

MEDIA RELEASE

OFFICE OF COMMISSIONER OF CHARITIES SEEKS PUBLIC VIEWS ON PROPOSED AMENDMENTS TO CHARITIES ACT

The Office of the Commissioner of Charities is seeking views from the public and the charity sector on the proposed amendments to the Charities Act.

2 The current Charities Act was amended in 2006 and brought into effect on 1 March 2007. In addition, five new regulations were introduced in 2007. To facilitate and further enhance the levels of governance and accountability in the charity sector, the Commissioner of Charities is proposing to further amend the Charities Act to serve the following objectives:

(i) To provide clarity on the roles and responsibilities of board members and protect them from personal liability if they have acted honestly and in good faith. This will equip volunteer board members on what is expected of them and to give them peace of mind in the discharge of their duties.

(ii) To protect public interest by giving the Commissioner of Charities the power to regulate IPCs in the same manner as he regulates charities. Currently the powers of the Commissioner over IPCs are confined only to the revocation and suspension of the IPC status. Given that IPCs raise funds directly from the public and the donations they receive enjoy double tax deduction, the Commissioner should have the power to institute inquiry and invoke protective authorities to suspend and remove board members where there are mismanagement and misconduct in the administration of the IPC. In addition, the Commissioner would be given the power to require any fund-raisers, not just registered charities and IPCs, to furnish him with information necessary for the investigation into complaints pertaining to fundraising.

(iii) To effect changes arising from the setting up of the Accounting Standards Council (ASC). Under the ASC, clear accounting and auditing standards will be developed and prescribed to enable charities and IPCs to be more accountable to their stakeholders via their financial statements and annual reports.

3 The details of the proposed amendments to the Charities Act are set out in the attached consultation paper.

4 Commissioner of Charities Mr Low Puk Yeong, said, "It is important that the Charities Act is updated regularly to reflect the changes in the charity landscape in

Singapore. However, while we have to continue to focus on legislation and regulations to ensure certain minimum standards and accountability are met, going forward, more emphasis should be placed on good governance and self-regulation. We hope to encourage capable and well-meaning individuals to continue to come forward to serve on charity boards. Hence, a key proposed change to the Charities Act is the clarification of board governance roles and the explicit clauses to protect volunteer Board members from personal liability for breach of trust or duty if they have acted honestly and reasonably.”

5 Members of the public can comment on the proposed amendments **from Thursday 4 September 2008 till Friday 3 October 2008** on the following websites:

- a) Charity Portal at <http://www.charities.gov.sg>
- b) REACH Portal at <http://www.reach.gov.sg>

Office of the Commissioner of Charities
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Attachment:
Consultation Paper on Proposed Amendments to the Charities Act and Annex

Name: Ms Yvonne Lum
DID: 63548174
Email: yvonne_lum@mcys.gov.sg