



JUSTICE FOR ALL

GOVERNANCE TOOLKIT

FOR SINGAPORE CHARITIES

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Acknowledgment

This publication, developed with the aim of empowering charitable organisations to strengthen their governance framework and practices, is the result of a collaborative effort between Pro Bono SG and the following individuals and organisations:

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We wish to express our deepest gratitude to the contributors for their generous contribution of time, expertise, and resources in the development of this publication. Their pro bono commitment has been invaluable in bringing this project to fruition. We are particularly grateful to the lawyers and staff who dedicated themselves to researching, drafting, and reviewing the material herein.

Additionally, we would like to thank the numerous volunteers from the Project Law Help and Content Management Committees of Pro Bono SG, who contributed to the structuring, editing, and refinement of the content. Their efforts ensured that the material is tailored to meet the needs of Singapore's charitable community.

We hope the Governance Toolkit for Singapore Charities will serve as a valuable resource for charities, helping them navigate legal complexities and focus on their missions to serve society.

While every effort has been made to ensure the accuracy of the information, please note that this publication is intended to serve as a general guide and not as legal advice. As laws may change over time, users are encouraged to consult legal professionals for advice on specific issues. The information and legal references contained herein are accurate as of the dates stated below:

Chapter	Date
1. Governing Instrument	5 July 2023
2. Administration Guidelines	28 July 2023
3. Legal Risk Management	13 February 2024
4. Conflict of Interest Protocols and Procedures	4 July 2023
5. Volunteer Management	15 January 2024
6. Personal Data Protection	9 December 2024
7. Third Party Fund-raisers	4 July 2023
8. Whistleblowing	5 July 2023
9. Communications	20 June 2023

We are proud to present this first edition and hope it will be the foundation for further resources and collaborations in the future.



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1. Governing Instrument

A **governing instrument** is a formal document setting out the key provisions regarding the administration of the charity and provides the rules by which the charity must operate. It describes the key characteristics of the charity, sets out its primary objectives and states the powers, duties and obligations conferred on the governing board and members.

The Charities Act 1994 imposes several obligations on institutions which wish to be registered as a charity, such as requiring the organisation's governing instrument to provide for the purposes of the organisation, such purposes to be exclusively charitable, and for the organisation to have a minimum of three (3) persons to perform the function of governing board members, at least two (2) of whom shall be Singapore citizens or permanent residents.

An organisation applying to be registered as a charity is required to submit the proposed governing instrument of the organisation through the Charities Portal:

<https://www.charities.gov.sg/Pages/Charities-and-IPCs/Register-as-a-Charity/Criteria-for-Registration-as-Charity.aspx#>.

The form of the governing instrument depends on the organisation's legal structure.

In the Schedules, you will find the template governing instruments which you can adapt for your organisation:

- Schedule 1A Governing Instrument for Company Limited by Guarantee
- Schedule 1B Governing Instrument for Society

Guidance notes for using the templates

The templates include footnotes which provide instructions to guide you in preparing the governing instrument.

The parts of the templates which are marked out in highlighted square brackets are to be adapted to your organisation's needs and circumstances.

Please delete the footnotes and square brackets when the document is finalised as these have been included just for the purposes of helping you to prepare the governing instrument.

The information and legal references contained in this chapter are accurate as of 5 July 2023.

Schedule 1A Template Governing Instrument for Company Limited by Guarantee

THE COMPANIES ACT 1967
COMPANY LIMITED BY GUARANTEE
CONSTITUTION¹
OF



(Incorporated in the Republic of Singapore)

NAME

1. The name of the Company is  (hereinafter called the "Company").

PLACE OF BUSINESS

2. The registered office of the Company will be situated in the Republic of Singapore.

OBJECTS

3. The exclusively charitable objects for which the Company is established are:
- (i) to *[insert charitable object(s)]*²;
- (ii) to do all such other things that are incidental or conducive to the attainment of the above objects provided that nothing shall be done solely for profit. The Company may, without prejudice to the generality of the foregoing:

(a) [Insert incidental activity;]

(b) [Example 1: pay all expenses, preliminary or incidental to the formation of the Company and its registration;]

(c) [Example 2: arrange and provide for, or join in arranging and providing for, the holding of exhibitions, meetings, conferences, concerts,

¹ **Note:** The Constitution of a company is a formal document setting out the key provisions regarding the administration of the company and provides the rules by which the company must operate. It describes the key characteristics of the company, sets out the primary objectives of the company and states the powers, duties and obligations conferred on the directors of the company and the members of the company. An institution applying to be registered as a charity is required to submit (among other things) the proposed governing instrument of the institution through the Charities Portal (<https://www.charities.gov.sg/Pages/Charities-and-IPCs/Register-as-a-Charity/Criteria-for-Registration-as-Charity.aspx#>). The Charities Act 1994 imposes several obligations on institutions which wish to be registered as a charity, such as requiring the governing instrument (i.e. the Constitution) to provide for the purposes of the institution and such purposes to be exclusively charitable and for the institution to have a minimum of three (3) persons to perform the function of governing board members, at least two (2) of whom shall be Singapore citizens or permanent residents.

² **Note:** The object(s) must be exclusively charitable and must be clearly and concisely stated. For example, the relief of poverty; advancement of education, advancement of religion; or other purposes beneficial to the community, which may include: promotion of health; advancement of citizenship or community development; advancement of arts, heritage or science; advancement of environmental protection or improvement; relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantages; advancement of animal welfare; and advancement of sport, where the sport promotes health through physical skill and exertion.

lectures, classes, seminars and training courses;]

(d) *[Example 3: receive money on deposit or loan and borrow or raise money in such manner as the Company may deem fit;]* [and]

(e) *[Example 4: purchase, lease or otherwise acquire any land, building or immovable property and for the financing of such purchase, lease or acquisition, to borrow or raise money with or without security and secure the payment of money or the performance of any obligation in such manner and upon such terms as the Company may deem fit;]*³ and

(iii) to do any other charitable objects as determined or approved by the board of Directors from time to time.

4. The income and property of the Company, whensoever derived, shall be applied towards the promotion of the objects of the Company as set forth in this Constitution, provided that nothing herein shall prevent the payment, in good faith, of reasonable and proper remuneration to any officer or servant of the Company, or to any member of the Company, in return of any services actually rendered to the Company.

LIABILITY

5. The liability of the members is limited.
6. Every member of the Company undertakes to contribute to the assets of the Company, in the event of its being wound up while such member is a member, or within one (1) year after such member ceases to be a member, for payment of the debts and liabilities of the Company contracted before such member ceases to be a member, and of the costs, charges and expenses of winding-up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding [●].

INTERPRETATION

7. In this Constitution:

Regulations : The regulations contained in this Constitution, as may be altered from time to time in accordance with the Act

The Act : The Companies Act 1967 or any statutory modification thereof for the time being in force

The Company : [●]

³ **Note:** Any power to carry out activities as means to further the Company's main objectives should be provided under an incidental clause.

The Seal	:	The common seal of the Company
The Directors	:	The directors for the time being of the Company
The Director	:	Includes any person acting as a director of the Company and includes any person duly appointed and acting for the time being as an alternate director
The Secretary	:	Any person appointed by the Directors to perform the duties of the secretary of the Company
The Treasurer	:	Any person appointed by the Directors to perform the duties of the treasurer of the Company

Words importing the masculine gender only shall include the feminine gender.

Words importing persons shall include corporations.

Expressions referring to writing shall, unless the contrary intention appears, be constructed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.

A provision of law is a reference to that provision as amended or re-enacted from time to time.

Words or expressions contained in this Constitution shall be interpreted in accordance with the provisions of the Interpretation Act 1965 and of the Act as in force at the date at which these Regulations become binding on the Company.

MEMBERSHIP

8. The number of members with which the Company proposes to be registered is one (1) but the Directors may from time to time register an increase in members provided that the total number of members shall not be at any time fewer than **[three (3)]**⁴.
9. The Directors may set out terms and conditions for membership and the procedure for application and approval of members.
10. An application for membership may be approved or rejected by the Directors without furnishing any reasons.
11. The privileges of a member are not transferable and shall cease on termination or on the death of the individual members or in the case of a corporation, statutory

⁴ **Note:** This is suggested so as to be consistent with the requirements to form a board of directors under the Charities Act 1994. See Regulation 33. In other words, the Company may be registered (that is, brought into existence) with one member, but it will need to have three members before it is registered as a charity.

body or society on their liquidation or deregistration. A member may retire or terminate their membership by giving [seven (7)] days' notice to the Company in writing. The notice period shall commence on the date of receipt of the same by the Company.

12. (i) Without prejudice to the above Regulation 11, where any member offends any rules or bye-laws⁵ of the Company or engages in any activities detrimental to the interest of the Company the membership of such member may be terminated by the Directors or such other committee as may be set up by the Directors, provided that the member concerned shall have a right to be heard before a final decision is made.
 - (ii) Any expelled member shall have the right within [fourteen (14)] days of the receipt of notice of expulsion to require the Directors to call a general meeting and the Directors shall within [fourteen (14)] days of receipt of any such requisition call an extraordinary general meeting accordingly. The only business at any such extraordinary general meeting shall be to approve or disapprove the action of the Directors in expelling such member. If such action is to be disapproved, such expulsion shall be rescinded and shall have no effect.
13. A member of the Company whose membership has been terminated either of their own accord or by the Directors or by such other committee set up by the Directors shall forfeit all claim to the rights and privileges as a member thereof and shall cease to be a member of the Company.

GENERAL MEETINGS

14. An annual general meeting of the Company must be held in accordance with the provisions of the Act and shall be held at such time and place as the Directors shall determine.
15. All general meetings other than the annual general meeting shall be called extraordinary general meetings.
16. The Directors may whenever they think fit convene an extraordinary general meeting and extraordinary general meetings shall be convened by such requisitions as provided in the Act so far as applicable.

NOTICE OF GENERAL MEETINGS

17. (i) Subject to the provisions of the Act relating to special resolutions and any agreement amongst persons who are entitled to receive notices of general

⁵ **Note:** The purpose of the Regulation is to ensure that members will abide by the relevant rules applicable to the Company. These can be any laws, rules or guidelines that the Company is required to comply with or any secondary rules (also known as bye-laws) established by the Company to regulate itself.

meetings from a company, at least **[fourteen (14)]** days' notice⁶ (exclusive of the day on which the notice is served or treated to be served, but inclusive of the day for which notice is given) of any general meeting must be given to persons entitled to receive notices of general meetings from the Company.

- (ii) A notice of a general meeting must specify the following:
 - (a) the place at which the general meeting is held;
 - (b) the date and time of the general meeting; and
 - (c) in case of special business to be transacted at the general meeting, the general nature of that business.

- 18. All business that is transacted at an extraordinary general meeting is special business, and also all business that is transacted at an annual general meeting is special business, with the exception of the consideration of the financial statements, the reports of the auditors and the statement of the Directors, the election of Directors in the place of retiring Directors and the appointment and fixing of the remuneration of the auditors.

PROCEEDINGS AT GENERAL MEETINGS

- 19. 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, the presence of **[three (3)]**⁷ members with voting rights present in person or by proxy shall constitute a quorum. For purposes of this Regulation, "member" includes an attorney or a representative of a corporation which is a member. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, in any other case the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine.
- 20. 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 Constitution.
- 21. The chairman of a general meeting is:
 - (i) in the case where the board of Directors has appointed a chairman amongst the Directors, the chairman; or

⁶ **Note:** The Companies Act 1967 provides that a general meeting shall be called by notice in writing of not less than fourteen (14) days or such longer period as is provided in the Constitution. A shorter notice period is permitted where (i) in the case of an annual general meeting, it is agreed by all members entitled to attend and vote; or (ii) in any other meeting, it is agreed by a majority in number of members having a right to attend and vote thereat, being a majority which holds together not less than ninety five percent (95%) of the total voting rights of all the members having a right to vote at that meeting.

⁷ **Note:** See footnote 4 above.

- (ii) in the case where:
 - (a) the chairman of the board of Directors is unwilling to act as the chairman of the general meeting;
 - (b) the chairman is not present within fifteen (15) minutes after the time appointed for the holding of the general meeting; or
 - (c) the board of Directors has not appointed a chairman amongst the Directors,

the member elected by the members present for the purpose of being the chairman of the general meeting.
- 22. (i) The chairman may, with the consent of a general meeting at which a quorum is present, and must if so directed by such general meeting, adjourn the general meeting from time to time and from place to place.
- (ii) No business is to be transacted at any adjourned meeting other than the business left unfinished at the general meeting from which the adjournment took place (called in this regulation the original general meeting).
- (iii) There is no need to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting unless the adjourned meeting is to be held more than 30 days after the date of the original general meeting.
- 23. Every member is entitled to vote and may vote in person or by proxy or by attorney and on a show of hands every member or a representative of a member who is present shall have one (1) vote.
- 24. In the case of an equality of votes, the chairman of the meeting is not entitled to a second or casting vote.
- 25. A member who is mentally disordered or whose person or estate is liable to be dealt with in any way under the law relating to mental capacity may vote, by a person who properly has the management of the estate of the member, and any such person may vote by proxy or attorney⁸.
- 26. (i) No objection may be raised as to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered.

