

Central Provident Fund (Financial Penalties) Regulations 2016

Table of Contents

Enacting Formula

1 Citation and commencement

2 Definitions

3 Engaging in conduct that attracts financial penalty

4 Financial penalty for contravening regulation 3(2)(a)

5 Financial penalty for contravening regulation 3(2)(b) if it results in amount withdrawn exceeding specified amount

6 Financial penalty for contravening regulation 3(2)(c) or modified regulation 3(2)(b) or (d)

7 Financial penalty for contravening regulation 3(2)(d) if notice of imposition of financial penalty given before written authorisation, etc., submitted

8 Financial penalty for contravening regulation 3(2)(e)

9 Notices to approved provider

10 Interest for late payment of financial penalty

11 Appeal to Appeal Panel

12 Appointment and procedure of Appeal Panel

FIRST SCHEDULE Financial penalty under regulation 5

SECOND SCHEDULE Financial penalty under regulation 7

THIRD SCHEDULE Financial penalty under regulation 8

No. S 720

CENTRAL PROVIDENT FUND ACT (CHAPTER 36)

CENTRAL PROVIDENT FUND (FINANCIAL PENALTIES) REGULATIONS 2016

In exercise of the powers conferred by section 77(1)(*rb*) of the Central Provident Fund Act, the Minister for Manpower, after consulting with the Central Provident Fund Board, makes the following Regulations:

Citation and commencement

1. These Regulations are the Central Provident Fund (Financial Penalties) Regulations 2016 and come into operation on 1 January 2017.

Definitions

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

“approved provider” means an approved applicant that is a Medisave healthcare provider;

“current penalty year” —

(*a*) in relation to each contravention of regulation 3(2)(*a*), (*b*), (*c*) or (*d*) by an approved provider, means the calendar year in which the Board —

(i) issues a warning to the approved provider for the contravention, where no previous notice under regulation 9(1) was given to the approved provider for that contravention; or

(ii) gives notice to the approved provider under regulation 9(1) of a financial penalty for the contravention, where no

previous warning was given to the approved provider for the contravention; or

- (b) in relation to each contravention of regulation 3(2)(e) by an approved provider, means the calendar year in which the Board's direction to submit the report concerned is made,

and each contravention is assigned with a current penalty year in accordance with this definition;

“MAW Regulations” means the Central Provident Fund (Medisave Account Withdrawals) Regulations (Rg 17);

“prescribed person” means a prescribed person as defined in regulation 2(1) of the MAW Regulations.

(2) In these Regulations, the “number of previous penalty years”, in relation to the current penalty year of a contravention of regulation 3(2)(a), (b), (c) or (e) or modified regulation 3(2)(d) (called the relevant contravention) —

- (a) is nil if, in both of the 2 calendar years immediately before the current penalty year, the Board did not take action against the approved provider for any similar contravention to the relevant contravention;
- (b) is one if, in only one of the 2 calendar years immediately before the current penalty year, the Board did take action against the approved provider for any similar contravention to the relevant contravention; and
- (c) in any other case, is the number of consecutive calendar years immediately before the current penalty year in which the Board did take action against the approved provider for any similar contravention to the relevant contravention.

(3) For the purposes of paragraph (2), the Board is treated as taking action against an approved provider in a calendar year for a contravention if the Board issues a warning to, or imposes a financial penalty under section 67C of the Act on, the approved provider for a contravention (excluding any action that has been withdrawn by the Board, reversed under regulation 11(5)(a) or invalidated under the law).

(4) Where the payment of a financial penalty is waived under regulation 11(5)(d) —

- (a) the financial penalty is not invalidated under the law; but
- (b) the amount waived must be disregarded in computing the total amount of financial penalties for the purposes of regulation 4(2), 5(3), 6(3), 7(4) or 8(3).

(5) In these Regulations, “similar contravention” —

- (a) in relation to a contravention of regulation 3(2)(a), means another contravention of regulation 3(2)(a);
- (b) in relation to a contravention of any regulation mentioned in regulation 6(1), means another contravention of any regulation mentioned in regulation 6(1);
- (c) in relation to a contravention of regulation 3(2)(b) (not being a contravention of the modified regulation 3(2)(b)), means another contravention of regulation 3(2)(b) (not being a contravention of the modified regulation 3(2)(b));
- (d) in relation to a contravention of regulation 3(2)(d) (not being a contravention of the modified regulation 3(2)(d)), means another contravention of regulation 3(2)(d) (not being a contravention of the modified regulation 3(2)(d)); or
- (e) in relation to a contravention of regulation 3(2)(e), means another contravention of regulation 3(2)(e).

Engaging in conduct that attracts financial penalty

3.—(1) For the purposes of section 67C of the Act, a financial penalty may be imposed on an approved provider for contravening paragraph (2)(a), (b), (c), (d) or (e).

(2) An approved provider —

- (a) must not inadvertently allow any person to access information on a member’s medisave account, except with the written authorisation of —
 - (i) the member; or
 - (ii) if the member is unconscious or otherwise mentally incapacitated and unable to authorise the access personally, a prescribed person in relation to the member;
- (b) must take reasonable care to ensure that all information provided to the Board in relation to a withdrawal application submitted by the approved provider is accurate;
- (c) on the request of the Board or any auditor appointed for the purposes of an audit ordered under section 67B(3) of the Act to verify the accuracy of information in a withdrawal application, must produce any form or record that the approved provider is required, by agreement with the Board or any other authority, to keep;

- (d) must not submit a withdrawal application on behalf of a member without —
- (i) the member's written authorisation, unless the application is made by a prescribed person in relation to the member under regulation 3(2) or (3C) of the MAW Regulations;
 - (ii) where the application is purportedly made by a prescribed person in relation to the member under regulation 3(2) of the MAW Regulations (in a situation mentioned in regulation 3(3)(b) or (c) of the MAW Regulations), the prescribed person's written authorisation; or
 - (iii) where the application is purportedly made by a prescribed person in relation to the member under regulation 3(2) (in a situation mentioned in regulation 3(3)(a) of the MAW Regulations) or (3C) of the MAW Regulations, either or both of the following:
 - (A) the prescribed person's written authorisation;
 - (B) written confirmation by an approved medical practitioner that the member is unable to make the application due to the member's medical condition; or
- (e) where the Board orders an audit of the approved provider under section 67B(3) of the Act and directs the approved provider to submit to the Board any report relating to the audit (which may include any report on follow-up action taken or to be taken after the audit), must submit the report within the time specified by the Board.

Financial penalty for contravening regulation 3(2)(a)

4.—(1) Subject to paragraph (2), the financial penalty that may be imposed on an approved provider who contravenes regulation 3(2)(a) is \$100 for each contravention, where the number of previous penalty years for that contravention is 2 or more.

(2) The total amount of financial penalties that may be imposed on an approved provider for all contraventions of regulation 3(2)(a) assigned with the same current penalty year must not exceed \$5,000.

Financial penalty for contravening regulation 3(2)(b) if it results in amount withdrawn exceeding specified amount

5.—(1) This regulation applies to the contravention of regulation 3(2)(b) in relation to