

Income Tax (Approved Institutions of a Public Character) Regulations 2004

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No. S 39

**INCOME TAX ACT
(CHAPTER 134)**

**INCOME TAX (APPROVED INSTITUTIONS OF A PUBLIC CHARACTER)
REGULATIONS 2004**

In exercise of the powers conferred by section 107(2) of the Income Tax Act, the Minister for Finance hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Income Tax (Approved Institutions of a Public Character) Regulations 2004 and shall be deemed to have come into operation on 1st January 2004.

Definitions

2. In these Regulations, unless the context otherwise requires —

“appropriate Central Fund Administrator”, in relation to an approved institution of a public character, means the Central Fund Administrator which approved the institution of a public character;

“approved institution of a public character” means an institution of a public character which is approved under section 37 of the Act by the Minister or a Central Fund Administrator;

“related approved institution of a public character”, in relation to a Central Fund Administrator, means an approved institution of a public character which is approved by that Central Fund Administrator.

Use of tax deductible donations

3.—(1) Subject to this regulation, an approved institution of a public character shall use any donation which qualifies for deduction under section 37 of the Act only to fund any activity carried on by that institution which —

- (a) benefits the community in Singapore as a whole;
- (b) is in line with the objectives of the approved institution of a public character as stated in its governing instrument; and
- (c) in the case of an approved institution of a public character which is approved by a Central Fund Administrator, is in line with the objectives of that Central Fund Administrator.

(2) An approved institution of a public character may invest any donation which —

- (a) qualifies for deduction under section 37 of the Act; and
- (b) is not immediately required for use in accordance with paragraph (1),

in such investments as are permitted by law.

(3) An approved institution of a public character shall not allow the total amount of expenses incurred (directly or otherwise) on any fund-raising appeal organised by the institution within a financial year to exceed 30% of the gross amount of the donations which qualify for deduction under section 37 of the Act received by it in that financial year.

(4) Where an approved institution of a public character has set up any fund established for a specific project, any donation received for the project shall only be used for the purposes of that project.

Issue of tax deduction receipts

4.—(1) This regulation shall apply to any approved institution of a public character which is allowed to issue tax deduction receipts and to any approved institution of a public character which, in its capacity as a Central Fund Administrator, issues any tax deduction receipt in respect of any related approved institution of a public character under regulation 3(5) of the Income Tax (Central Fund Administrators) Regulations 2004 (G.N. No. S 40/2004).

(2) An approved institution of a public character may issue a tax deduction receipt to every donor upon the receipt of a donation which qualifies for deduction under section 37 of the Act.

(3) Any tax deduction receipt issued under paragraph (2) shall —

(a) incorporate the following statement:

“This donation is tax deductible. For individual donors: This receipt is for your retention. You do not have to claim the deduction in your tax form if you have given your NRIC/FIN number. The deduction will be automatically included in your tax assessment. For other donors: Please retain this receipt for submission to the Comptroller of Income Tax.”;

(b) where the donation is made in accordance with section 37(6) of the Act, incorporate the additional statement as follows:

“Naming Donation — Single Tax Deduction Only.”;

(c) state the name of the appropriate Central Fund Administrator, where applicable;

(d) be serially numbered; and

(e) be signed by either the treasurer of the approved institution of a public character or by any person to whom such function is delegated by its board