⁸ **Note:** This is a standard Regulation included in Constitutions. This can be retained even though the initial members are not natural persons. If new members join and are natural persons, the Company will not have to revise the Constitution to reinsert these Regulations.

- (ii) Any objection made in due time must be referred to the chairman of the meeting, whose decision is final and conclusive.
 - (iii) Every vote not disallowed at the meeting is valid for all purposes.
27. A member shall be deemed to be present at a meeting of members if the member participates by telephone conference, video conference, audio visual or by means of similar communication equipment whereby all members participating in the meeting are able to communicate with each other.
28. The instrument appointing a proxy shall be in writing under the hand of the appointer or of the appointer's attorney duly authorised in writing or if the appointer is a corporation either under its seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Company.
29. The instrument appointing a proxy shall be in the following form or such other form as the board of Directors may approve:

[●]
(the "Company")

I/We* (name(s)) of (address(es))
being a member/members* of the Company hereby appoint
of, or failing him/her*,
of as my/our* proxy to vote for me/us*
on my/our* behalf at the **[annual or extraordinary, as the case may be]** general
meeting of the Company to be held on **[date]** and at any adjournment of the
meeting.
Signed this **[date]**
This form is to be used *in favour of/against* the resolution.
*Delete whichever is not applicable. **[Unless otherwise instructed, the proxy may
vote as he or she thinks fit.]**

30. The instrument appointing a proxy and the power of attorney or other authority, under which it is signed, or a notarially certified copy of power of authority, shall be deposited at least **[seventy two (72)]** hours before the time appointed for holding the meeting at the registered office of the Company, or at such other place within Singapore as is specified for that purpose in the notice convening the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
31. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy provided that no notice in writing of the death or revocation shall have been received at the place where the instrument of proxy was deposited at least **[one (1) hour]** before the time fixed for holding the meeting.

32. Subject to the Act, a resolution in writing signed by a majority or all of the members or their agents authorised in writing (except where a meeting is prescribed by the Act) shall be as valid and effectual as if it had been passed at a meeting of the members duly convened and held, and any such resolution may consist of several documents in like form, each signed by or on behalf of one (1) or more members. In the case of a corporate body which is a member such resolution may be signed on its behalf by any two (2) of its Directors or by any person (whether identified by name or by reference to the holding of any particular office) duly authorised by such corporate body by resolution of its Directors or other governing body or by power of attorney to sign resolutions on its behalf. The expressions “in writing” and “signed” include approval by facsimile (fax), email and other electronic means by any such member.

DIRECTORS: APPOINTMENTS ETC

33. All Directors shall be natural persons. The number of Directors shall be not less than **[three (3)]** / **[ten (10)]**,⁹ of whom at least **[two (2)]** or half (whichever is more)¹⁰ shall be Singapore citizens or permanent residents unless otherwise permitted by law. A Director need not be a member of the Company.
34. (i) At every annual general meeting, the Directors who have been in office for **[three (3) years]**¹¹, must retire from office.
- (ii) A retiring Director is eligible for re-election **[if he or she has not served his or her maximum term limit of ten (10) consecutive years. If a retiring Director has served his maximum term limit of ten (10) consecutive years, he or she may only be eligible for re-election and re-appointment if an extension of his or her term limit is deliberated and approved to be necessary by the Company at a general meeting by ordinary resolution]**.¹²
- (iii) The Company at the meeting at which a Director retires may fill the vacated office by electing a person to fill the vacated office.
- (iv) If the Company does not fill the vacated office, the retiring Director is, if he or she offers himself or herself for re-election and is not disqualified under the Act and/or the Charities Act 1994 from holding office as a Director, treated as re-elected, unless it is expressly resolved, at that meeting, not to fill the vacated office or a resolution for the re-election of that Director is put to that meeting and lost.

⁹ **Note:** Under the Charities (Large Charities) Regulations and Charities (Institutions of a Public Character) Regulations, large charities and large institutions of a public character have to have at least ten (10) governing board members. To consider including proposed wording in brackets if your charity falls under these requirements.

¹⁰ **Note:** Under the Charities Act 1994, an institution registering as a charity is required to have a minimum of three (3) persons to perform the function of governing board members, at least two (2) of whom shall be Singapore citizens or permanent residents.

¹¹ **Note:** The Code of Governance for Charities and IPCs and the [Board Appointment Guide for Charities](#) recommends that all board members should submit themselves for re-nomination and reappointment at least once every three (3) years.

¹² **Note:** The Code of Governance for Charities and IPCs and the [Board Appointment Guide for Charities](#) prescribes that for Tier 2 Charities (i.e. Large Charities and IPCs), there is a maximum term limit of ten (10) consecutive years for all Board members. Re-appointment to the Board can be considered after a lapse of at least two (2) years. To consider including the proposed wording in brackets if your charity is a Tier 2 Charity.

35. The Directors shall have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors and that the total number of Directors shall not at any time exceed the number fixed in accordance with this Constitution.
36. The Company may by ordinary resolution remove any Director before the expiration of his or her period of office in accordance with the requirements as stipulated in Act and may by ordinary resolution appoint another person in his or her stead.
37. The Company shall inform the Commissioner of Charities or the Sector Administrator¹³ within **[seven (7) days]** of any changes in the board of Directors¹⁴.
38. The remuneration of the Directors is, from time to time, to be determined by the Company in a general meeting, such remuneration being treated as accruing from day to day¹⁵.
39. The office of a Director shall become vacant if the Director¹⁶:
- (i) ceases to be a Director by virtue of the Act and/or the Charities Act 1994;
 - (ii) becomes bankrupt or makes any arrangement or composition with his or her creditors generally;
 - (iii) becomes prohibited from being a Director by reason of any order made under the Act and/or the Charities Act 1994;
 - (iv) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder;
 - (v) subject to Section 145 of the Act, resigns his or her office by notice in writing to the Company;
 - (vi) for more than **[six (6)]** months is absent without permission of the Directors from meetings of the Directors held during that period; or

¹³ **Note:** The Sector Administrator will apply where one has been appointed to supervise the sector that the Company is in, otherwise, the Commissioner of Charities will be applicable.

¹⁴ **Note:** Under the Charities Act 1994, the governing board members of any registered institution is required to notify the Commissioner (or the relevant Sector Administrator) if it ceases to exist, or if there is any change in its governing instruments or in its particulars entered in the register of charities, and to furnish the Commissioner (or the relevant Sector Administrator) with the particulars of the change and copies of the new governing instruments (as the case may be) within seven (7) days of such cessation or change. Any person who is in default of the above shall be guilty of an offence and shall be liable on conviction to a monetary fine and/or imprisonment.

¹⁵ **Note:** The Code of Governance for Charities and IPCs recommends that the directors should not receive remuneration for their board services. Where the intention is to permit such remuneration, note that the company would be required to disclose in its annual report the exact remuneration and benefits received by each individual board member.

¹⁶ **Note:** Under the Charities Act 1994, a person is disqualified from acting in the capacity of a director on the happening of the following (i) the person is convicted of an offence involving dishonesty, terrorism, terrorism financing or money laundering and the conviction is not spent; (ii) the person becomes a undischarged bankrupt; (iii) the person has made a composition or arrangement with his/her creditors and has not been discharged in respect of it; or (iv) the person has been disqualified from acting as a director under the Act. If any appointed person is disqualified, the governing board should replace the person and inform the Commissioner of Charities or Sector Administrator as required under the Charities Act 1994.

- (vii) is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare the nature of his or her interest in manner required by the Act.

POWERS AND DUTIES OF DIRECTORS

- 40. The business of the Company shall be managed by the Directors who may pay all expenses incurred in promoting and registering the Company and may exercise all such powers of the Company except any power that the Act or these Regulations require to be exercised by the Company in a general meeting, subject nevertheless to the provisions of the Act and the Constitution of the Company and to such Regulations being not inconsistent with the aforesaid Constitution or provisions as may be prescribed by the Company in a general meeting; but no Regulations made by the Company in a general meeting shall invalidate any prior act of the Directors which would have been valid if that Regulation had not been made.
- 41. Without limiting the generality of Regulation 40, the Directors may exercise all the powers of the Company to borrow money and mortgage or charge its undertaking and property for any debt, liability or obligation of the Company.
- 42.
 - (i) Every Director shall observe the provisions of Section 156 of the Act relating to the disclosure of the direct or indirect interests of the Directors in a transaction, contract, project or other matter, proposed or actual with the Company or of any office or property held by a Director which might create duties or interests in conflict with his or her duties or interests as a Director.
 - (ii) A Director shall not be entitled to vote nor participate in discussions in respect of any contract or arrangement in which he or she is interested, or in respect of any matter arising from such contract or arrangement. He or she shall also not be taken into account in ascertaining whether a quorum is present and should recuse himself or herself from the meeting.
 - (iii) If a Director referred to in Regulation 42(ii) does vote in respect of any contract or arrangement referred to in that Regulation, the Director's vote must not be counted.
- 43.
 - (i) The Directors may from time to time by power of attorney appoint any corporation, firm, limited liability partnership or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for the purposes and with the powers, authorities, and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for a period and subject to any conditions as the Directors may think fit.

- (ii) Any powers of attorney granted under Regulation 44(i) may contain provisions for the protection and convenience of persons dealing with the attorney or attorneys as the Directors think fit and may also authorise the attorney or attorneys to delegate all or any of the powers, authorities, and discretions vested in the attorney or attorneys.
44. (i) The Directors must cause minutes to be made of all of the following matters:
- (a) all appointments of officers to be engaged in the management of the Company's affairs;
 - (b) names of Directors present at all meetings of the Company and of the Directors; and
 - (c) all proceedings at all meetings of the Company and of the Directors.
- (ii) The minutes referred to in Regulation 44(i) must be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting.

PROCEEDINGS OF DIRECTORS

45. (i) The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- (ii) A Director may at any time summon a meeting of the Directors.
- (iii) The Secretary must, on the requisition of a Director, summon a meeting of the Directors.
46. (i) Subject to this Constitution, questions arising at any meeting of Directors must be decided by a majority of votes and a determination by a majority of Directors is for all purposes treated as a determination of the Directors.
- (ii) In case of an equality of votes the chairman of the meeting has a second or casting vote.
47. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, provided always that the quorum shall be at least **[half (1/2)]** of the board of Directors.¹⁷
48. The Directors may act despite any vacancy in their body; provided always that if and so long as the number of Directors is reduced in number to less than **[three (3)]**, the continuing Director(s) may not act except for the purpose of increasing the

¹⁷ **Note:** A charity is free to specify the quorum for Board meetings, but please note that the Code of Governance for Charities and IPCs provides that meetings of the Board should have an appropriate quorum of at least half of the Board, if a quorum is not stated in the charity's governing instrument.

number of Directors to that number or for the purpose of summoning a general meeting of the Company.

49. (i) The Directors may elect a chairman of their meetings and determine the period for which the chairman is to hold office.
- (ii) If no chairman is elected, or if at any meeting the chairman is not present within [ten (10)] minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.
50. (i) The Directors may delegate any of their powers to committees consisting of any member or members of their body as the Directors think fit.
- (ii) Any committee formed under Regulation 50(i) must in the exercise of the delegated powers conform to any Regulation that may be imposed on it by the Directors.
51. (i) A committee may elect a chairman of its meetings.
- (ii) If no chairman is elected, or if at any meeting the chairman is not present within [ten (10)] minutes after the time appointed for holding the meeting, the members present may choose one of their number to be chairman of the meeting.
52. (i) A committee may meet and adjourn as it thinks proper.
- (ii) Questions arising at any meeting must be determined by a majority of votes of the members present, and in the case of an equality of votes the chairman has a second or casting vote.
53. All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director is as valid as if every such person had been duly appointed and was qualified to be a Director, even if it is afterwards discovered that —
- (i) there was some defect in the appointment of any Director or person acting as a Director; or
- (ii) the Directors or person acting as a Director or any of them were disqualified.
54. Any Director or member of a committee may participate in a meeting of the Directors or such committee by means of telephone conference, video conference, audio visual or by means of similar communication equipment whereby all persons attending or participating in the meeting are able to communicate with each other. The person or persons participating in the meeting in the aforesaid manner shall be deemed for all purposes to be present in person at such meeting.

55. (i) A resolution in writing, signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors, is as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held.
- (ii) Any resolution in writing under Regulation 55(i) may consist of several documents in like form, each signed by one (1) or more Directors. The expressions "in writing" and "signed" include approval by facsimile (fax), email or other electronic communication by any such Director.

