

Charities (Amendment) Bill

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Bill No: 29/2010

Read the first time: 18th October 2010

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Explanatory Statement

Expenditure of Public Money

Charities (Amendment) Bill

Bill No. 29/2010

Read the first time on 18th October 2010.

An Act to amend the Charities Act (Chapter 37 of the 2007 Revised Edition) and to make a related amendment to the Companies Act (Chapter 50 of the 2006 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act may be cited as the Charities (Amendment) Act 2010 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Amendment of section 2

2. Section 2(1) of the Charities Act is amended —

- (a) by deleting the definition of “charity trustees”;
- (b) by deleting the words “section 13(2)” in paragraph (b) of the definition of “financial year” and substituting the words “section 13(1)”;
- (c) by inserting, immediately after the definition of “financial year”, the following definitions:

“governing board members” means members of the governing body of a charity or trustees for a charity having the general control and management of the administration of the charity;

“governing instruments”, in relation to a charity, means the provisions establishing it as a charity and regulating its purposes and administration, whether or not those provisions take effect by way of trust or are set out in any document, and in relation to other institutions has a corresponding meaning;”;

- (d) by inserting, immediately after the definition of “institution”, the following definitions:

“key officer” means an officer of a charity, whether or not an employee of the charity, having the general control and management of the administration of the charity, and includes any person, by whatever name called, who exercises such general control and management;

“public accountant” means a person who is registered or deemed to be registered under the Accountants Act (Cap. 2)

as a public accountant;” and

- (e) by deleting the definition of “trusts” and substituting the following definition:

““trustee” has the same meaning as in the Trustees Act (Cap. 337).”.

Amendment of section 5

3. Section 5 of the Charities Act is amended —

- (a) by deleting the words “trusts (or, if the trusts are not set out in any document, particulars of them)” in subsection (5) and substituting the words “governing instruments (or, if any provisions of the governing instruments are not set out in any document, particulars of them)”; and
- (b) by inserting, immediately after subsection (6), the following subsection:

“(6A) Where the governing instrument of a registered charity requires the prior approval of the Commissioner for any amendment to the governing instrument and the Commissioner has delegated his power to grant such approval to a Sector Administrator under section 40C(1)(e), that requirement shall be deemed to apply as if it required the prior approval of the Sector Administrator (instead of the Commissioner) for the amendment of the governing instrument.”.

Repeal of sections 9, 10 and 11

4. Sections 9, 10 and 11 of the Charities Act are repealed.

Amendment of section 12

5. Section 12 of the Charities Act is amended —

- (a) by deleting the words “The charity trustees” in subsection (1) and substituting the words “Unless otherwise excepted by regulations made under this Act, the governing board members”;
- (b) by deleting paragraph (b) of subsection (1) and substituting the following paragraph:

“(b) enable the governing board members to ensure that, where any statements of accounts are prepared by them under regulations made under section 13,

those statements of accounts comply with the requirements of those regulations.”; and

(c) by deleting subsection (5).

Repeal of sections 13, 14 and 15 and re-enactment of sections 13 and 14

6. Sections 13, 14 and 15 of the Charities Act are repealed and the following sections substituted therefor:

“Annual statements of accounts

13.—(1) The Minister may make regulations relating to the financial reporting requirements for charities, including provisions —

- (a) allowing the governing board members of specified classes of charities to prepare a receipts and payments account and a statement of assets and liabilities instead of a statement of accounts in respect of any financial year of the charity;
- (b) prescribing requirements as to the form and contents of accounts and statements of charities;
- (c) requiring the accounts and statements of specified classes of charities to be in compliance with all or any of the following:
 - (i) specified accounting standards that are made or formulated by the Accounting Standards Council under Part III of the Accounting Standards Act (Cap. 2B);
 - (ii) other accounting standards or requirements specified in the regulations;
- (d) providing for relief from the requirements of such accounting standards applicable to charities;
- (e) determining the financial years of a charity for the purposes of this Act;
- (f) modifying the application of any provisions in the Companies Act (Cap. 50) as to the form and content of a company’s accounts or consolidated accounts being in compliance with the Accounting Standards (as defined in the Companies Act) in respect of a company that is registered as a charity or approved as an institution of a public character under this Act; or
- (g) providing that any person who is guilty of an offence under any