

PRESS RELEASE

GUIDANCE FOR CHARITIES ENGAGING IN BUSINESS ACTIVITIES

Business activities must not put charities' assets at risk

As part of a wider effort to help charities improve their governance, the Office of the Commissioner of Charities has issued guidance for charities which are engaging or intend to engage in business activities.

2 Some charities engage in business activities to generate additional income or to provide goods or services for their members or clients. The guidance aims to provide greater clarity to charities on when and how they may engage in business activities. It also provides advice on when business subsidiaries should be set up to conduct such activities.

3 Mr Low Puk Yeong, the Commissioner of Charities, said, "It is essential that business activities do not undermine a charity's focus or distract it from its exclusively charitable purpose. In addition, they should not expose the charitable assets to significant risk. "

4 As with other investment decisions, it is the responsibility of a charity's board members to be prudent in making the assessment. "Ultimately, charity boards are responsible for the proper use of their charities' assets and resources, and are accountable for their investment decisions," added Mr Low. However, if necessary, the Commissioner of Charities can direct a charity to cease funding or to terminate its business activities, in order to protect its charitable assets.

The guidance is posted on the Charity Portal
<<http://www.charities.gov.sg>> for public reference.

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