

ANNEX – SUMMARY OF FEEDBACK FROM THE CONSULTATION ON PROPOSED REVISIONS TO THE GRANTMAKER SCHEME AND RESPONSES

S/N	Original Proposals	Feedback Received	Considerations and Adjustments Made
1	<p>Increase transparency on allowable allocations between local and overseas giving – As registered charities, grantmakers are expected to apply “some of their funds in Singapore”¹. A percentage or amount was not mandated to give grantmakers flexibility to vary their level of local activities based on their charitable objects and unique circumstances. However, some grantmakers have given feedback that this approach is ambiguous and they do not know if their allocations would breach the regulations.</p> <p>Therefore, to reduce ambiguity, we proposed to make clear the percentage of funds grantmakers are expected to apply on local charitable activities, by indicating a range of grantmakers’</p>	<p>Mixed reactions. Some grantmakers prefer more clarity while others prefer to maintain status quo where grantmakers continue to be accorded the flexibility to decide the allocation.</p> <p>Any range provided should be indicative and not a hard requirement/ guideline and allow for exceptions to be made based on the specific circumstances of the grantmakers.</p>	<p>We will retain the current guideline of requiring grantmakers to apply “some of their funds in Singapore”, without hardcoding a minimum percentage. The guideline is kept broad as we acknowledge that the percentage allocation to local giving may depend on how the grantmaker is structured and that this percentage may vary from year to year. Nevertheless, to reduce ambiguity while not hardcoding the requirement, we have included an indicative range on the percentage of funds which grantmakers apply in Singapore (i.e. 20% to 100%) in an FAQ within the Guidance.</p> <p>Grantmakers may reach out to the Office of the Commissioner of Charities (COC’s Office) or their Sector Administrator if they wish to clarify on their proposed local-overseas giving allocation.</p>

¹ The Guidance stated that *"qualifying grantmakers registered as charities should still apply some of their funds in Singapore. The COC's office will not specify the percentage or amount to be applied in Singapore as the grantmaker is in the best position to decide based on its charitable objects and unique circumstances."*

S/N	Original Proposals	Feedback Received	Considerations and Adjustments Made
	allocation to local giving (e.g. 20% to 100%).		
2	Increase transparency for the allowance of non-grantmaking activities – To better cater to grantmakers’ operations and needs, we proposed to make clear that grantmakers may carry out some non-grantmaking activities (examples: in house research, direct services) in pursuance of their charitable purposes, subject to certain safeguards ² .	Highly supported. While some were of the view that grantmakers should just focus on grantmaking activities, others suggested that grantmakers’ activities should not be restricted so long as the activities are charitable in nature and in line with the grantmaker's objects. Grantmakers also requested clarity on the percentage of non-grantmaking activities allowed.	We will allow the conduct of non-grantmaking activities, limited to 10% of the grantmaker’s activities and subject to the certain safeguards. The safeguards have been prescribed in the revised Guidance.
3	Allow disbursements to be made through non-grant instruments – To build a broader culture of philanthropy and allow social innovation, we proposed to make clear that grantmakers are allowed to make disbursements through non-grant instruments (examples: social impact bonds and impact loans), subject to certain safeguards ³ .	Some flexibility welcomed to explore the use of innovative forms of giving. This is since grantmakers are privately funded and generally have a higher risk appetite. Grantmakers expressed interest in: i) Social impact bonds; ii) Impact investments (e.g. making disbursements to impact-first funds); iii) Providing low-interest study loans;	We will allow disbursements through non-grant instruments (e.g. social impact bonds, loans), limited to 10% of the grantmaker’s activities and subject to certain safeguards. The safeguards/ OB markers have been prescribed in the revised Guidance to ensure that charities only carry out exclusively charitable objects for public benefit.

² The safeguards are: i) Grantmakers should predominantly be conducting grantmaking activities; ii) Fees/generated from non-grantmaking activities must not be the primary source of income for the grantmakers; and iii) All activities (i.e. both grantmaking and non-grantmaking activities) must serve exclusively charitable purposes and are in line with the grantmakers’ governing instruments.

³ Grantmakers should establish written agreements with the fund recipients to set out terms and conditions on which the funds are being provided. This includes terms to ensure that funds disbursed (i) are used only for the intended charitable purposes which are in line with the grantmaker’s charitable objects;

S/N	Original Proposals	Feedback Received	Considerations and Adjustments Made
		iv) Funding non-charities such as social enterprises, including providing equity investments to social enterprises. Grantmakers also requested greater clarity on Out of Bounds (OB) markers.	

and (ii) do not give rise to more than incidental personal or private benefit. Such agreements with fund recipients should also cover reporting or monitoring mechanisms to enable grantmakers to check that funds are indeed used for the intended charitable purposes.