ALTERNATE DIRECTORS

56. (i) Any Director may from time to time by writing under his or her hand and deposited at the registered office or by email or other electronic communication sent to the Secretary appoint any person to be his or her alternate Director and may in like manner at any time terminate such appointment.
- (ii) A Director or any other person may act as an alternate Director to represent more than one (1) Director and such alternate Director shall be entitled at Directors' meetings to one (1) vote for every Director whom he or she represents in addition to his or her own vote if he or she is a Director.
- (iii) An alternate Director must vacate office if the appointer vacates office as a Director or removes the appointee from office.
- (iv) An alternate Director shall be entitled to receive notices of meetings of the Directors and to attend and vote as a Director at any such meeting at which the Director appointing him or her is not personally present and is otherwise unable to act as such Director, to perform all functions and to exercise all the powers of the appointer in the appointer's place.
- (v) An alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being under this Constitution but he or she shall be counted for the purpose or reckoning whether a quorum is present at any meeting of the Directors attended by him or her at which he or she is entitled to vote provided that he or she shall not constitute a quorum under Regulation 47 if he or she is the only person present at the meeting notwithstanding that he or she may be an alternate to more than one (1) Director.
- (vi) An alternate Director shall not be required to be a member.

SECRETARY

57. The Secretary shall in accordance with the Act be appointed by the Directors for such term, at such remuneration, and upon such condition as they may think fit, and any Secretary so appointed may be removed by them¹⁸.

TREASURER

58. The Directors may appoint a Treasurer (or equivalent appointment) to oversee the finances of the Company. The Treasurer (or the equivalent appointment like a Finance Committee Chairman or a person on the board of Directors responsible for overseeing the finances of the Company) shall not hold the same office for more than **[four (4)]** consecutive years. Re-appointment of the outgoing Treasurer (or equivalent appointment) may be considered after a lapse of at least **[two (2)]** years¹⁹.

DUTIES OF OFFICE BEARERS

59. 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 two (2) Directors or in such other manner as the Directors from time to time determine.

RULES OR BYE-LAWS

60. The Directors may from time to time make such rules or bye-laws as they deem necessary or expedient or convenient for the proper conduct and management of the Company and for the purposes of prescribing classes of and conditions of membership. The Company in a general meeting shall have the power to alter, add to or repeal the rules or bye-laws and the Directors shall adopt such means as they think sufficient to bring to the notice of members all such rules or bye-laws that shall be inconsistent with, or shall affect or repeal anything contained in, this Constitution.

SEAL²⁰

61. There is no obligation for the Company to have a seal. However, if any, the Directors shall provide for the safe custody of the Seal, which shall only be used by the authority of the Directors or of a committee of Directors authorised by the

¹⁸ **Note:** The [Board Appointment Guide for Charities](#) recommends that the board of directors establish formal terms of reference for each committee and key office bearers (e.g. Treasurer) to ensure effectiveness and accountability.

¹⁹ **Note:** Code of Governance for Charities and IPCs recommends that there should be a maximum limit of four (4) consecutive years for board members holding the Treasurer position (or equivalent appointment). Re-appointment to the Treasurer position (or equivalent) can be considered after a lapse of at least two (2) years.

²⁰ **Note:** Companies can execute documents without a common seal by having the documents signed by: (i) a director of the company and a company secretary; (ii) at least two (2) directors of the company; or (iii) a director of the company in the presence of a witness who attests the signature. While the requirement for common seals has been removed, a company may still choose to use a common seal to execute documents based on business needs.

Directors in that behalf and every instrument to which the Seal is affixed shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose.

ACCOUNTS AND REPORTS

62. The Directors shall cause proper accounting and other records to be kept and shall distribute copies of balance-sheets and other documents as required by the Act and/or the Charities Act 1994²¹ and shall from time to time determine whether and to what extent and at what times and places and under what conditions or Regulations the accounting and other records of the Company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any account or book or paper of the Company except as conferred by statute or authorised by the Directors or by the Company in a general meeting.

AUDITORS

63. Auditors shall be appointed and their duties regulated in accordance with relevant provisions of the Act and/or the Charities Act 1994. Every auditor of the Company shall have a right of access at all times to the accounting and other records of the Company and shall make his or her report as required by the Act.
64. Subject to the provisions of the Act and/or the Charities Act 1994 all acts done by any person acting as an auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his or her appointment or that he or she was at the time of his or her appointment.

NOTICES

65. A notice may be given by the Company to any member either personally or by sending it by post to the member at the member's registered address, or (if the member has no registered address within Singapore) to the address, if any, within Singapore supplied by the member to the Company for the giving of notice to that member. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting on the day after the date of its posting, and in any other case at the time at which the letter would be delivered in the ordinary course of posting.
66. (i) A notice may also be sent or supplied by the Company by electronic means to a member who has agreed generally or specifically that the notice may be given by electronic means and who has not revoked that agreement.

²¹ **Note:** Under the Charities Act 1994, the governing board members of a charity are required to ensure that accounting records are kept in respect of the charity which are sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time. The Company will also be required to make an annual submission to the Commissioner of Charities, which includes the financial statements of the Company.

- (ii) Where the notice is given by electronic means, service of the notice is treated as effected properly by sending or supplying it to an address specified for the purpose by the member generally or specifically.
67. A notice may be given by the Company to the persons entitled to receive the notice in consequence of the death or bankruptcy of a member by sending through the post in a prepaid letter addressed to them by name, or by the legal representatives of the deceased, or assignee of the bankrupt, at the address, if any, within Singapore supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
68. (i) Notice of every general meeting shall be given in any manner herein before authorised to:
- (a) every member;
 - (b) every person entitled to receive in consequence of the death or bankruptcy of a voting member who, but for his or her death or bankruptcy would be entitled to receive notice of the meeting; and
 - (c) the auditor for the time being of the Company.
- (ii) No other person shall be entitled to receive notices of general meetings.

INDEMNITY

69. Every Director, Secretary, Treasurer and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him or her in defending any proceedings, whether civil or criminal, in which judgement is given in their favour or in which they are acquitted or in connection with any application under the Act in which relief is granted to them by the Court in respect of any proceedings relating to negligence, default, breach of duty or breach of trust.

AMENDMENTS²²

70. No addition, alteration or amendment shall be made to this 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/or or the Sector Administrator and the same being registered with the [Registrar of Companies]²³. The Company shall notify the Commissioner of Charities and/or Sector Administrator of any change to this Constitution within [seven (7)] days after such change.

²² **Note:** See footnote 14 above.

²³ **Note:** For the purposes of a Singapore incorporated entity, this would presently be the Accounting and Corporate Regulatory Authority of Singapore.

WINDING UP AND DISSOLUTION

71. (i) 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.
- (ii) 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 1994, 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 of the Company, but shall be given or transferred to some other institution or institutions registered under the Charities Act 1994, having objects in Singapore similar to the objects of the Company, as determined by the members of the Company at or before the time of dissolution or cessation as a registered charity.
- (iii) Subject to any requirements under applicable law, notice of the winding up of the Company shall be given to the Registrar of Companies and the Commissioner of Charities or the Sector Administrator within **[seven (7)]** days of the passing of the resolution to wind up the Company²⁴.

²⁴ **Note:** See footnote 14 above.

Schedule 1B Template Governing Instrument for Society

SOCIETY
CONSTITUTION¹
OF
[●]

NAME

1. This Society shall be known as the [●] (hereinafter referred to as the “Society”).

PLACE OF BUSINESS

2. The place of business of the Society shall be at [●] or such other address as may subsequently be decided upon by the Committee and approved by the Registrar of Societies. The Society shall carry out its activities only in places and premises which have the prior written approval from the relevant authorities, where necessary.

OBJECTS

3. The exclusively charitable objects of the Society are:

- (i) to *[insert charitable object(s)]*².

In furtherance of the above objects and subject to the prior approval from the relevant authorities (where applicable), the Society may:

- (ii) *[Insert incidental activity;]*
- (iii) *[Example 1: pay all expenses, preliminary or incidental to the formation of the Society and its registration;]*
- (iv) *[Example 2: arrange and provide for, or join in arranging and providing for, the holding of exhibitions, meetings, conferences, concerts, lectures,*

¹ **Note:** The Constitution is a formal document setting out the key provisions regarding the administration of the society and provide the rules by which the society must operate. It describes the key characteristics of the society, sets out the primary objectives of the society and states the powers, duties and obligations conferred on the governing committee members. An institution applying to be registered as a charity is required to submit (among other things) the proposed governing instrument of the institution. The Charities Act 1994 imposes several obligations on institutions which wish to be registered as a charity, such as requiring the governing instrument (i.e. the Constitution) to provide for the purposes of the institution and such purposes to be exclusively charitable and for the institution to have a minimum of three (3) persons to perform the function of governing board members, at least two (2) of whom shall be Singapore citizens or permanent residents.

² **Note:** The object(s) must be exclusively charitable and must be clearly and concisely stated. For example, the relief of poverty; advancement of education, advancement of religion; or other purposes beneficial to the community, which may include: promotion of health; advancement of citizenship or community development; advancement of arts, heritage or science; advancement of environmental protection or improvement; relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantages; advancement of animal welfare; and advancement of sport, where the sport promotes health through physical skill and exertion.

classes, seminars and training courses;

- (v) *[Example 3: receive money on deposit or loan and borrow or raise money in such manner as the Society may deem fit;] [and]*
- (vi) *[Example 4: purchase, lease or otherwise acquire any land, building or immovable property and for the financing of such purchase, lease or acquisition, to borrow or raise money with or without security and secure the payment of money or the performance of any obligation in such manner and upon such terms as the Society may deem fit.]³*

The Society may do any other charitable objects as determined or approved by the Committee from time to time.

- 4. The Society shall not engage in any activities that may undermine the racial or religious harmony in Singapore.
- 5. The Society shall not engage in activities outside Singapore which are not in accordance with the laws of the foreign country.

INTERPRETATION

- 6. In this Constitution:

The Committee	:	The committee for the time being of the Society
The President	:	The president for the time being of the Society
The Secretary	:	Any person appointed by the Committee to perform the duties of the secretary of the Society
The Society	:	●
The Treasurer	:	Any person appointed by the Committee to perform the duties of the treasurer of the Society

Words importing the masculine gender only shall include the feminine gender.

Words importing persons shall include corporations.

Expressions referring to writing shall, unless the contrary intention appears, be constructed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.

A provision of law is a reference to that provision as amended or re-enacted from time to time.

³ **Note:** Any power to carry out activities as means to further the Society's main objectives should be provided under an incidental clause.

Words or expressions contained in this Constitution shall be interpreted in accordance with the provisions of the Interpretation Act 1965 and of the Societies Act 1966 as in force at the date at which these regulations become binding on the Society.

MEMBERSHIP QUALIFICATIONS

7. Any person who meets the following qualifications may apply to the Committee to be a member of the Society:
- (i) Individuals
 - (a) [●]
 - (ii) Corporations
 - (a) [●]

MEMBERSHIP

8. (i) This Constitution shall set out the terms and conditions for membership and the procedure for applicable and approval of its members:
- (a) [●]
- (ii) The Committee shall decide whether to admit, suspend or expel a member in accordance with this Constitution.
- (iii) Membership is terminated by resignation, expulsion, deregistration or upon death. Loss of membership does not relieve the member from its financial obligations towards the Society or other members of the Society but leads to cancellation of all rights in relation to the Society.

ENTRANCE FEES, SUBSCRIPTIONS AND OTHER DUES

9. (i) The entrance fees and subscriptions shall be [S\$[●]] / [determined during the general meeting on recommendation from the Committee from time to time].
- (ii) The income and property of the Society whensoever derived shall be applied towards the promotion of the objects of the Society as set forth in this Constitution and no portion thereof shall be paid or transferred directly or indirectly by way of dividend or bonus or otherwise howsoever by way of profit to the persons who at any time are or have been members of the Society or to any of them or to any person claiming through any of them.

