COMMISSIONER OF CHARITIES
ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015
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2015 was the Golden Jubilee year for our nation. It was also a fruitful year for the charity sector. We have made progress in strengthening the governance and accountability of charities, bolstered by strong public support for charitable giving.

2 Tax deductible donations rose by more than 24%, from $1.1 billion in 2014 to $1.4 billion in 2015. This was spurred by the increase in tax deduction from 250% to 300% for qualifying donations in 2015 to encourage the spirit of philanthropy and charitable giving. While the Social & Welfare, Education and Health sectors continue to account for 80% of these donations, contributions to the Arts & Heritage sector nearly tripled to close to $150 million in 2015. This substantial increase in donations can be attributed to the raising of the lifetime funding cap for each organisation under the Cultural Matching Fund\(^1\), from $10 million to $15 million in 2015.

3 I am heartened by the public’s strong support for the charity sector, which is not limited to charitable giving. In 2015, the Charity Council established many new collaborations with various agencies from the people and private sector - all with the common goal to help strengthen governance standards and capabilities of our charities. This included joint initiatives with the Institute of Singapore Chartered Accountants, the Chartered Institute of Management Accountants, Chartered Secretaries Institute of Singapore, the Singapore Management University and the NUS Centre for Social Development Asia.

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\(^1\) The Cultural Matching Fund was set up by the Ministry of Culture, Community and Youth in 2013 to provide dollar-for-dollar matching grants for cash donations to Arts & Heritage charities and IPCs.
One of the key initiatives in 2015 was the Charity Transparency Framework (CTF). My Office worked closely with the Charity Council in developing the CTF, which served to enhance disclosure and governance practices for charities. Charities with exemplary disclosures efforts will be recognised at the inaugural Charity Transparency Awards in September 2016.

Since 2014, my Office has made the charities’ financial statements available for public viewing via the Charity Portal. With effect from December 2015, the public can also access the Annual Reports of all charities and Governance Evaluation Checklist of charities to which the Code of Governance applies. This has engendered greater transparency and accountability in the sector, and will help the public make more informed decisions in giving and volunteering.

Terrorism and the threat of terrorist attacks are global challenges which the international community is committed to resolving. Anecdotal evidence in recent years indicates that some charities are more vulnerable to exploitation for terrorism or terrorist financing (TF). As part of the efforts to sensitise charities to the risks of such abuse, my Office published a guide “Protecting Your Charity Against Money Laundering and Terrorist Financing” in May 2015. My Office also held targeted engagement sessions with charities to raise their understanding of the safeguards and due diligence measures to protect them from such risks. Strong co-ordination networks are also established between my Office and the law enforcement and Intel agencies to facilitate information sharing and inter-agency collaboration.

My Office will continue to apply focused and proportionate measures, in line with a risk-based approach, to protect the sector from any potential abuse. The measures will take into consideration our local context and the TF risk exposure in Singapore.

Together with the Charity Council, my Office will also continue to strengthen charities’ governance capabilities and promote informed giving among the public. In line with this objective, my Office is also undertaking a review of the Charities Act
and the Code of Governance. My Office will also work closely with the Charity Council and our partners to develop governance toolkits, resources and learning programmes for our charities.

9 It takes a whole orchestra to play a symphony. Likewise, this journey towards good governance cannot be achieved solely by any one party. It needs multiple partners working together. With the continued dedication and support from all stakeholders, I am confident that we will move closer to our shared vision of a well-governed and thriving charity sector.

Low Puk Yeong
Commissioner of Charities
August 2016
A SHARED VISION

A well-governed and thriving charity sector with strong public support
OUR VISION AND STRATEGIES

A thriving charity sector can only be sustained with strong public support. Such support will not be possible unless the sector is well-governed and instils strong public trust and confidence. Together with the Charity Council\(^2\) and the Sector Administrators from the respective agencies, we work closely to roll out initiatives based on the 3 key strategies outlined below so that our shared vision for the sector could eventually be achieved.

