

PRESS RELEASE

TOTAL TAX DEDUCTIBLE DONATIONS TO CHARITIES EXCEEDS \$1B IN 2012

1 The Commissioner of Charities (COC) in its latest annual report released today highlighted that the total tax deductible donations to charities exceeded \$1 billion in 2012. Other highlights in COC's report included its amendment of the charity regulations to better protect charities and donors, and the inaugural Charity Governance Awards to recognise charities for their governance efforts.

Record in Charitable Giving

2 Deputy Prime Minister Tharman Shanmugaratnam during the Budget Debate 2013 had announced that the total amount of tax-deductible donations to local Institutions of a Public Character (IPCs) increased by 12 per cent from \$896 million in 2011 to a record \$1 billion in 2012. This is the highest amount received in the last 10 years. This was due to the higher contributions made to the charity sector by corporations and members of public in 2012. Corporate and individual donations rose 16 per cent and 13 per cent respectively.

Increased Accountability and Financial Transparency

3 Following the Charities Act Amendment Bill that was passed in Parliament in 2010, the COC's Office has amended the charity regulations to better protect charities and donors. Measures are now in place to better manage the conduct of commercial and third-party fund-raisers and commercial participators via the Charities (Fund-raising Appeals for Local and Foreign Charitable Purposes) Regulations. In addition, commercial fund-raisers or participators will not be allowed to use terms such as "charitable organisation" to represent themselves, as the latter specifically refers only to charities that are set up exclusively for charitable objects. The key changes include:

- a. Require commercial fund-raisers and participators to have a written agreement with their beneficiary charity on the fund-raiser's remuneration and the timeframe within which the proceeds must be transferred to the charity;
- b. Require a commercial fund-raiser or participator to state its identity as a commercial entity and;
- c. To clearly indicate in its solicitation materials (e.g. brochures and websites) the proportion of the proceeds raised that will be for charitable purposes.

4 To increase financial transparency in the charity sector, the COC's Office has also amended the Charities (Accounts and Annual Report) Regulations to require externally audited charities to post a summary of their financial information on the Charity Portal. To improve accessibility for the public, the financial statements of all charities will also be made available on the Charity Portal shortly.

Charity Governance Awards

5 In November 2012, the Charity Council successfully launched the inaugural Charity Governance Awards to recognise charities for their governance efforts, while inspiring others to emulate their best practices. The Singapore Association for Mental Health and the Society for the Physically Disabled emerged the winners, and are serving as ambassadors of good governance and role models for other charities.

Going Forward

6 The COC Office will continue in its efforts to improve governance, accountability and transparency in the charity sector. We will also closely engage charities and IPCs to enhance their access, along with the public's, to information on Singapore's charity sector via the Charity Portal.

7 The COC Annual Report is available for reference on the Charity Portal (<http://www.charities.gov.sg>).

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