SUPREME AUTHORITY AND GENERAL MEETINGS

10. (i) The supreme authority of the Society is vested in a general meeting of the members.
- (ii) An annual general meeting shall be held within **[three (3)]** months from the close of the Society's financial year.
- (iii) At other times, an extraordinary general meeting must be called by the President on the request in writing of not less than **[twenty five percent (25%)]** of the total voting membership or **[thirty (30)]** voting members, whichever is lesser, and may be called at any time by order of the Committee. The notice in writing shall be given to the Secretary setting forth the business that is to be transacted. The extraordinary general meeting shall be convened within **[two (2)]** months from receiving this request to convene the extraordinary general meeting.
- (iv) If the Committee does not within **[two (2)]** months after the date of the receipt of the written request proceed to convene an extraordinary general meeting, the members who requested for the extraordinary general meeting shall convene the extraordinary general meeting by giving **[ten (10)]** days' notice to voting members setting forth the business to be transacted and simultaneously posting the agenda on the Society's notice board.
- (v) At least **[two (2)]** weeks' notice shall be given of an annual general meeting and at least **[ten (10)]** days' notice of an extraordinary general meeting. Notice of meeting stating the date, time and place of meeting shall be sent by the Secretary to all voting members. The particulars of the agenda shall be posted on the Society's notice board **[four (4)]** days in advance of the meeting.
- (vi) Unless otherwise stated in this Constitution, **[voting by proxy shall not be allowed / voting by proxy is allowed]** at all general meetings. **[The instrument appointing a proxy shall be in writing under the hand of the appointer or of the appointer's attorney duly authorised in writing or if the appointer is a corporation either under its seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Society.]**
- (vii) [The instrument appointing a proxy shall be in the following form or such other form as the board of Committee may approve:

[•]

(the "Society")

I/We* (name(s)) of (address(es))
 being a member/members* of the Society hereby
appoint of , or failing

him/her*, _____ of _____
_____ as my/our* proxy to vote for me/us* on my/our* behalf at
the [annual or extraordinary, as the case may be] general meeting of the
Society to be held on [date] and at any adjournment of the meeting.

Signed this [date]

This form is to be used *in favour of/against* the resolution.

*Delete whichever is not applicable. [Unless otherwise instructed, the
proxy may vote as he or she thinks fit.]]⁴

- (viii) The following points will be considered at the annual general meeting for annual returns purposes:
 - (a) The previous financial year's accounts and annual report of the Committee.
 - (b) Where applicable, the election of office-bearers and honorary auditors for the following term.
- (ix) Any member who wishes to place an item on the agenda of a general meeting may do so provided he or she gives notice to the Secretary [one (1)] week before the meeting is due to be held.
- (x) At least [twenty five percent (25%)] of the total voting membership or [thirty (30)] voting members, whichever is the lesser, present at a general meeting shall form a quorum. In the event of there being no quorum at the commencement of a general meeting, the meeting shall be adjourned for half an hour and should the number then present be insufficient to form a quorum, those present shall be considered a quorum, but they shall have no power to amend any part of this existing Constitution.
- (xi) A decision that requires a vote shall be reached by a show of hands or by means of an electronic count. Unless otherwise stipulated in this Constitution, a simple majority of the members entitled to vote is sufficient for a vote to be valid. The number of valid votes counted shall decide the majority.

MANAGEMENT AND COMMITTEE

- 11. (i) The administration of the Society shall be entrusted to the Committee consisting of the following:
 - (a) [President]
 - (b) [Vice-President]
 - (c) [Secretary]
 - (d) [Treasurer]

⁴ **Note:** This is a suggested template for a proxy form that may be considered similar to that adapted by companies. However, this has not been reviewed by the Ministry of Home Affairs.

(e) [Ordinary Committee members]

Unless with the prior approval in writing of the Registry of Societies, the majority of the members of the Committee shall be Singapore citizens. In addition, the President, Secretary, Treasurer and their deputies shall be Singapore citizens or Singapore permanent residents. Foreign diplomats shall not serve as members of the Committee⁵.

- (ii) Names for the above offices shall be proposed and seconded at the annual general meeting and election will follow on a simple majority vote of the members. All office bearers except the Treasurer may be re-elected to the same or related post for a consecutive term of office. The term of office of the Committee is [three (3)] years.
- (iii) The Treasurer shall not hold the same office for more than [four (4)] consecutive years. The re-appointment of the outgoing Treasurer may be considered after a lapse of at least [two (2)] years⁶.
- (iv) Election will either be by show of hands or, subject to the agreement of the majority of the voting members present, by a secret ballot. In the event of a tie, [the President of the meeting shall have a casting vote] / [a re-vote shall be taken and if it still results in a tie, a lot shall be drawn to determine who shall be the successful candidate unless the contesting candidate(s) withdraw in favour of one of themselves.]
- (v) A Committee meeting shall be held at least once every [●] months after giving [seven (7)] days' notice to Committee members. The President may call a Committee meeting at any time by giving [five (5)] days' notice. The quorum necessary for a Committee meeting shall be at least [half (1/2)] of the Committee members.⁷ Any decision of the Committee shall be determined by a simple majority of the voting Committee members present. In the event of a deadlock, the President shall have the casting vote.
- (vi) A Committee member shall not be entitled to vote or participate in discussions in respect of any contract or arrangement in which he or she is interested, or in respect of any matter arising from such contract or arrangement. He or she shall also not be taken into account in ascertaining whether a quorum is present and should recuse himself or herself from the meeting.

⁵ **Note:** Under the Charities Act 1994, an institution who would like to be registered as a charity is required (among other things) to have a minimum of three (3) persons to perform the function of governing board members, at least two (2) of whom shall be Singapore citizens or permanent residents. Under the Charities (Large Charities) Regulations and Charities (Institutions of a Public Character) Regulations, large charities and large institutions of a public character, at least ten (10) persons are required.

⁶ **Note:** The Code of Governance for Charities and IPCs recommends that there should be a maximum limit of four (4) consecutive years for board members holding the Treasurer position (or equivalent appointment). Re-appointment to the Treasurer position (or equivalent) can be considered after a lapse of at least two (2) years.

⁷ **Note:** A charity is free to specify the quorum for Committee meetings, but please note that the Code of Governance for Charities and IPCs provides that meetings of the Board (or its equivalent) should have an appropriate quorum of at least half of its members, if a quorum is not stated in the charity's governing instrument.

- (vii) A retiring Committee member is eligible for re-election [if he or she has not served his and her maximum term limit of ten (10) consecutive years. If a retiring Director has served his or her maximum term limit of ten (10) consecutive years, he or she may only be eligible for re-election and re-appointment if an extension of his or her term limit is deliberated and approved to be necessary by the Society at a general meeting by a majority of votes cast in favour of the resolution].⁸
- (viii) The office of a Committee member shall become vacant if the Committee member is disqualified or prohibited from being a Committee member by virtue of or by reason of any order made under the Charities Act 1994.
- (ix) The Committee shall have the power to remove the Committee member who is appointed by the Committee before the expiration of his or her period of office and may appoint another person in his or her stead.
- (x) Any member of the Committee absenting himself or herself from [three (3)] meetings consecutively without satisfactory explanations shall be deemed to have withdrawn from the Committee and a successor may be co-opted by the Committee to serve until the next annual general meeting. Any changes in the Committee shall be notified to the Registry of Societies within [two (2)] weeks of the change.
- (xi) The Society shall inform the Commissioner of Charities or the Sector Administrator⁹ within [seven (7)] days of any changes in the Committee¹⁰.
- (xii) The duty of the Committee is to organise and supervise the daily activities of the Society. The Committee may not act contrary to the expressed wishes of the general meetings without prior reference to it and shall always remain subordinate to the general meetings.
- (xiii) The Committee has power to authorise the expenditure of a sum not exceeding S\$[●] per month from the Society's funds for the Society's purposes.

⁸ **Note:** The Code of Governance for Charities and IPCs and the [Board Appointment Guide for Charities](#) prescribes that for Tier 2 charities (i.e., Large Charities and IPCs), there is now a maximum term limit of ten (10) consecutive years for all Board members. Re-appointment to the Board can be considered after a lapse of at least two (2) years. To consider including the proposed wording in brackets if your charity is a Tier 2 Charity.

⁹ **Note:** The Sector Administrator will apply where one has been appointed to supervise the sector that the Society is in, otherwise, the Commissioner of Charities will be applicable.

¹⁰ **Note:** Under the Charities Act 1994, the governing board members of any registered institution is required to notify the Commissioner (or the relevant Sector Administrator) if it ceases to exist, or if there is any change in its governing instruments or in its particulars entered in the register of charities, and to furnish the Commissioner (or the relevant Sector Administrator) with the particulars of the change and copies of the new governing instruments (as the case may be) within seven (7) days of such cessation or change. Any person who is in default of the above shall be guilty of an offence and shall be liable on conviction to a monetary fine and/or imprisonment.

DUTIES OF OFFICE-BEARERS¹¹

12. (i) The President shall chair all general meetings and Committee meetings. He or she shall also represent the Society in its dealings with outside persons.
- (ii) The Vice-President shall assist the President and deputise for him or her in his or her absence.
- (iii) The Treasurer shall keep all funds and collect and disburse all moneys on behalf of the Society and shall keep an account of all monetary transactions and shall be responsible for their correctness. He or she is authorised to expend up to S\$[●] per month for petty expenses on behalf of the Society. He or she will not keep more than S\$[●] in the form of cash and money in excess of this will be deposited in a bank to be named by the Committee. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for money paid to the Society, must be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by the Treasurer and at least one (1) other person delegated by the Committee (e.g. either the President or the Vice President or the Secretary) or in such other manner as the Committee from time to time determine.
- (iv) The Committee through its Secretary shall cause records to be kept of all its members and meetings and of all proceedings of the Society in general meeting.

AUDIT¹²

13. The annual accounts shall be audited by a firm of public accountants nominated by the Committee and elected at the annual general meeting in accordance with the Societies Act 1966 and the Charities Act 1994. The firm of public accountants so elected shall hold office until the conclusion of the next annual general meeting and may be re-elected. They will be required to audit each financial account and present a report upon them to the annual general meeting.

They may be required by the President to audit the Society's financial accounts for any period within their tenure of office at any date and make a report to the Committee.

NOTICES

14. A notice may be given by the Society to any member either personally or by sending it by post to him or her at his registered address, or (if he or she has no registered address within Singapore) to the address, if any, within Singapore

¹¹ **Note:** The [Board Appointment Guide for Charities](#) recommends that the governing bodies establish formal terms of reference for each committee and key office bearers (e.g. Treasurer) to ensure effectiveness and accountability.

¹² **Note:** Under the Charities Act 1994, the governing board members of a charity are required to ensure that accounting records are kept in respect of the charity which are sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time. The charity will also be required to make an annual submission to the Commissioner of Charities, which includes the financial statements of the charity.

- supplied by him or her to the Society for the giving of notice to him or her. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting on the day after the date of its posting, and in any other case at the time at which the letter would be delivered in the ordinary course of posting.
15. (i) A notice may also be sent or supplied by the Society by electronic means to a member who has agreed generally or specifically that the notice may be given by electronic means and who has not revoked that agreement.
- (ii) Where the notice is given by electronic means, service of the notice is treated as effected properly by sending or supplying it to an address specified for the purpose by the member generally or specifically.
16. A notice may be given by the Society to the persons entitled to receive it in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name, or by the legal representatives of the deceased, or assignee of the bankrupt, at the address, if any, within Singapore supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
17. (i) Notice of every general meeting shall be given in any manner herein before authorised to:
- (a) every member;
- (b) every person entitled to receive in consequence of the death or bankruptcy of a voting member who, but for his or her death or bankruptcy would be entitled to receive notice of the meeting; and
- (c) the auditor for the time being of the Society.
- (ii) No other person shall be entitled to receive notices of general meetings.

TRUSTEES

18. If the Society holds or any time acquires any movable, real or immovable property, such property shall be vested in the trustees subject to a declaration of trust.
19. The trustees of the Society shall:
- (i) Not be more than **[four (4)]** and not less than **[two (2)]** in number.
- (ii) Be elected by a general meeting of members.
- (iii) Not effect any sale of mortgage of property without the prior approval of the general meeting of members.

20. The office of the trustee shall be vacated if the trustee:
- (i) dies or becomes of unsound mind;
 - (ii) is absent from the Republic of Singapore for a period of more than **[one (1) year]**;
 - (iii) is guilty of misconduct of such a kind as to render it undesirable that he or she continues as a trustee;
 - (iv) submits notice of resignation from his or her trusteeship; or
 - (v) is disqualified or prohibited from being a trustee by virtue of or by reason of any order made under the Charities Act 1994.
21. Notice of any proposal to remove a trustee from his or her trusteeship or to appoint a new trustee to fill a vacancy must be given by posting it on the notice board in the Society's premises at least **[two (2)]** weeks before the general meeting at which the proposal is to be discussed. The result of such general meeting shall then be notified to the Registry of Societies and the Commissioner of Charities or the Sector Administrator.
22. The address of each immovable property, name of each trustee and any subsequent change must be notified to the Registry of Societies and the Commissioner of Charities or the Sector Administrator.

PROHIBITIONS

23. Gambling of any kind, whether for stakes or not, drug abuse, consumption of liquor and alcoholic drinks, smoking and all other forms of immoral activities are strictly prohibited in the Society's premises. The introduction of materials for gambling or drug taking and of bad characters into the premises is prohibited.
24. The funds of the Society shall not be used to pay the fines of members who have been convicted in a court of law.
25. The Society shall not engage in any trade union activity as defined in any written law relating to trade unions for the time being in force in Singapore.
26. The Society shall not indulge in any political activity or allow its funds and/or premises to be used for political purposes.
27. The Society shall not hold any lottery, whether confined to its members or not, in the name of the Society or its office-bearers, Committee or members unless in accordance with applicable law¹³.
28. The Society shall not raise funds from the public for whatever purposes without the prior approval in writing of the Assistant Director Operations, Licensing Division, Singapore Police Force and other relevant authorities.