**OUR VISION FOR THE CHARITY SECTOR**

A well-governed and thriving charity sector with strong public support

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**Strategy 1**

Promote Good Governance

**Strategy 2**

Ensure Regulatory Relevance and Compliance

**Strategy 3**

Be A Proactive Charity Advisory

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2 The Charity Council was legally appointed on 1 March 2007 after the new Charities Act was brought into operation. The Council comprises 9 members from the people sector and 5 representatives from the Sector Administrators, and aims to fulfil the following roles:

- Promote and encourage the adoption of good governance and best practices, to help enhance public confidence and promote self-regulation in the charity sector
- Build capabilities of charities so that they are able to comply with regulatory requirements and enhance public accountability
- Advise the Commissioner of Charities on key regulatory issues which may have broad-ranging impact on the charity sector
THE CHARITY LANDSCAPE IN SINGAPORE
STATISTICS SNAPSHOT

2,217 Registered Charities in 2015

633 IPCs in 2015

Tax Deductible Donations
2015: $1,361.0 million

$14.6 billion in Annual Receipts

Community: $77.5m
Sports: $137.7m
Arts & Heritage: $883.0m
Health: $921.7m
Social & Welfare: $1,693.2m
Religious: $1,538.9m
Others: $533.0m
Education: $8,794.5m

Govt Grants: $6.94b
Donations: $2.52b
Others: $5.13b

Annual Receipts by Source
In 2015, there were 2,217 registered charities in Singapore, as compared to 2,180\(^3\) in 2014 (Chart 1). Organisations established for exclusively charitable purposes and carrying out activities to achieve these purposes are legally required to apply for charity registration with the Commissioner of Charities. All registered charities get to enjoy income and property tax exemption on premises used exclusively for charitable purposes. We recognise the following categories of charitable purposes:

- a) the relief of poverty;
- b) the advancement of education;
- c) the advancement of religion; and
- d) other purposes beneficial to the community. The following purposes are potentially charitable if they benefit the community:
  - i. the promotion of health;
  - ii. the advancement of citizenship or community development;
  - iii. the advancement of arts, heritage or science;
  - iv. the advancement of environmental protection or improvement;
  - v. the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantages;
  - vi. the advancement of animal welfare; and
  - vii. the advancement of sport, where the sport promotes health through physical skill and exertion.

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\(^3\) This figure excludes exempt charities.
The majority of the charities registered were religious, social and welfare organisations, making up almost two-thirds (66%) of all charities (Table 1). This has been a consistent trend with that of previous years.

**Table 1: Distribution of Charities by Registration Status and Sector**
(As at 31 December 2015)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total Registered</th>
<th>Newly registered charities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Sports</td>
<td>64</td>
<td>2.9%</td>
</tr>
<tr>
<td>Community</td>
<td>88</td>
<td>4.0%</td>
</tr>
<tr>
<td>Education</td>
<td>121</td>
<td>5.5%</td>
</tr>
<tr>
<td>Health</td>
<td>134</td>
<td>6.0%</td>
</tr>
<tr>
<td>Arts &amp; Heritage</td>
<td>137</td>
<td>6.2%</td>
</tr>
<tr>
<td>Social &amp; Welfare</td>
<td>383</td>
<td>17.3%</td>
</tr>
<tr>
<td>Religious</td>
<td>1,070</td>
<td>48.2%</td>
</tr>
<tr>
<td>Others⁵</td>
<td>220</td>
<td>9.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,217⁶</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

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⁴ The figure includes the Institutions of a Public Character (IPCs).
⁵ Charities under “Others” sector include charities set up for animal welfare, environment conservation and youth development.
⁶ This figure is net of charities deregistered in the year.
About half (50.1%) of the registered charities were relatively small, with annual receipts (which included donations, government grants, fees and charges for services rendered) of less than $250,000 (Chart 2). This distribution of charities based on income size is largely similar to that of preceding years.

