

# **Income Tax (Grant-Making Philanthropic Organisations) Regulations 2009**

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**No. S 546**

INCOME TAX ACT  
(CHAPTER 134)

INCOME TAX (GRANT-MAKING PHILANTHROPIC ORGANISATIONS)  
REGULATIONS 2009

In exercise of the powers conferred by section 37(18A) of the Income Tax Act, the Minister for Finance hereby makes the following Regulations:

**Citation and commencement**

1.—(1) These Regulations may be cited as the Income Tax (Grant-Making Philanthropic Organisations) Regulations 2009 and subject to paragraph (2), shall be deemed to have come into operation on 15th February 2007.

(2) No liability to pay any financial penalty under section 37(18B) of the Act shall arise in respect of any act or omission prior to 5th November 2009.

**Definitions**

2. In these Regulations —

“applicant” means the institution applying for registration under regulation 3;

“designated IPC fund” means a segregated account or fund that is designated only for donations to institutions of a public character;

“institution of a public character” has the same meaning as in section 40A of the Charities Act (Cap. 37);

“International Organisations Programme Office” means the agency established by the Government to facilitate international organisations of a non-profit nature in locating their regional headquarters and key activities in Singapore;

“matters relating to registration” means the registration of a grant-making philanthropic organisation under regulation 3 and removal from the register under regulation 5;

“registered grant-making philanthropic organisation” means a grant-making philanthropic organisation registered under regulation 3(3);

“specified institution”, in relation to a donation, means the institution of a public character specified by the donor to receive the donation;

“tax deductible donation” means a donation intended for and made indirectly to any institution of a public character through a registered grant-making

philanthropic organisation, and which qualifies for tax deduction under section 37(3)(c)(ii) of the Act.

### **Registration as a grant-making philanthropic organisation**

**3.—**(1) An application for registration as a grant-making philanthropic organisation shall be made to the Comptroller.

(2) An application under paragraph (1) shall —

- (a) be in such form and include such information as the Comptroller may require;
- (b) include an undertaking by the applicant that it will comply with the conditions referred to in regulation 4(b); and
- (c) where a designated IPC fund is intended to be an endowment fund, include a proposal on how the funds will be disbursed over the life of the designated IPC fund, including the amount to be disbursed, the intended recipient of the disbursement, the intended purposes and programmes.

(3) The Comptroller may register an applicant as a grant-making philanthropic organisation if —

- (a) the application complies with paragraph (2);
- (b) the applicant satisfies the conditions for registration in regulation 4; and
- (c) the registration of the applicant will not be contrary to the public interest.

### **Conditions for registration**

**4.** An institution may be registered as a grant-making philanthropic organisation if it satisfies the following conditions:

- (a) it is —
  - (i) a charity registered or exempt from registration under the Charities Act (Cap. 37); or
  - (ii) a not-for-profit organisation approved under section 13U of the Act;
- (b) it undertakes to comply with the following conditions:
  - (i) it shall channel every tax deductible donation to a designated IPC fund;

- (ii) it shall issue a tax deduction receipt for every tax deductible donation received;
- (iii) unless otherwise approved by the Minister or provided by regulation 11, it shall disburse every tax deductible donation within 5 years from the date of receipt of such donation to an institution of a public character, which shall be the specified institution, if any;
- (iv) upon dissolution of the designated IPC fund, it shall within one month, distribute any residual funds or assets in the account of the designated IPC fund to specified institutions if any, and then to any one or more institutions of a public character;
- (v) it shall institute appropriate procedures to ensure that —
  - (A) every tax deductible donation is disbursed in accordance with sub-paragraph (iii); and
  - (B) the correct amount of tax deductible donation is disbursed to the respective institutions;
- (vi) it shall keep comprehensive records pertaining to every tax deductible donation, including the name of each donor, the date of donation, the amount of donation received from each donor and the particulars of tax deduction receipt issued in respect of such donation;
- (vii) it shall keep the records referred to in sub-paragraph (vi) for a period of 7 years, or such longer period in the case of an endowment fund as may be specified under regulation 11, from the year of assessment relating to the year in which the donation is received by it;
- (viii) it shall subject the designated IPC fund to an external audit annually and it shall submit to the Comptroller the audited accounts of the designated IPC fund within one month of the date of the audit report;
- (ix) it shall only accept donations on terms that allow it to comply with these conditions and any other requirements of these Regulations; and
- (x) such other conditions for registration as the Comptroller may

specify.

### **Removal from register**

**5.—**(1) The Comptroller shall remove an institution from the register of grant-making philanthropic organisations if —

- (a) the institution is no longer a charity registered or exempt from registration under the Charities Act (Cap. 37) or a not-for-profit organisation approved under section 13U of the Act;
- (b) the institution has failed to comply with any of these Regulations at any time during the period it was registered as a grant-making philanthropic organisation;
- (c) there is or has been any mismanagement, misconduct, incompetence or negligence in the administration of the institution as a grant-making philanthropic organisation; or
- (d) the continued registration of the institution as a grant-making philanthropic organisation is contrary to the public interest.

(2) Where an institution has been removed from the register of grant-making philanthropic organisations under this regulation —

- (a) any donation received by the institution on or after the date it was removed from the register of grant-making philanthropic organisations shall not qualify as a tax deductible donation;
- (b) the institution shall not issue any tax deduction receipt under regulation 8 in respect of donations made to it on or after the date it was removed from the register of grant-making philanthropic organisations; and
- (c) it shall, within one month of the date of removal, distribute any residual funds or assets in the account of the designated IPC fund to specified institutions if any, and then to any one or more institutions of a public character.

(3) An institution which fails to comply with paragraph (2)(b) or (c) shall be liable to pay to the Comptroller a financial penalty under section 37(18B) of the Act.

### **Administration of funds**

**6.—**(1) A registered grant-making philanthropic organisation shall —

- (a) channel the full amount of every tax deductible donation to a designated IPC fund;