¹³ **Note:** The conduct of and conditions for holding public lotteries and private lotteries are governed by the Gambling Control Act 2022. The Society will be required to obtain a permit from the Ministry of Home Affairs to conduct any private lottery.

RULES AND BYE-LAWS

29. The Committee may from time to time make such rules or bye-laws as they deem necessary or expedient or convenient for the proper conduct and management of the Society and for the purposes of prescribing classes of and conditions of membership. The Society in general meeting have the power to alter, add to or repeal the rules or bye-laws and the Committee shall adopt such means as they think sufficient to bring to the notice of members all such rules or bye-laws that shall be inconsistent with, or shall affect or repeal anything contained in this Constitution.

AMENDMENTS TO CONSTITUTION

30. (i) No additions, alterations or amendments shall be made to this Constitution of the Society unless the same shall have been previously submitted to and approved by a **[two-thirds (2/3)]** majority vote of the voting members of the Society at a general meeting and they shall not come into force without prior sanction of the Registry of Societies and the Commissioner of Charities.
- (ii) The Society shall notify the Commissioner of Charities and/or Sector Administrator of any change to this Constitution within **[seven (7)]** days after such change¹⁴.

DISSOLUTION

31. (i) The Society shall not be dissolved, except with the consent of a majority of the total voting membership of the Society for the time being resident in Singapore expressed, either in person or by proxy, at a general meeting convened for the purpose.
- (ii) In the event of the Society being dissolved as provided above, or in the event the society ceases to be a registered charity under the Charities Act 1994, all debts and liabilities legally incurred on behalf of the Society shall be fully discharged, and the remaining funds will be given or transferred to some other institution or institutions registered under the Charities Act 1994, having objects in Singapore similar to the objects of the Society, as determined by the members of the Society at a general meeting at or before the time of dissolution or cessation as a registered charity.
- (iii) A certificate of dissolution shall be given within **[seven (7)]** days of the dissolution to the Registry of Societies and the Commissioner of Charities or the Sector Administrator¹⁵.

¹⁴ **Note:** See footnote 10 above.

¹⁵ **Note:** See footnote 10 above.

2. Administration Guidelines

Administration guidelines set out the governing board's responsibilities and enables the governing board to provide strategic guidance and effective management oversight in the charity attaining its charitable and fund-raising objectives.

In the Schedules, you will find the template administration guidelines for Tier 1 and Tier 2 charities which you can adapt for your organisation:

- Schedule 2A Board/ Council/ Management Committee Administration Guidelines (Tier 1)

Applicable to Tier 1 small and medium charities (i.e. charities with gross annual receipts or total expenditure from S\$50,000 to less than S\$10,000,000 (whichever is higher) that are not Institutions of a Public Character.

- Schedule 2B Board/ Council/ Management Committee Administration Guidelines (Tier 2)

Applicable to all Institutions of a Public Character (IPCs) and large non-IPCs with gross annual receipts or total expenditure of S\$10,000,000 or more.

Guidance notes for using the templates

The administration guidelines should be aligned with the charity's existing governing instrument.

The templates include footnotes which provide instructions to guide you in preparing the administration guidelines.

The parts of the templates which are marked out in highlighted square brackets are to be adapted to your organisation's needs and circumstances

Please delete the footnotes and square brackets when the document is finalised as these have been included just for the purposes of helping you to prepare the administration guidelines.

The information and legal references contained in this chapter are accurate as of 28 July 2023.

Schedule 2A Template Administration Guidelines (Tier 1) Charity

Applicable to Tier 1 small and medium charities (i.e. charities with gross annual receipts or total expenditure from S\$50,000 to less than S\$10,000,000 (whichever is higher) that are not Institutions of a Public Character. Please note that the below administration guidelines, if adopted should be aligned with the charity's existing governing instrument.

Board/ Council/ Management Committee Administration Guidelines **[Insert name of entity]**

Board administration guidelines and terms of reference

1. Introduction

- 1.1 **[Insert name of entity]** (the **Organisation**) is a **[public company limited by guarantee / society]**¹.
- 1.2 The board is responsible for the corporate governance of the Organisation and any subsidiaries of the Organisation (collectively, the **Group**). These board administration guidelines apply to both the Organisation and to each subsidiary (if any) of the Organisation – that is, to the board of each member of the Group – so that references in these board administration guidelines to the Organisation apply to the Organisation or to the relevant subsidiary member of the Group.
- 1.3 The purpose of these guidelines is to:
- (a) promote high standards of corporate governance within the Group;
 - (b) clarify the role and responsibilities of the board in relation to the Group; and
 - (c) enable the board to provide strategic guidance for the Group and effective management oversight in the Group attaining its charitable and fund-raising objectives.

2. Board size, composition and independence

- 2.1 The board of the Organisation and of each subsidiary (if any) of the Organisation shall comprise **[insert number]**² members.
- 2.2 The board must be comprised of individuals:

¹ References to the Registrar of Societies or the Companies Act 1967 must be removed and tailored accordingly for registered charities incorporated as societies.

² **Registered charities** are generally required to have at least three (3) governing board members.

- (a) with an appropriate range of core skills, experience and expertise. Example of core skills include accounting, finance, legal, human resources, business and management, strategic planning, fundraising, communications and relevant sectorial knowledge;
 - (b) who can understand and competently deal with current and emerging issues relating to the nature and objectives of the Organisation;
 - (c) who can effectively review and challenge the performance of management and exercise independent judgment in the management of the Organisation;
 - (d) with personal attributes like integrity, mature confidence and high standards of excellence; and
 - (e) who are committed to govern the Organisation effectively and act in its best interests.
- 2.3 Board members must not be disqualified under the **[Companies Act 1967 of Singapore and/or]** Charities Act 1994 of Singapore to act as a board member of the Organisation.
- 2.4 The board member who is the treasurer of the Organisation should have recognised accounting qualifications and/or appropriate practical experience.
- 2.5 Staff working for the Organisation shall not:
- (a) become board members unless expressly permitted by the Organisation's governing instrument; and
 - (b) comprise more than one-third of the board.
- 2.6 For the avoidance of doubt, newly appointed board members are required to undergo an induction programme, to ensure that they are familiar with the Organisation's work and governance practices.
- 2.7 Each board member is appointed by a formal letter of appointment setting out the key terms and conditions of their appointment to ensure that each board member clearly understands the Organisation's expectations of him or her.
- 2.8 Board members should attend relevant training to develop these competencies and keep abreast of relevant new laws and regulatory requirements.
- 3. The board's role and responsibilities**
- 3.1 The board acts in the best interests of the Organisation as a whole and is accountable to its members for the overall direction, management and corporate governance of the Organisation and the Group.

3.2 The board is responsible for:

- (a) overseeing the Organisation, including its management, control, accountability systems and fundraising initiatives;
- (b) reporting to members of the Organisation;
- (c) providing advice to management;
- (d) approving management's strategy and performance objectives and reporting to the relevant stakeholders of the Organisation;
- (e) developing and implementing strategies for regular communication with the stakeholders of the Organisation and the public, enabling receipt of feedback by the Organisation and enabling the Organisation to respond constructively;
- (f) approving and monitoring financial and other reporting (including loans, donations, grants or financial assistance provided by the charity which are not part of the core charitable programmes listed in the Organisation's policies);
- (g) reviewing and ratifying systems of risk management, internal compliance and control, and legal compliance to ensure appropriate compliance frameworks and controls are in place;
- (h) reviewing and overseeing the implementation of the Group's corporate code of conduct, vision and mission;
- (i) approving charters of board committees;
- (j) monitoring and ensuring compliance with legal and regulatory requirements and ethical standards and policies;
- (k) monitoring and ensuring compliance with best practice corporate governance requirements, taking into consideration environmental, social and governance factors;
- (l) ensuring that there are and managing adequate resources to sustain the Organisation's operations;
- (m) approving of documented human resource policies and documented code of conduct for board members, staff and volunteers to cover areas such as recruitment, remuneration, benefits, training and development, performance appraisal, disciplinary actions and cessation of employment;
- (n) ensuring that there are fair and transparent processes to regularly supervise and appraise staff and cater to their professional development; and

- (o) ensuring that there is a process to identify and regularly monitor, review and manage the Organisation's key risks.
- 3.3 For board members who are directly involved in operational decisions and matters of the organisation, there should be a clear distinction between their role as a board member and their operational work.
- 3.4 There should be guidelines for the board setting forth:
 - (a) matters reserved for the board's decision; and
 - (b) clear directions on matters that must be approved by the board.

4. Board meetings

- 4.1 The quorum for board meetings shall be at least half of the board or at least three (3) directors, whichever is greater, unless otherwise stated in the Organisation's governing instrument.
- 4.2 Proceedings and decisions of board meetings should be minuted and circulated to the whole board as soon as practicable.

5. Board committees

- 5.1 The board shall establish the following committees to oversee and to assist it in carrying out its responsibilities, to share detailed work and to consider certain issues and functions in detail:
 - (a) Audit Committee;
 - (b) Finance Committee;
 - (c) Programmes and Services Committee; and
 - (d) Fund-raising Committee.
- 5.2 The quorum required for each committee meetings' proceedings to be valid, shall be at least one third (1/3) of the committee members of the particular committee.
- 5.3 Any committee shall have the power to remove any committee member who is appointed by the committee before the expiration of his or her period of office and may appoint another person in his stead.
- 5.4 The charter or terms of reference of each board committee setting out matters relevant to the composition, responsibilities and administration of the committee must be submitted to the board for approval and will not take effect unless and until approved by the board. Each committee will review its charter from time to time as appropriate. The basic responsibilities and requirements relating to each committee are set out

below: see 0 (Audit Committee), 0 (Finance Committee), 9.2 (Programmes and Services Committee) and 0 (Fund-raising Committee) pending submission to the board and approval by the board of any other statement of responsibilities and requirements.

6. Chairperson of the board

6.1 The chairperson of the board:

- (a) is appointed by a vote of the majority of the members of the board;
- (b) must be an executive / non-executive member of the board; and
- (c) cannot be a staff working for the Organisation.

6.2 The responsibilities of the chairperson of the board include:

- (a) providing leadership to the board;
- (b) promoting the efficient organisation and conduct of the board's functions;
- (c) ensuring the board considers and adopts strategies designed to meet present and future needs of the Organisation and to meets its objectives;
- (d) ensuring the board has an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- (e) monitoring the performance of the board;
- (f) facilitating board discussions to ensure core issues facing the Organisation are addressed;
- (g) briefing all members of the board in relation to issues arising at board meetings;
- (h) promoting constructive and respectful relations between board members and between the board and management;
- (i) ensuring the board regularly meets to consider the Organisation's performance and key issues facing it;
- (j) setting the agenda for the board meetings after consulting with management; and
- (k) chairing general meetings.

7. Chief executive officer and staff

- 7.1 Responsibility for day-to-day management and administration of the Organisation is delegated by the board to the [chief executive officer/executive director/other equivalent and relevant title] (**chief executive**) and the staff.
- 7.2 The responsibilities of the chief executive officer include:
- (a) developing and recommending to the board strategies, business plans, annual budgets and fundraising initiatives for the Organisation;
 - (b) implementing the strategies, plans and budgets adopted by the board;
 - (c) providing effective leadership, direction and supervision of the staff to achieve the strategies, charitable objectives and budgets adopted by the board;
 - (d) developing and managing resources, policies and systems to ensure the effective operation of the Organisation (including policies on risk management, internal controls and human resources);
 - (e) reviewing, monitoring and managing resources within budgets approved by the board (including income and expenditures) through implementation of appropriate internal controls such as:
 - (i) revenue receipting policies and procedures;
 - (ii) procurement and payment policies and procedures; and
 - (iii) system for the delegation of authority and limits of approval;
 - (f) ensuring compliance with applicable laws and regulations;
 - (g) ensuring the board is given sufficient information to enable it to perform its functions, set strategies and monitor performance; and
 - (h) acting within authority delegated by the board.