### Chart 2: Distribution of Charities by Income Size, 2010 - 2014
(Based on Annual Receipts)

<table>
<thead>
<tr>
<th>Percent</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$250k</td>
<td>60.9%</td>
<td>51.3%</td>
<td>50.6%</td>
<td>51.7%</td>
<td>50.1%</td>
</tr>
<tr>
<td>$250k to $500k</td>
<td>8.8%</td>
<td>9.4%</td>
<td>10.8%</td>
<td>9.4%</td>
<td>10.1%</td>
</tr>
<tr>
<td>$500k to $1 mil</td>
<td>14.6%</td>
<td>17.8%</td>
<td>18.5%</td>
<td>18.8%</td>
<td>19.7%</td>
</tr>
<tr>
<td>$1 mil to $5 mil</td>
<td>14.6%</td>
<td>17.8%</td>
<td>18.5%</td>
<td>18.8%</td>
<td>19.7%</td>
</tr>
<tr>
<td>$5 mil to $10 mil</td>
<td>3.0%</td>
<td>4.0%</td>
<td>4.0%</td>
<td>3.6%</td>
<td>4.2%</td>
</tr>
<tr>
<td>&gt;$10 mil</td>
<td>5.4%</td>
<td>5.7%</td>
<td>5.6%</td>
<td>6.7%</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

### Annual Receipts

The total receipts of the charity sector, which include government grants, donations and fees and charges, rose to $14.6 billion in 2014, up from $13.9 billion in 2013. The education cluster comprising $8.8 billion in 2014, accounted for three-fifths (60.2%) of the year’s total receipts (Chart 3).

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7 Figures are computed based on the annual returns submitted for financial years ending in 2014. It is a regulatory requirement for charities to submit their annual returns within 6 months of the close of their financial year. The financial periods of charities may vary, depending on the operational needs of the organisations.
5 There were 160 large charities with annual receipts above $10 million as compared to 151 in the previous year. These comprised mainly tertiary education institutions; health institutions and the larger religious and voluntary welfare organization, and accounted for 86.5% of the total receipts in 2014. Conversely, small charities with annual receipts of less than $250,000 accounted for less than 1% of total receipts despite their significant presence in the sector (Chart 4).
Approximately $2.5 billion (or 17.3%) of the total receipts in 2014 comprised donations (both tax deductible and non-tax deductible) made to charities (Chart 5). Other than donations, charities in the community, education, health, sports, arts & heritage sectors were more dependent on government grants, while others received income from programmes and services rendered (Chart 6).
Chart 5: Annual Receipts by Source\(^8\), 2010 – 2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Donations</th>
<th>Govt Grants</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1.8</td>
<td>4.8</td>
<td>4.1</td>
</tr>
<tr>
<td>2011</td>
<td>2.0</td>
<td>5.4</td>
<td>3.8</td>
</tr>
<tr>
<td>2012</td>
<td>2.3</td>
<td>6.0</td>
<td>4.3</td>
</tr>
<tr>
<td>2013</td>
<td>2.5</td>
<td>6.4</td>
<td>5.0</td>
</tr>
<tr>
<td>2014</td>
<td>2.5</td>
<td>7.0</td>
<td>5.1</td>
</tr>
</tbody>
</table>

Note: Figures in the table are in S$ billions.

\(^8\) Other sources of receipts include income from the programmes and services rendered by charitable organisations.

