/business that is already registered. Below are some examples of similar names that ROS may not allow:

- Hope Friendship Centre vs Hope Friendship Services
- Outdoor Trekkers Club vs Outdoor Trekking Club
- Revival Faith Fellowship vs Revival Centre Fellowship

The name of the society must be spelt out in full. Acronyms/abbreviations are not encouraged.

Please provide a letter of support from the relevant authorities if you are using any of the following words as part of the name of the proposed society.

"Academy"

"Asean"

"College" (with exception of an alumni)

"Council"

"Government"

"Institute" (with exception of an alumni)

"Lion City"

"Merlion"

"Ministry"

"National"

"Raffles"

"Republic"

"Registry"

"State"

"Stamford Raffles"

"Temasek"

Similarly, please provide a letter of support from the relevant authorities if a name of a country is used as part of a society's name.

The word "Singapore" or its abbreviation is allowed to be used within brackets at the end of the society's name, eg. ABC Society (Singapore) to indicate the society's place of registration.

The word "The" shall not be used as the first word in the name of the society, eg. The ABC Society. You can name the society as "ABC Society, The" instead.

PROPOSED CONDITIONS FOR COMMISSIONER OF CHARITIES TO REFUSE REGISTRATION OF NEW APPLICANTS AND TO DE-REGISTER EXISTING CHARITIES (For Public Feedback)

Conditions for Refusal of Registration of New Applicants

It is proposed that the Commissioner may refuse to register a charity if:

- (a) the charity is a branch of or is affiliated to or connected with any charities which has been dissolved/ removed/ de-registered/ suspended or under any previous written law relating to charities or which has been previously refused registration;
- (b) the charity is in aid of a charitable purpose or institution that is illegal, fictitious or objectionable on grounds of public policy;
- (c) the charity is not yet incorporated with the Accounting and Corporate Regulatory Authority if it were to be established as a company; or the charity is not yet registered with the Registry of Societies if it were to be established as a society; or the Trust instrument is not yet executed if it were to be set up by trust deed;
- (d) the charity does not have approval from the Urban Redevelopment Authority or other relevant authorities for the use of premises for the intended charitable purpose;
- (e) the rules or plans of the charity are insufficient to provide for its proper management and control;
- (f) the application has not been made on duly completed prescribed forms, which could be prescribed as an online application on the upcoming Charity Portal in future;
- (g) the charity is unable to furnish detailed plan of activities to be carried out or funds disbursement plan, whichever applicable, for the furtherance of the charitable objects;
- (h) the charity has furnished false information to the Commissioner in the application;
- (i) the charity has not taken steps to amend its governing instrument to comply with regulatory requirements;
- (j) the charity does not have or plans to have any activity which benefits the community in Singapore;
- (k) the charity does not have at least two trustees who are Singaporeans or Singapore Permanent Residents;
- (l) the charity trustees concurrently applying for or had recently applied for registration under Section 5(6) of the Act for more than a charity having similar objects or otherwise; or
- (m) the charity refuses to amend the name of the organisation as directed by the Commissioner under Section 7 of the Charities Act.

Conditions for De-registration

It is proposed that a charity may be removed from the register if –

- (a) the charity does not have the continued approval from Urban Redevelopment Authority or other relevant authorities for the use of premises for its charitable purpose;
- (b) the Commissioner is of the opinion that the charity has failed, without reasonable justification, to carry out activities in furtherance of its charitable objects;
- (c) the charity is being used for unlawful purposes or for purposes prejudicial to public peace, welfare or good order in Singapore;
- (d) the registration of the charity has been procured by fraud or misrepresentation;
- (e) the specified charity is a branch of or is affiliated to or connected with any charities which has been dissolved/ removed/ de-registered/ suspended or under any previous written law relating to charities or which has been previously refused registration; or
- (f) the charity has wilfully contravened the following:
 - (i) its governing documents, or
 - (ii) failed to comply with written instructions issued by the Commissioner.