

## **PRESS STATEMENT - CLOSE OF PUBLIC CONSULTATION ON BUDGET 2007 PHILANTHROPY INITIATIVES**

The Ministry of Finance (MOF) and the Ministry of Community Development, Youth and Sports (MCYS) released a public consultation paper on 18 July 2007 to seek feedback from the public on the implementation details for the following Budget 2007 changes to promote philanthropy:

- a) ***The 80:20 fund-raising rule that applies to fund-raising appeals for foreign charitable causes will be waived for private donations raised by approved entities, but retained for donations raised from the general public.*** Approved entities will no longer need to spend in Singapore at least 80% of the private donations raised. This will better support the charitable work of reputable charitable organisations and grantmakers with an international or regional orientation, while ensuring that funds raised from the general public goes primarily towards benefiting the Singapore community. This initiative will take effect immediately.
- b) ***Allow double tax deductions for donations to qualifying grantmaking philanthropic organisations as long as the donations are channelled to Institutions of a Public Character (IPCs) in Singapore.*** Donors will no longer need to donate directly to a local IPC to enjoy double tax deduction on their donations. They may choose to donate through an intermediary who can facilitate a more structured and sustained form of giving to local IPCs. This initiative will take effect for donations made on or after 1 January 2008.

2 Members of the public were invited to give their views on the following implementation details:

- a. The proposed distinction between private donations and donations raised from the public under the 80:20 fund-raising rule; and
- b. The proposed conditions to be applied to grantmaking philanthropic organisations that are allowed to issue double tax deduction receipts to donors for donations that are subsequently channelled to local IPCs.

3 At the close of the consultation exercise on 17 August 2007, 23 responses were received. A number of the respondents had suggested the following:

- a. Abolish the 80:20 fund-raising rule for foreign charitable causes entirely;

- b. Remove or relax the 2-year timeframe requirement for disbursement of donations that apply to grantmakers that have opted to grant DTD at the point of receipt of the donation; and
- c. Relax the requirement for a minimum percentage of funds to be disbursed annually that apply to grantmakers that have opted to grant DTD at the point of disbursement of the donation to the IPC;

4 MOF and MCYS have reviewed the feedback and accepted two of the above suggestions. These include relaxing the timeframe requirement for disbursement of donations by grantmakers from the previously proposed 2 years to 5 years, and removing the requirement for grantmakers to disburse a minimum percentage of funds annually. For those comments that were not accepted, MOF and MCYS have explained the rationale for not accepting these suggestions in our summary of responses to the consultation exercise.

5 MOF and MCYS thank all respondents for their interest and contributions. MOF's and MCYS's responses to the major feedback received and the finalised implementation details for the philanthropy changes can be found on the MOF website <[www.mof.gov.sg](http://www.mof.gov.sg)> and the MCYS's Charity Portal <[www.charities.gov.sg](http://www.charities.gov.sg)>.

**MINISTRY OF FINANCE**

**and**

**MINISTRY OF COMMUNITY DEVELOPMENT, YOUTH AND  
SPORTS**

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