Chart 6: Annual Receipts by Source and Sector\(^9\), 2014

<table>
<thead>
<tr>
<th>Sector</th>
<th>Donations</th>
<th>Govt Grants</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts &amp; Heritage</td>
<td>8.6</td>
<td>25.1</td>
<td>29.8</td>
</tr>
<tr>
<td>Social &amp; Welfare</td>
<td>61.6</td>
<td>33.6</td>
<td>41.3</td>
</tr>
<tr>
<td>Health</td>
<td>29.4</td>
<td>47.9</td>
<td>22.7</td>
</tr>
<tr>
<td>Education</td>
<td>3.9</td>
<td>57.8</td>
<td>38.3</td>
</tr>
<tr>
<td>Community</td>
<td>32.1</td>
<td>65.3</td>
<td>27.1</td>
</tr>
<tr>
<td>Sports</td>
<td>22.9</td>
<td>50.0</td>
<td>26.9</td>
</tr>
<tr>
<td>Religious</td>
<td>43.1</td>
<td>31.0</td>
<td>25.9</td>
</tr>
<tr>
<td>Others</td>
<td>4.6</td>
<td>0.6</td>
<td>0.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percent</th>
<th>Arts &amp; Heritage</th>
<th>Social &amp; Welfare</th>
<th>Health</th>
<th>Education</th>
<th>Community</th>
<th>Sports</th>
<th>Religious</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>29.8</td>
<td>41.3</td>
<td>22.7</td>
<td>38.3</td>
<td>2.6</td>
<td>27.1</td>
<td>26.9</td>
<td>25.9</td>
</tr>
<tr>
<td>10%</td>
<td>8.6</td>
<td>25.1</td>
<td>29.4</td>
<td>3.9</td>
<td>32.1</td>
<td>22.9</td>
<td>43.1</td>
<td>31.0</td>
</tr>
<tr>
<td>20%</td>
<td>61.6</td>
<td>33.6</td>
<td>47.9</td>
<td>57.8</td>
<td>65.3</td>
<td>50.0</td>
<td>72.5</td>
<td>31.0</td>
</tr>
<tr>
<td>30%</td>
<td>29.8</td>
<td>41.3</td>
<td>22.7</td>
<td>38.3</td>
<td>2.6</td>
<td>27.1</td>
<td>26.9</td>
<td>25.9</td>
</tr>
<tr>
<td>40%</td>
<td>8.6</td>
<td>25.1</td>
<td>29.4</td>
<td>3.9</td>
<td>32.1</td>
<td>22.9</td>
<td>43.1</td>
<td>31.0</td>
</tr>
<tr>
<td>50%</td>
<td>61.6</td>
<td>33.6</td>
<td>47.9</td>
<td>57.8</td>
<td>65.3</td>
<td>50.0</td>
<td>72.5</td>
<td>31.0</td>
</tr>
<tr>
<td>60%</td>
<td>29.8</td>
<td>41.3</td>
<td>22.7</td>
<td>38.3</td>
<td>2.6</td>
<td>27.1</td>
<td>26.9</td>
<td>25.9</td>
</tr>
<tr>
<td>70%</td>
<td>8.6</td>
<td>25.1</td>
<td>29.4</td>
<td>3.9</td>
<td>32.1</td>
<td>22.9</td>
<td>43.1</td>
<td>31.0</td>
</tr>
<tr>
<td>80%</td>
<td>61.6</td>
<td>33.6</td>
<td>47.9</td>
<td>57.8</td>
<td>65.3</td>
<td>50.0</td>
<td>72.5</td>
<td>31.0</td>
</tr>
<tr>
<td>90%</td>
<td>29.8</td>
<td>41.3</td>
<td>22.7</td>
<td>38.3</td>
<td>2.6</td>
<td>27.1</td>
<td>26.9</td>
<td>25.9</td>
</tr>
<tr>
<td>100%</td>
<td>8.6</td>
<td>25.1</td>
<td>29.4</td>
<td>3.9</td>
<td>32.1</td>
<td>22.9</td>
<td>43.1</td>
<td>31.0</td>
</tr>
</tbody>
</table>

Note: Figures in the table are in S$ millions.

\(^9\) Government grants to the “Religious” and “Others” sectors are mainly provided to non-religious related community and humanitarian programmes.
Total Donations\textsuperscript{10}

Total donations remained comparable to that of 2013 (2014: $2,524 million; 2013: $2,506 million). The breakdown of total donations by sector is shown below (Chart 7).

\textbf{Chart 7: Total Donations by Sector, 2010 – 2014}

\begin{center}
\begin{tabular}{|c|c|c|c|c|c|}
\hline
\hline
Arts & Heritage & 30.6 & 41.7 & 37.6 & 133.2 & 75.7 \\
Social & Welfare & 227.8 & 280.2 & 435.8 & 388.0 & 424.8 \\
Health & 318.2 & 241.7 & 245.6 & 251.8 & 276.7 \\
Education & 218.7 & 247.2 & 356.5 & 414.9 & 345.9 \\
Community & 11.2 & 36.2 & 19.1 & 25.3 & 24.9 \\
Sports & 103.9 & 85.1 & 102.5 & 115.6 & 31.5 \\
Religious & Others & 838.5 & 1,104.9 & 1,115.6 & 1,177.1 & 1,344.9 \\
Whole Sector & 1,748.9 & 2,037.0 & 2,312.7 & 2,505.9 & 2,524.4 \\
\hline
\end{tabular}
\end{center}