8. Audit Committee

- 8.1 The Audit Committee shall facilitate the external and internal audit of the Organisation for the board to obtain independent information about the Organisation's activities. The responsibilities of the Audit Committee include:
- (a) Overseeing the financial reporting and disclosure process of the Organisation including disclosing or submitting the necessary documents (such as annual report, financial statements, governance evaluation checklist and so on) in accordance with legal and regulatory requirements, in particular ensuring the annual report discloses:

- (i) number of board meetings in the year and each director's attendance;
 - (ii) total annual remuneration (including any remuneration received in the Organisation's subsidiaries) for each of its highest-paid staff who each receives remuneration exceeding \$100,000, in incremental bands of \$100,000. Should any of the three (3) highest paid staff serve on the board, this should also be disclosed. If none of its staff receives more than \$100,000 in annual remuneration each, the Organisation should disclose this fact; and
 - (iii) the number of paid staff who are close members of the family of a member of the board, and whose remuneration exceeds \$50,000 during the year. The annual remuneration of such staff should be listed in incremental bands of \$100,000. If none of the Organisation's staff is a close member of the family of a member of the board and receives more than \$50,000 in annual remuneration, the Organisation should disclose this fact as well;
- (b) Reviewing audit plans, and report of internal and external auditors;
 - (c) Conducting internal reviews on key processes to ensure compliance with established procedures and reporting to the board where necessary;
 - (d) Reporting to the board on any financial irregularities and concerns; and
 - (e) Liaising with any internal and external auditors on any material issues or matters.
- 8.2 The chairman of the Audit Committee should not be the treasurer or the Finance Committee chairman.
- 8.3 The chairman of the Audit Committee should have recognised accounting qualifications and/or appropriate practical experience.

9. Finance Committee

- 9.1 The Finance Committee shall oversee the finances and budgeting of the Organisation. The responsibilities of the Finance Committee include:
- (a) Reviewing budgets of the Organisation and developing appropriate procedures for budget preparations and the Organisation's plans;
 - (b) Ensuring regular and accurate monitoring and accountability for funds;
 - (c) Ensuring financial reports are accurate and timely;
 - (d) Overseeing short and long-term investments of the Organisation; and
 - (e) Advising on financial priorities and information systems.

- 9.2 The chairman of the Finance Committee should have recognised accounting qualifications and/or appropriate practical experience.

10. Programmes and Services Committee

- 10.1 The Programmes and Services Committee shall oversee the operations of the Organisation's programmes and services and comprises of board members who are familiar with the approaches and operations of the Organisation's programmes and services. The responsibilities of the Programmes and Services Committee include:

- (a) Overseeing new programme development and monitoring and assessing outcomes of existing programmes to ensure that they are in line with the vision, mission and objectives of the Organisation;
- (b) Guiding the development of service delivery mechanisms; and
- (c) Initiating and guiding programme evaluations.

11. Fund-raising Committee

- 11.1 The Fund-raising Committee is responsible for overseeing the Organisation's overall fund-raising, including fund-raising carried out by the board. The responsibilities of the Fund-raising Committee include:

- (a) Working with the Organisation's staff to establish and adopt a fund-raising plan that incorporates appropriate fund-raising processes and vehicles, including fund-raising events and campaigns;
- (b) Identifying and soliciting funds from external sources of support; and
- (c) Monitoring fund-raising activities of the Organisation to ensure that they meet ethical standard and practices, that donors are properly acknowledged and that such activities are in line with the Organisation's objectives and mission statement.

12. Board members

- 12.1 Board members are expected to attend and participate in board meetings and meetings of committees on which they serve.
- 12.2 Board members are expected to spend the time needed, and meet as often as necessary, to properly discharge their responsibilities.
- 12.3 Board members are expected to review meeting materials before board meetings and committee meetings.
- 12.4 Board members are encouraged to ask questions of, request information from, and raise any issue of concern with, management. Board members are encouraged,

where possible, to ask any questions and raise issues of concern before a meeting so that management is prepared to address them.

- 12.5 Board members must exercise independent judgment when making decisions.
- 12.6 Publicly, board members are expected to support the letter and spirit of board decisions.
- 12.7 Board members must keep board information, discussions, deliberations, and decisions that are not publicly known, confidential.
- 12.8 Board members must comply with their legal duties when discharging their responsibilities as board members. Broadly, these duties are to:
 - (a) act in good faith and in the best interests of the Organisation;
 - (b) act with care and diligence;
 - (c) act for proper purposes;
 - (d) avoid a conflict of interest or duty; and
 - (e) refrain from making improper use of information gained through the position of board member or taking improper advantage of the position of board member.
- 12.9 A board member should not engage in conduct likely to bring discredit upon the Organisation.

13. Conflicts

- 13.1 Conflict of interest means a situation where a board member, staff, or other person has an existing or potential financial or other material interest that might impair his or her independence or objectivity in the discharge of responsibilities and duties to the Organisation.
- 13.2 Board members are expected to be sensitive to conflicts of interest or duty that may arise and mindful of their fiduciary obligations.
- 13.3 Board members must:
 - (a) disclose to the board any actual or potential conflict of interest or duty that might reasonably be thought to exist as soon as the situation arises;
 - (b) take necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty; and

- (c) comply with [the Companies Act 1967 of Singapore,] the Charities Act 1994 of Singapore, the Code of Governance for Charities and the Organisation's constitution in relation to disclosing material personal interests and restrictions on voting.
- 13.4 If a conflict exists, it is expected that any board member to whom the conflict relates shall not vote nor participate when the board is discussing any matter to which the conflict relates and should be recorded in the minutes of the meeting as not having voted. The reason for how a final decision is made on the matter should also be recorded in the minutes of the meeting as well.
- 13.5 Board members are expected to inform the chairperson of the board of any proposed appointment to the board or executive of another company and/or organisation as soon as practicable.
- 13.6 Board members should not receive remuneration for their services to the board. Where board members are expressly permitted to receive remuneration or benefits for their services pursuant to the Organisation's governing instrument, the Organisation should provide reasons for allowing remuneration or benefits and disclose in its annual report the exact remuneration and benefits received by each such board member. Board members should not be involved in setting their own remuneration in that case.
- 13.7 Where any appointment of staff who is a close member of the family of a board member, the board member should make a declaration of such relationships and should not participate and influence any decisions made during the appointment process.
- 13.8 Special procedures should be in place to deal with conflict of interest when board members have:
- (a) any interest in business transactions or contracts that the Organisation may enter into;
 - (b) any interest in other organisations that the Organisation has dealings or potential dealings with; or
 - (c) any interest as the Organisation's suppliers, service users, beneficiaries or staff.
- 14. Access to information and independent advice for directors**
- 14.1 Board members have access to any information they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.
- 14.2 Board members have access to:
- (a) management to seek explanations and information from management; and

(b) auditors, both internal and external, to seek explanations and information from them without management being present.

- 14.3 Subject to the approval of the chairman, board members may seek any independent professional advice they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.

15. Retirement and reappointment of directors

- 15.1 All board members are required to submit themselves for re-nomination and reappointment at least once every three (3) years.
- 15.2 A board member holding treasurer position (or equivalent appointment like a Finance Committee chairman or is responsible for overseeing the finances of the Organisation) shall have a maximum limit of four consecutive years. If there is no director who oversees the finances, the Chairman will take on the role. Re-appointment to such positions can be considered after a lapse of at least two (2) years.
- 15.3 After meeting the maximum term limit for the treasurer, a board member's re-appointment to the position of treasurer (or an equivalent position) may be considered after at least a two (2)-year break. Should the treasurer leave the position for less than two (2) years, and when he or she is being re-appointed, the treasurer's years of service would continue from the time he or she stepped down as treasurer.
- 15.4 The board should ensure succession for board members resigning or finishing their terms of office.

16. Approved and adopted

These guidelines are approved and adopted by the board on [Insert date].

Date:

Signed:

Chairperson of the board of directors
of [Insert name of entity]

Schedule 2B Template Administration Guidelines (Tier 2) Charity

Applicable to all Institutions of a Public Character (**IPCs**) and large non-IPCs with gross annual receipts or total expenditure of S\$10,000,000 or more. Please note that the below administration guidelines, if adopted should be aligned with the charity's existing governing instrument.

Board/ Council/ Management Committee Administration Guidelines **[Insert name of entity]**

Board administration guidelines and terms of reference

1. Introduction

- 1.1 **[Insert name of entity]** (the **Organisation**) is a **[public company limited by guarantee / society]**¹.
- 1.2 The board is responsible for the corporate governance of the Organisation and any subsidiaries of the Organisation (collectively, the **Group**). These board administration guidelines apply to both the Organisation and to each subsidiary (if any) of the Organisation – that is, to the board of each member of the Group – so that references in these board administration guidelines to the Organisation apply to the Organisation or to the relevant subsidiary member of the Group.
- 1.3 The purpose of these guidelines is to:
- (a) promote high standards of corporate governance within the Group;
 - (b) clarify the role and responsibilities of the board in relation to the Group; and
 - (c) enable the board to provide strategic guidance for the Group and effective management oversight in the Group attaining its charitable and fund-raising objectives.

2. Board size, composition and independence

- 2.1 The board of the Organisation and of each subsidiary (if any) of the Organisation shall comprise **[insert number]**² members.
- 2.2 The board must be comprised of individuals:

¹ References to the Registrar of Societies or the Companies Act 1967 must be removed and tailored accordingly for registered charities incorporated as societies.

² **Registered charities** are generally required to have at least three (3) governing board members.

- (a) with an appropriate range of core skills, experience and expertise. Example of core skills include accounting, finance, legal, human resources, business and management, strategic planning, fundraising, communications and relevant sectorial knowledge;
 - (b) who can understand and competently deal with current and emerging issues relating to the nature and objectives of the Organisation;
 - (c) who can effectively review and challenge the performance of management and exercise independent judgment in the management of the Organisation;
 - (d) with personal attributes like integrity, mature confidence and high standards of excellence; and
 - (e) who are committed to govern the Organisation effectively and act in its best interests.
- 2.3 Board members must not be disqualified under the **[Companies Act 1967 of Singapore and/or]** Charities Act 1994 of Singapore to act as a board member of the Organisation.
- 2.4 The board member who is the treasurer of the Organisation should have recognised accounting qualifications and/or appropriate practical experience.
- 2.5 Staff working for the Organisation shall not:
 - (a) become board members unless expressly permitted by the Organisation's governing instrument; and
 - (b) comprise more than one-third of the board.
- 2.6 For the avoidance of doubt, newly appointed board members are required to undergo an induction programme, to ensure that they are familiar with the Organisation's work and governance practices.
- 2.7 Each board member is appointed by a formal letter of appointment setting out the key terms and conditions of their appointment to ensure that each board member clearly understands the Organisation's expectations of him or her.
- 2.8 Board members should attend relevant training to develop these competencies and keep abreast of relevant new laws and regulatory requirements.
- 3. The board's role and responsibilities**
- 3.1 The board acts in the best interests of the Organisation as a whole and is accountable to its members for the overall direction, management and corporate governance of the Organisation and the Group.

3.2 The board is responsible for:

- (a) overseeing the Organisation, including its management, control, accountability systems and fundraising initiatives;
- (b) reporting to members of the Organisation;
- (c) providing advice to management;
- (d) approving management's strategy and performance objectives and reporting to the relevant stakeholders of the Organisation;
- (e) developing and implementing strategies for regular communication with the stakeholders of the Organisation and the public, enabling receipt of feedback by the Organisation and enabling the Organisation to respond constructively;
- (f) approving and monitoring financial and other reporting (including loans, donations, grants or financial assistance provided by the charity which are not part of the core charitable programmes listed in the Organisation's policies);
- (g) reviewing and ratifying systems of risk management, internal compliance and control, and legal compliance to ensure appropriate compliance frameworks and controls are in place;
- (h) reviewing and overseeing the implementation of the Group's corporate code of conduct, vision and mission;
- (i) approving charters of board committees;
- (j) monitoring and ensuring compliance with legal and regulatory requirements and ethical standards and policies;
- (k) monitoring and ensuring compliance with best practice corporate governance requirements, taking into consideration environmental, social and governance factors;
- (l) ensuring that there are and managing adequate resources to sustain the Organisation's operations;
- (m) ensuring that there is a plan to develop the capacity and capability of the Organisation and that this plan is documented for building the capacity (i.e. infrastructure and operational resources) and capability (i.e. expertise, skills and knowledge) and that the progress of this plan is monitored by the board;
- (n) setting and reviewing internal policies for the Organisation on the following areas of:
 - (i) anti-money laundering and countering of financial terrorism;

- (ii) board strategies, functions, and responsibilities;
 - (iii) employment practices;
 - (iv) volunteer management;
 - (v) finances;
 - (vi) information technology including data privacy management and cybersecurity;
 - (vii) investment (obtaining advice from qualified professional advisors if this is deemed necessary by the board);
 - (viii) service or quality standards; and
 - (ix) other key areas such as fund-raising and data protection;
- (o) approving of documented human resource policies and documented code of conduct for board members, staff and volunteers to cover areas such as recruitment, remuneration, benefits, training and development, performance appraisal, disciplinary actions and cessation of employment;
 - (p) ensuring that there are fair and transparent processes to regularly supervise and appraise staff and cater to their professional development;
 - (q) ensuring the implementation of a whistle-blowing policy for any person to raise concerns about possible wrongdoings within the Organisation and ensure such concerns are independently investigated and follow-up action taken as appropriate;
 - (r) ensuring that that there is a process to identify and regularly monitor, review and manage the Organisation's key risks;
 - (s) measure the impact of the Organisation's activities, review in particular, external risk factors and their likelihood of occurrence and respond to the key risks for the sustainability of the Organisation;
 - (t) conducting regular self-evaluation to assess the board's performance and effectiveness once per term or every three (3) years, whichever is shorter;
 - (u) ensuring that there are documented and implemented media communication policies on the release of information about the Organisation to its stakeholders, the media and the public, to help the board and the Organisation build positive relationships with the media and the public;
 - (v) designating appropriate spokesperson(s) for the Organisation; and

(w) ensuring that the Organisation's facilities and assets are efficiently and effectively utilised.

