

For Companies Limited by Guarantee (CLGs)

Subject	Basic Requirements on Standard Rules and Clauses
1. Objectives and Incidental Clauses	The objects must be exclusively charitable and must also be clearly and concisely stated. Any power to carry out activities as means to further the organisation's main objectives (e.g. to raise funds, to conduct seminars and events etc.) should be provided under an incidental clause.
2. Governing Board Members/ Board Members	There should be at least 3 governing board members. These include Board Members, Management Committee Members, Directors and Trustees*. The duties, terms of office, appointment and removal procedures of the governing board members should be specified in the governing instrument. It should also state that the Commissioner of Charities or the respective Sector Administrator should be notified of any change in the governing board members.
The rules/ clauses should read as or similar to the following:	
3. Quorum for Meeting	<p>For General Meetings: "No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, three members present in person shall form a quorum."</p> <p>"... if at such adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the member or members present in person or by proxy, attorney or representative shall be a quorum but they shall not have the power to amend the Memorandum and Articles of Association/ Constitution."</p>
	<p>For Board of Directors Meeting: "The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors at any number not less than three, and unless so fixed shall be three."</p> <p>*Note: The quorum can remain at three (3) if this constitutes at least half (1/2) of the governing board members. Otherwise, the quorum should be fixed at least half of the governing board members.</p>
4. Membership	"The number of members with which the Company proposes to be registered is three ."

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	<p>or</p> <p>“The number of members with which the Company proposes to be registered is one but the Board of Directors may from time to time register an increase of members provided that the total number of members shall not be at any time less than three.”</p>
5. Management and Board of Directors	<p>“Any changes in the Board of Directors shall be notified to the Commissioner of Charities within two (2) weeks of change.”</p>
	<p>“The Company may by ordinary resolution passed at a general meeting remove a director before the expiration of his period of office.”</p>
6. Conflict of Interest Clauses	<p>“Where a conflict of interest arises at a Board of Directors meeting, the director concerned should not vote on the matter nor participate in discussions.</p> <p>He or she should also offer to withdraw from the meeting, and the other directors should decide if this is required.”</p>
7. Duties of Office-Bearers	<p>“All cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for money paid to the company, must be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by at least 2 directors or in such other manner as the directors from time to time determine.”</p> <p><i>Note: the Company may choose to have other clauses with similar effect as the above (e.g. where the Company has 2 groups of directors – A Directors and B Directors, the Company may choose to require signatories from a particular group or both groups of directors depending on the quantum of payment involved).</i></p>

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8. Term Limit for Treasurer	<p><i>For CLGs with a dedicated Board member holding the position of Treasurer (or equivalent appointment like a Finance Committee Chairman or a person on the Board responsible for overseeing the finances of the Charity), the following clause is to be included:</i></p> <p>“The Treasurer (or the equivalent appointment like a Finance Committee Chairman or a person on the Board responsible for overseeing the finances of the Company) shall not hold the same office for more than four consecutive years. Re-appointment of the outgoing Treasurer (or equivalent appointment) may be considered after a lapse of at least two years.”</p>
9. Amendments to Constitution	<p>“No addition, alteration or amendment shall be made to or in the provisions of the Memorandum and Articles of Association/ Constitution unless the same have been approved by special resolution in a general meeting and such addition, alteration or amendment shall not come into force without the approval from the Commissioner of Charities and the same being registered with the Registrar of Companies.”</p>
10. Dissolution/ Cessation of Charity Status	<p>“The Company shall not be wound up, except with the consent of a majority of the total membership of the Company for the time being expressed either in person or by proxy at a general meeting convened for the purpose.”</p> <p><i>Note: the Company may choose to stipulate a specific percentage/fraction of votes required for such consent, provided always that the stipulated percentage/fraction is greater than 50%/one-half.</i></p>
	<p>“If upon the winding up or dissolution of the Company or in the event the Company ceases to be a registered charity under the Charities Act, there remains after the satisfaction of all its debts and liabilities any property whatsoever, the same shall not be paid to or distributed among the members, but shall be donated to charitable organization(s), or Institution(s) of a Public Character, when the Company is an Institution of a Public Character, as the case may be, with similar objectives in Singapore which is(are) registered under the Charities Act, as determined by the members of the Company at or before the time of dissolution or cessation as a registered charity.”</p>
	<p>“Notice of the winding up of the Company shall be given to the Registrar of Companies and the Commissioner of Charities within 7 days of the passing of the resolution to wind up the Company.”</p>

* Applicable only for charities set up as Trust.