\textsuperscript{10} Figures on total donations are compiled based on the annual returns submitted by charities for financial years ending in 2014, and the data covers both tax deductible and non-tax deductible donations. Hence, the data may depict a different trend from the tax deductible donations (TDD) data due to different reporting periods and data coverage.
INSTITUTIONS OF A PUBLIC CHARACTER (IPCs)

Some registered charities are conferred the status of an Institution of a Public Character (IPC). This allows them to issue tax-deductible receipts to donors who want to claim tax relief based on the amount of qualifying donations made. In celebration of Singapore’s Golden Jubilee, the tax deduction for qualifying donations made in 2015 was increased from 250% to 300% to encourage the spirit of philanthropy and charitable giving. To qualify as an IPC, the charity must be dedicated to serving the needs of the community in Singapore as a whole and not be confined to sectional interests or groups of persons based on race, belief or religion. As at 31 December 2015, there were 633 approved IPCs. Charities from the social and welfare sector formed the largest group of IPCs.

Chart 8: Number of Institutions of a Public Character (IPCs), 2008 - 2015

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11 Under the Income Tax Act, outright cash donations, donations of shares by individual donors, donations of computers (including hardware, software, accessories and peripherals) by corporate, artefacts donations, donations under the Public Art Tax Incentive Scheme, and land and building donations will qualify for tax deduction.
In 2015, the total amount of tax-deductible donations (TDD) received by the IPCs increased by more than 24% to $1,361.0 million, up from $1,092.3 million received in 2014 (Chart 10). This steady uptrend in TDD over the last 10 years signals the public’s continued support for local charitable causes which was further enhanced by the increase in tax deduction from 250% to 300% for qualifying donations made in the Jubilee year of 2015.
10 Consistent with prior years, the bulk of TDD (80%) was received by IPCs in the social and welfare; education; and health sectors (Chart 11).

![Chart 11: Tax Deductible Donations by sector, 2015](chart11.png)

11 About two-thirds of total TDD was from donations received from the corporate sector, which is consistent with the trend for the past 10 years (Chart 12).

![Chart 12: Tax Deductible Donations by Source, 2006 – 2015](chart12.png)

Note: Figures in the table are in S$ millions.
FUND-RAISING APPEALS FOR FOREIGN CHARITABLE CAUSES

12 A total of 70 permits were granted in 2015 for organisations to conduct fund raising appeals for foreign charitable causes which targeted to raise $30.0 million. Of the 70 permits, 21 of the permits granted were for relief efforts including aid provided to victims of natural disasters, such as Nepal earthquake, Myanmar and India floods. Permits were also granted for the UN World Food Programme and humanitarian projects including rebuilding projects and schools projects in Asian countries. Based on submitted Statements of Accounts, the actual amount raised from the permits granted was $26.3 million of which $19.4 million went toward disaster relief efforts.
KEY DEVELOPMENTS IN 2015
PROMOTE GOOD GOVERNANCE

We strive to develop the governance capabilities of board members so that they can exercise sound and responsible stewardship of public resources in fulfilling the objects of charities.
PROMOTE GOOD GOVERNANCE

Key Initiatives

Launch of Charity Transparency Framework and Charity Transparency Awards

The Charity Transparency Framework (CTF) was first announced in February 2014 at the inaugural Charity Governance Conference. The CTF was rolled out in July 2015, in the form of a scorecard for charities’ self-assessment purposes. It aims to help charities enhance their disclosure and governance practices, and serves as a public education tool by highlighting key areas of disclosure that will aid in informed giving.

Using the CTF, independent assessors commenced their assessment of eligible charities in end 2015 and winners will be recognized at the inaugural Charity Transparency Awards in the 3rd quarter of 2016.