3.3 For board members who are directly involved in operational decisions and matters of the organisation, there should be a clear distinction between their role as a board member and their operational work.

3.4 There should be guidelines for the board setting forth:

(a) matters reserved for the board's decision; and

(b) clear directions on matters that must be approved by the board.

4. Board meetings

4.1 The quorum for board meetings shall be at least half of the board or at least three (3) directors, whichever is greater, unless otherwise stated in the Organisation's governing instrument.

4.2 Proceedings and decisions of board meetings should be minuted and circulated to the whole board as soon as practicable.

5. Board Committees

5.1 The board shall establish the following committees to oversee and to assist it in carrying out its responsibilities, to share detailed work and to consider certain issues and functions in detail:

(a) Audit Committee;

(b) Finance Committee;

(c) Programmes and Services Committee;

(d) Fund-raising Committee;

(e) Appointment / Nomination Committee;

(f) Human Resources Committee; and

(g) Investment Committee.

5.2 The quorum required for each committee meetings' proceedings to be valid, shall be at least one third (1/3) of the committee members of the particular committee.

- 5.3 Any committee shall have the power to remove any committee member who is appointed by the committee before the expiration of his or her period of office and may appoint another person in his stead.
- 5.4 The charter or terms of reference of each board committee setting out matters relevant to the composition, responsibilities and administration of the committee must be submitted to the board for approval and will not take effect unless and until approved by the board. Each committee will review its charter from time to time as appropriate. The basic responsibilities and requirements relating to each committee are set out below: see 0 (Audit Committee), 0 (Finance Committee), 9.2 (Programmes and Services Committee), 0 (Fund-raising Committee), 0 (Appointment / Nomination Committee), 0 (Human Resources Committee) and 0 (Investment Committee), pending submission to the board and approval by the board of any other statement of responsibilities and requirements.

6. Chairperson of the board

- 6.1 The chairperson of the board:
- (a) is appointed by a vote of the majority of the members of the board;
 - (b) must be an executive / non-executive member of the board; and
 - (c) cannot be a staff working for the Organisation.
- 6.2 The responsibilities of the chairperson of the board include:
- (a) providing leadership to the board;
 - (b) promoting the efficient organisation and conduct of the board's functions;
 - (c) ensuring the board considers and adopts strategies designed to meet present and future needs of the Organisation and to meets its objectives;
 - (d) ensuring the board has an effective composition, size and commitment to adequately discharge its responsibilities and duties;
 - (e) monitoring the performance of the board;
 - (f) facilitating board discussions to ensure core issues facing the Organisation are addressed;
 - (g) briefing all board members in relation to issues arising at board meetings;
 - (h) promoting constructive and respectful relations between board members and between the board and management;

- (i) ensuring the board regularly meets to consider the Organisation's performance and key issues facing it;
- (j) setting the agenda for the board meetings after consulting with management; and
- (k) chairing general meetings.

7. Chief executive officer and staff

7.1 Responsibility for day-to-day management and administration of the Organisation is delegated by the board to the [chief executive officer/executive director/other equivalent and relevant title] (**chief executive**) and the staff.

7.2 The responsibilities of the chief executive officer include:

- (a) developing and recommending to the board strategies, business plans, annual budgets and fundraising initiatives for the Organisation;
- (b) implementing the strategies, plans and budgets adopted by the board;
- (c) providing effective leadership, direction and supervision of the staff to achieve the strategies, charitable objectives and budgets adopted by the board;
- (d) developing and managing resources, policies and systems to ensure the effective operation of the Organisation (including policies on risk management, internal controls and human resources);
- (e) reviewing, monitoring and managing resources within budgets approved by the board (including income and expenditures) through implementation of appropriate internal controls such as:
 - (i) revenue receipting policies and procedures;
 - (ii) procurement and payment policies and procedures; and
 - (iii) system for the delegation of authority and limits of approval;
- (f) ensuring compliance with applicable laws and regulations;
- (g) ensuring the board is given sufficient information to enable it to perform its functions, set strategies and monitor performance; and
- (h) acting within authority delegated by the board.

8. Audit Committee

8.1 The Audit Committee shall facilitate the external and internal audit of the Organisation for the board to obtain independent information about the Organisation's activities. The responsibilities of the Audit Committee include:

(a) Overseeing the financial reporting and disclosure process of the Organisation including disclosing or submitting the necessary documents (such as annual report, financial statements, governance evaluation checklist and so on) in accordance with legal and regulatory requirements, in particular ensuring the annual report discloses:

- (i) number of board meetings in the year and each director's attendance;
- (ii) total annual remuneration (including any remuneration received in the Organisation's subsidiaries) for each of its highest-paid staff who each receives remuneration exceeding \$100,000, in incremental bands of \$100,000. Should any of the three (3) highest paid staff serve on the board, this should also be disclosed. If none of its staff receives more than \$100,000 in annual remuneration each, the Organisation should disclose this fact; and
- (iii) the number of paid staff who are close members of the family of a member of the board, and whose remuneration exceeds \$50,000 during the year. The annual remuneration of such staff should be listed in incremental bands of \$100,000. If none of the Organisation's staff is a close member of the family of a member of the board and receives more than \$50,000 in annual remuneration, the Organisation should disclose this fact as well;

(b) Reviewing audit plans, and report of internal and external auditors;

(c) Conducting internal reviews on key processes to ensure compliance with established procedures and reporting to the board where necessary, including being confident that the Organisation's operational policies and procedures (including information technology processes) are effective in managing the key risks of the Organisation;

(d) Reporting to the board on any financial irregularities and concerns; and

(e) Liaising with any internal and external auditors on any material issues or matters.

8.2 The chairman of the Audit Committee should not be the treasurer or the Finance Committee chairman.

8.3 The chairman of the Audit Committee should have recognised accounting qualifications and/or appropriate practical experience.

9. Finance Committee

9.1 The Finance Committee shall oversee the finances and budgeting of the Organisation. The responsibilities of the Finance Committee include:

- (a) Reviewing budgets of the Organisation and developing appropriate procedures for budget preparations and the Organisation's plans;
- (b) Ensuring regular and accurate monitoring and accountability for funds;
- (c) Ensuring financial reports are accurate and timely;
- (d) Overseeing short and long-term investments of the Organisation; and
- (e) Advising on financial priorities and information systems.

9.2 The chairman of the Finance Committee should have recognised accounting qualifications and/or appropriate practical experience.

10. Programmes and Services Committee

10.1 The Programmes and Services Committee shall oversee the operations of the Organisation's programmes and services and comprises of board members who are familiar with the approaches and operations of the Organisation's programmes and services. The responsibilities of the Programmes and Services Committee include:

- (a) Overseeing new programme development and monitoring and assessing outcomes of existing programmes to ensure that they are in line with the vision, mission and objectives of the Organisation;
- (b) Guiding the development of service delivery mechanisms; and
- (c) Initiating and guiding programme evaluations.

11. Fund-raising Committee

11.1 The Fund-raising Committee is responsible for overseeing the Organisation's overall fund-raising, including fund-raising carried out by the board. The responsibilities of the Fund-raising Committee include:

- (a) Working with the Organisation's staff to establish and adopt a fund-raising plan that incorporates appropriate fund-raising processes and vehicles, including fund-raising events and campaigns;
- (b) Identifying and soliciting funds from external sources of support; and

- (c) Monitoring fund-raising activities of the Organisation to ensure that they meet ethical standard and practices, that donors are properly acknowledged and that such activities are in line with the Organisation's objectives and mission statement.

12. Appointment / Nomination Committee

- 12.1 The Appointment / Nomination Committee is responsible for the general affairs of the board. The responsibilities of the Appointment / Nomination Committee include:
 - (a) Ensuring that the board has an appropriate balance of independent board members and appropriate balance of expertise, skills, attributes and ability among the board members;
 - (b) Identifying potential board member candidates and exploring their interest and availability for board service;
 - (c) Nominating of individuals to be elected as board members and board officers; and
 - (d) Succession planning.

13. Human Resources Committee

- 13.1 The Human Resources Committee is responsible for:
 - (a) Drafting and/or revising personnel policies for board approval, reviewing job descriptions, establishing a salary structure, and annually reviewing staff salaries, and reviewing the benefits package;
 - (b) Guiding development, review and authorisation of human resources policies and procedures; and
 - (c) Acting as a grievance board for employee complaints on formal written grievances against the executive director or when an employee formally appeals a decision by the executive director to the board.

14. Investment Committee

- 14.1 The Investment Committee is responsible for directing and monitoring the investment of assets of the Organisation for the sole interest of the beneficiaries. The responsibilities of the Investment Committee include:
 - (a) Determining the Organisation's financial needs and ensuring that those needs can be met by cash flows derived from operations, new donations and investments;
 - (b) Determining the Organisation's risk tolerance;
 - (c) Ensuring that the investment objectives, policies and guidelines are consistent and appropriate;

- (d) Evaluating the performance of the investment manager on a regular basis to ensure that policy guidelines are followed;
- (e) Developing investment policies and processes;
- (f) Reviewing the asset allocation on a yearly basis; and
- (g) Reporting on the investment performance and financial condition of the Organisation's fund on a half-yearly basis.

15. Board members

- 15.1 Board members are expected to attend and participate in board meetings and meetings of committees on which they serve.
- 15.2 Board members are expected to spend the time needed, and meet as often as necessary, to properly discharge their responsibilities.
- 15.3 Board members are expected to review meeting materials before board meetings and committee meetings.
- 15.4 Board members are encouraged to ask questions of, request information from, and raise any issue of concern with, management. Board members are encouraged, where possible, to ask any questions and raise issues of concern before a meeting so that management is prepared to address them.
- 15.5 Board members must exercise independent judgment when making decisions.
- 15.6 Publicly, board members are expected to support the letter and spirit of board decisions.
- 15.7 Board members must keep board information, discussions, deliberations, and decisions that are not publicly known, confidential.
- 15.8 Board members must comply with their legal duties when discharging their responsibilities as board members. Broadly, these duties are to:
 - (a) act in good faith and in the best interests of the Organisation;
 - (b) act with care and diligence;
 - (c) act for proper purposes;
 - (d) avoid a conflict of interest or duty; and
 - (e) refrain from making improper use of information gained through the position of board member or taking improper advantage of the position of board member.

- 15.9 A board member should not engage in conduct likely to bring discredit upon the Organisation.

16. Conflicts

- 16.1 Conflict of interest means a situation where a board member, staff, or other person has an existing or potential financial or other material interest that might impair his or her independence or objectivity in the discharge of responsibilities and duties to the Organisation.
- 16.2 Board members are expected to be sensitive to conflicts of interest or duty that may arise and mindful of their fiduciary obligations.
- 16.3 Board members must:
- (a) disclose to the board any actual or potential conflict of interest or duty that might reasonably be thought to exist as soon as the situation arises;
 - (b) take necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty; and
 - (c) comply with [the Companies Act 1967 of Singapore,] the Charities Act 1994 of Singapore, the Code of Governance for Charities and Institutions of a Public Character issued by The Charity Council in April 2023 and the Organisation's constitution in relation to disclosing material personal interests and restrictions on voting.
- 16.4 If a conflict exists, it is expected that any board member to whom the conflict relates shall not vote nor participate when the board is discussing any matter to which the conflict relates and should be recorded in the minutes of the meeting as not having voted. The reason for how a final decision is made on the matter should also be recorded in the minutes of the meeting as well.
- 16.5 Board members are expected to inform the chairperson of the board of any proposed appointment to the board or executive of another company and/or organisation as soon as practicable.
- 16.6 Board members should not receive remuneration for their services to the board. Where board members are expressly permitted to receive remuneration or benefits for their services pursuant to the Organisation's governing instrument, the Organisation should provide reasons for allowing remuneration or benefits and disclose in its annual report the exact remuneration and benefits received by each such board member. Board members should not be involved in setting their own remuneration in that case.