VWOs-Charities Capability Fund

The VWOs-Charities Capability Fund (VCF) was introduced to all charities and Institutions of Public Character in April 2007, with $12 million set aside to enhance governance and management capabilities of the charity sector. It provides co-funding of up to 80% of the project cost in 4 main areas:

- Training
- Consultancy Services
- Info-Communications Technology
- Shared Services

By end December 2015, 1,275 charities and IPCs have tapped on VCF grants totalling approximately $17.45 million.
ENSURE REGULATORY RELEVANCE AND COMPLIANCE

We review our regulatory framework regularly to ensure it is relevant and meets the evolving needs of the charity sector. Rules and regulations are also tiered according to the size of the charities, with larger charities subjected to more stringent rules as compared to the smaller players.
ENSURE REGULATORY RELEVANCE AND COMPLIANCE

Key Initiatives

Online Access to the Financial Information of Charities

Since August 2014, the Office of the Commissioner of Charities (COC) started publishing the financial statements of registered charities on the Charity Portal for public viewing to help donors make more informed giving and volunteering decisions. To further enhance transparency and accountability in the charity sector, the Office of the COC also made available for public viewing in December 2015, via the Charity Portal, the Annual Reports of all charities and the Governance Evaluation Checklist (GEC) of all registered charities to which the Code of Governance applies.

Governance Reviews

Akin to health checks, governance reviews are conducted on selected charities and IPCs to help them identify and rectify gaps and weaknesses in the governance processes and internal controls within their organisations. In 2015, governance reviews were conducted for 41 charities and IPCs. Such reviews are well-received as the selected organisations benefitted from the advice of professional consultants on how their internal processes could be strengthened. The recommendations were typically customised to take into consideration the organisation’s needs. Some common recommendations include a clearer distinction between Board roles and operational duties, tighter controls over procurement and payments, better management of conflict of interests, as well as safeguarding of donations and charitable assets. The Office of the COC monitors the follow-up action undertaken by the charities and provides advice on the governance and internal control measures required to remediate weaknesses.
3 With effect from 2015, the scope of governance reviews was expanded to include assessment of “Anti-Money Laundering and Countering the Financing of Terrorism” (AML/CFT) measures implemented by the charities. This included ensuring the charities have appropriate due diligence and internal control procedures in place to know their beneficiaries, partners, and affiliates, as well as established policies and criteria for acceptance and refund of donations.

Charities Act Review

4 To ensure that the current regulations continue to be relevant to meet the evolving needs of the charity sector, the Office of the COC embarked on a review of the Charities Act, which was last amended in 2010. We intend to seek feedback from the public on the proposed amendments by the end of 2016.
BE A PROACTIVE CHARITY ADVISORY

We strive to be a transparent and responsive regulator who actively advises the public and charities on issues affecting the charity sector, and also improve the accessibility of information to facilitate the work of charities, and informed giving by the public.
BE A PROACTIVE CHARITY ADVISORY

Key Initiatives

Charity Governance

The Office of the COC worked with the Charity Council and held its second annual Charity Governance Conference, in partnership with the Chartered Secretaries Institute of Singapore (formerly known as the Singapore Association of the Institute of Chartered Secretaries and Administrators) in August 2015. The conference covered topics on strategic planning, risk management as well as outcome-based social programmes. It was attended by 237 participants from 121 charities.

Collaborations with other agencies to strengthen capabilities of charities

2 The Charity Council, together with the Centre for Social Development Asia (CSDA), a research centre under the National University of Singapore, organised a series of Town Hall meetings for the charity sector. These Town Halls served to raise the sector’s awareness on the need to enhance competencies and practices in
specific areas such as financial management, accountability and disclosure. It also provided a platform for charities to discuss the issues and challenges they faced. The Town Halls were held in March and October 2015, with the themes “Financial Administration of Charities in Singapore” and “State of Singapore’s Social Service Sector – A Financial Perspective” respectively.

**Revamp of the Charity Council website**

3 The Charity Council’s website was revamped and officially rolled out in July 2015 with added features such as “Resources For You” which lists guides, templates and Standard Operating Procedures (SOPs) developed by partnering agencies such as NCSS, SSI and Shared Services for Charities. In November 2015, the website launched the Charity Council blog which shares articles of interest with charities on governance-related matters.

**Raising awareness on the potential for charities to be abused**

4 In light of the changing threat environment, the Office of COC stepped up on its public education and outreach efforts to raise awareness on the risks of abuse of charities for terrorist financing (TF) and other predicate offences. The Office of the COC published a refreshed guidance in May 2015 titled “Protecting Your Charity Against Money Laundering and Terrorist Financing”. This guide was circulated to all charities, made available on the Charity Portal and distributed at various outreach and networking sessions. This was accompanied with targeted engagement sessions within the sector to raise charities’
understanding of the safeguards and due diligence measures to protect their organisations from such risks.

5 The Governing Board’s duties and responsibilities published on the Charity Portal were updated to include recommended due diligence measures on beneficiaries, partners and donors. This included a list of “Red Flag Indicators for Terrorism Financing in Charities” which serve as a warning of suspicious situations and possible issues.

6 Strong co-ordination networks had also been established between the Office of the COC and the law enforcement and intel agencies to facilitate information sharing and inter-agency collaboration. Charities were also encouraged to subscribe to the following websites to receive updated AML and CFT-related information:

a) Inter-Ministry Committee on Terrorist Designation:

http://www.mha.gov.sg/Pages/Inter-Ministerial-Committee---Terrorist-Designation-%28IMC-TD%29-.aspx

b) Monetary Authority of Singapore:

Raising Awareness of Informed Giving

For the charity sector to remain vibrant and sustainable, trust and confidence from the public is critical. The Office of the COC worked with the Charity Council to develop a comic titled “Being An Informed Giver”. The comic was launched in December 2015 and published on MCCY’s Facebook page and the Charity Council’s website. The comic informs donors of how they can conduct the necessary checks via the Charity Portal and the SMS feature, to help verify the authenticity of fund-raising appeals.
LOOKING AHEAD
LOOKING AHEAD

In the coming year, we will continue in our efforts in developing a well-governed and thriving charity sector. This would be achieved through our multi-pronged approach and built upon the initiatives and collaborations with our various partners.

Enhancing Governance, Transparency and Accountability

2 As part of our on-going efforts to improve accountability and strengthen oversight of the charity sector, the Office of the COC announced in November 2015 its introduction of additional reporting requirements for charities with overseas expenditure or capital outlay. For financial periods beginning on or after 1 January 2016, charities will be required to disclose via the Online Financial Summary (OFS) their donations, selected types of expenditure and capital outlay that are spent in, or to benefit, locations outside Singapore. This will be applicable to charities that are required to have their financial statements audited. These charities will also have to furnish geographical details of where it applied its resources outside Singapore during the financial period and the corresponding amount for each country that the beneficiaries and partners are located in, as part of their annual regulatory submission.

3 To enhance governance and public confidence in the charity sector, we are reviewing the Charities Act and will be proposing amendments to improve accountability of charities and fund-raisers. We will also be working closely with the Charity Council on the refinement of the Code of Governance for Charities and IPCs to strengthen the governance standards of the charity sector.

12 This will include all Institutions of a Public Character (“IPCs”), charities which are set up as companies limited by guarantee (“CLG”), and all other charities with gross income or total expenditure that exceeds $500K annually.
Extending collaborations with other agencies to strengthen charities’ capabilities

Many of our governance capability building initiatives are the fruits of successful collaborations with various agencies and partners. In 2016, the sector can expect to benefit even more from such collaborations as the Office of COC and the Charity Council continue to extend this network of partnerships. A series of governance toolkits, resources and learning programmes are being rolled out to support charities in their governance process. These are made available for reference on the revamped Charity Council website (https://www.charitycouncil.org.sg).

Recognising charities with exemplary governance standards and good disclosure practices

In 2015, the Charity Governance Awards (CGA) underwent a hiatus for the Charity Council to review the Awards. Feedback was solicited from charities on how the Awards could be improved to better benefit the charity sector in Singapore. In 2016, CGA will be re-launched, together with the Inaugural Charity Transparency Awards (CTA) to recognise charities that have adopted the highest standards of governance and disclosure practices. As announced by the Charity Council Chairman, Mr Gerard Ee - to emphasise that transparency is one of the key pillars to good, sustainable governance, the former self-nomination process for the CGA would be revised, whereby only CTA winners would be invited to compete for the prestigious CGA. Winners of both awards will be announced in September 2016.