- 16.7 Where any appointment of staff who is a close member of the family of a board member, the board member should make a declaration of such relationships and should not participate and influence any decisions made during the appointment process.
- 16.8 Special procedures should be in place to deal with conflict of interest when board members have:
- (a) any interest in business transactions or contracts that the Organisation may enter into;
 - (b) any interest in other organisations that the Organisation has dealings or potential dealings with; or
 - (c) any interest as the Organisation's suppliers, service users, beneficiaries or staff.

17. Access to information and independent advice for directors

- 17.1 Board members have access to any information they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.
- 17.2 Board members have access to:
- (a) management to seek explanations and information from management; and
 - (b) auditors, both internal and external, to seek explanations and information from them without management being present.
- 17.3 Subject to the approval of the chairman, board members may seek any independent professional advice they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.

18. Retirement and reappointment of directors

- 18.1 All board members are required to submit themselves for re-nomination and reappointment at least once every three (3) years and the term limits for all directors will be set at ten (10) consecutive years or less. Re-appointment to the board can be considered after at least a two (2)-year break.
- 18.2 A board member holding treasurer position (or equivalent appointment like a Finance Committee chairman or is responsible for overseeing the finances of the Organisation) shall have a maximum limit of four (4) consecutive years. After which, the retiring treasurer may continue to serve in other positions on the board (except an assistant treasurer position or equivalent), not beyond the overall term limit of ten (10) consecutive years, unless the extension was deliberated and approved at the general meeting provided for in the paragraph 18.3 below.

- 18.3 After meeting the maximum term limit of ten (10) consecutive years, the extension should be deliberated and approved at the general meeting where the board member is being re-appointed or re-elected to serve for the Organisation's term of service.
- 18.4 The board should ensure succession for board members resigning or finishing their terms of office.
- 18.5 The Organisation must disclose the reasons for retaining any board member who has served on the board for more than ten (10) consecutive years, as well as its succession plan, in its annual report.

19. Approved and adopted

These guidelines are approved and adopted by the board on [Insert date].

Date:

Signed:

Chairperson of the board of directors
of [Insert name of entity]

3. Legal Risk Management

Effective legal risk management is crucial for charities to ensure their long-term sustainability, operational integrity and reputation.

The main sources of legal risk for organisations pertain to the organisation's corporate structure, its compliance with applicable regulations, the assets that the organisation holds, its contractual relationships and obligations and the disputes the charity may encounter.

In the Schedule, you will find a brief which serves as a practical guide to help a charity director manage the legal risks that he or she may encounter in carrying out his or her role.

Guidance notes

While the brief serves as a practical guide for charity directors, the brief can also be used by charity staff to understand the sources of legal risk that a charity may encounter and consider the practical tips to manage them.

The information and legal references contained in this chapter are accurate as of 13 February 2024.

Schedule 3 Brief on Legal Risk Management

1. Overview

- 1.1 This document serves as a practical guide to help you manage legal risks in your role as a charity director.
- 1.2 This document is not intended to cover all areas of legal risk that you may encounter as a director, and the presence and/or significance of some of the areas of risk discussed below will vary from organisation to organisation depending on various factors including the scale of the organisation and the nature of the activities being undertaken.

Sources of Legal Risk

- 1.3 The most commonly recognised sources of legal risk are as follows:
 - (a) **Corporate:** These risks pertain to the legal and governance structure of the organisation and the jurisdiction(s) in which it is established and/or operates. Consequently, these considerations will be integrated into the organisation's structure and will influence processes related to financial reporting, taxation, corporate governance, liability, and management/operational decision-making.
 - (b) **Asset:** This category of legal risk emanates from the nature and value of the assets held by the business and the extent to which they are protected and managed. This includes both tangible assets, such as buildings, and intangible assets, such as human capital and intellectual property.
 - (c) **Contract:** Contract risk arises from the legal relationships the organisation is involved in. It is often characterised by the potential for financial loss if one party breaches the contract or fails to properly manage the contractual benefits or obligations. Contract risk also includes the process of managing the contract itself.
 - (d) **Disputes:** Legal disputes can stem from various sources, such as employee misconduct, workplace accidents, product liability, and contractual relationships with third parties.
 - (e) **Regulation:** Regulatory risk emerges from the business and its activities being subject to various regulations. These regulations may be issued by government entities, charity regulators, or industry bodies. They can change over time, as can their interpretation and application. Therefore, it is crucial to stay informed about these regulations and continuously monitor them.

Identification, Analysis and Management of Legal Risk

- 1.4 Hopefully, the charity in which you are serving as a director will have in place processes and procedures designed to identify, analyse and manage legal risk. Historically, the creation of these processes and procedures should have resulted in the formulation of a tailored risk management framework which targets the identified risks and their ongoing implementation and will result in updates to the risk management framework as these risks evolve.
- 1.5 Ideally, identified legal risks will be logged in a risk register (which records the attributes of each identified risk, the likelihood of it occurring and the anticipated consequences for the organisation should it do so) and will typically be managed via one of the following approaches:
- (a) **Transferring Risk:** Assigning an individual, group or third party to be responsible for the risk.
 - (b) **Tolerating Risk:** Accepting and monitoring the risk on an ongoing basis.
 - (c) **Treating Risk:** Controlling the risk via actions that reduce its occurrence and/or minimise its impact.
 - (d) **Terminating Risk:** Altering or abandoning the activities or practices to eliminate the risk entirely.

Areas of Legal Risk

- 1.6 Notwithstanding the above, there are a number of areas of risk which will be common to most if not all organisations to some degree. These include:
- (a) Customer Complaints;
 - (b) Potential Litigation;
 - (c) Employee Grievances;
 - (d) Confidentiality;
 - (e) Cybersecurity and Data Protection;
 - (f) Insurance; and
 - (g) Authority and Duties.
- 1.7 Outside of the above list, you may encounter other kinds of risks, for example, charities are also increasingly starting to address climate-related risks. Newer areas such as this may sometimes require advice or assistance from specialist risk advisory entities.

- 1.8 Ideally the charity will have established and documented formal policies or guidelines for some or all of these areas (for example, within an enterprise risk management framework). If such policies exist, you should obtain copies of the relevant documents and familiarise yourself with them and their potential impact on your role. If these policies are not in place, this guide should help you identify some of the key issues related to the identified risk areas and provide tips for navigating them.

2. Customer Complaints

- 2.1 Unfortunately, dealing with unhappy and/or challenging customers has become a reality for most organisations to some degree in the modern world. Even the most well-run, customer-centric businesses which treat their customers in an exemplary fashion will receive a customer complaint at some point. As such, good customer service has become the touchstone of successful businesses particularly in the internet / social media era where people are increasingly vocal about their experiences.
- 2.2 Accordingly, effective complaints management truly is an essential component of customer service and business success – even where the underlying service being provided is charitable / philanthropic in its essence. Not only is it the means to gather valuable customer insight, it also helps the organisation to deliver improvements that can lead to reduced costs, increased profitability, enhanced customer satisfaction and a reduction in the likelihood of similar complaints in the future.
- 2.3 As the director of a charity, the extent to which you are involved in customer complaints may vary depending on the size and sophistication of the charity, your role within it and the level of formality in the customer complaints procedure.
- 2.4 The following are some practical tips for dealing with such complaints:
- (a) **Be Responsive:** Promptly acknowledge any complaints. Let them know if you need time to investigate the complaint and when you expect to be in a position to respond. Keep them updated if your targeted timeframe is no longer achievable.
 - (b) **Be Available:** Wherever possible, it pays to handle customer complaints in person via a face-to-face conversation or an in-person call. This helps to demonstrate that you are engaged and committed to solving the problem that led to the complaint.
 - (c) **Listen:** Hear the customer out and try to understand the nature of the complaint.

- (d) **Communicate Effectively:** It is important to practice good communication discipline when handling customer complaints. Even when communicating internally, practice professional etiquette and use discretion when discussing customer complaints. Note that internal communications can become a matter of record in litigation. Due attention should also be paid to the potential for disgruntled customers to attempt to (fairly or unfairly) inflame a situation by resorting to social media postings to air grievances. Practice prudent communication and engagement and be prepared to address a matter if it should become public.
- (e) **Empathise:** Acknowledge any mistake(s) and the resulting disappointment / frustration experienced by the customer.
- (f) **Apologise:** Apologise and thank the customer for raising the issue.
- (g) **Question:** Probe to better understand the issue and how you can remedy the situation for the customer.
- (h) **Investigate:** Speak with relevant staff members / others who may have been involved in the situation that gave rise to the complaint.
- (i) **Resolve:** Provide a solution to the customer.
- (j) **Record:** Create a thorough record of the complaint and the process undertaken to resolve it including the discussions with the customer.
- (k) **Follow up:** After the situation has been resolved, follow-up with the customer and internally.
- (l) **Learn:** Review the complaint to help avoid similar complaints in the future. This may include updating the organisation's procedures and/or policy documentation and providing training to highlight the situation.

2.5 Much of the above is a combination of common sense and good inter-personal behaviour the legal risks of which are minor. However, from a legal risk management perspective, the effective handling of customer complaints is an important gating process which can prevent more serious complaints and/or more aggressive complainants from escalating their grievances resulting in threatened or actual litigation – something which is discussed in more detail in the next section of this guide.

3. Potential and Actual Litigation

3.1 Similar to customer complaints, the threat of litigation is often beyond the control of even the most prudent and well-managed organisations. Potential litigation can stem from various sources, including genuine faults by the organisation or vexatious claims from disgruntled employees, suppliers or customers.

- 3.2 As a charity director, your involvement in potential litigation may vary depending on several factors. However, if you do become involved, it is crucial to respond appropriately. Even if a dispute does not lead to litigation, it can harm business relationships, damage the organisation's reputation, and consume valuable time and resources.
- 3.3 Faced with the threat of litigation, the following are a selection of techniques which can be deployed in order to:
- (a) reduce the chances of threatened litigation resulting in actual proceedings; or
 - (b) mitigate the likelihood of proceedings resulting in an adverse outcome and/or the quantum of such outcome.

Understand the Key Contracts Relevant to You

- 3.4 If you have been with the charity for some time, it is likely that you will have been involved in the negotiation of the key contracts that fall within your remit. As such, you should have some knowledge of their terms so that, if a potential dispute arises, you are better equipped to understand the nature and importance of the issue in dispute. However, if you are new to the organisation or a particular role within it, or other personnel are tasked with concluding contracts for which you may have subsequent responsibility, it is important that you familiarise yourself with these contracts so that you are not taken by surprise in the event that a counterparty presents you with a potential claim.
- 3.5 A key operational step is to ensure that there is a centralised record of all material contracts and the key deadlines in them, including when they may be due for renewal, or when access to these documents is needed in the event of a potential or ongoing dispute.
- 3.6 It is important to appreciate that legally binding contracts may also be formed by correspondence, such as an exchange of emails. Therefore, records of such correspondence should be filed and preserved with the same care and diligence as formally signed agreements.

Do Not Overreact

- 3.7 Contract law differentiates between the major and minor terms within agreements. Major terms are fundamental elements of a contract, while minor terms are ancillary. Understanding this distinction is critical, as it affects the rights available to the parties in the event of a breach. If a major term is breached, the innocent party generally has the right to terminate the contract and seek compensation. In contrast, a breach of a minor term typically only allows for a compensation claim.
- 3.8 It is not unusual for aggrieved parties to threaten contract termination when a dispute arises, especially if they believe a term has been breached. Some may even terminate the contract outright. A more aggressive approach is often used to pressure the other

party into resolving the issue. However, it is essential to tread cautiously when faced with such a scenario, as this tactic can have adverse consequences. For example, a counterparty may claim it has the right to terminate the agreement when in fact the breach relates to a minor term of the agreement which would not legally entitle it to do so. This tactic might even be employed as a means to exit a contract when the counterparty realises it made a poor bargain.

- 3.9 Even if you are minded to be conciliatory, it is important to adopt a measured approach and to avoid overreacting such that you do not unwittingly undermine your position.
- 3.10 If you are minded to negotiate or attempt to communicate with your counterparty so as to be able to reach closure of a matter, be sure to indicate that your communication is made on a “without prejudice” basis with the intention to settle the dispute. This will allow your communication and your offer to be received by the other party without being used against you in evidence – thus allowing you to express your position more frankly.

Respond Promptly and in an Adequate Manner

- 3.11 Whatever your view of the alleged claim, it is prudent to acknowledge that it has been received and is being considered without making any comment as to its merits. This approach can buy some time to better evaluate the issue. However, be careful to act quickly thereafter so as to avoid allowing critical time periods to lapse – if there has been a breach of an important contractual term you may need to take protective action and/or provide a substantive response in order to avoid more serious consequences. Continued passiveness can, in some cases, be interpreted as an affirmation of the other party’s position or a waiver of your rights with respect to the alleged breach and/or may result in critical time periods under the relevant contract lapsing.

Understand the Wider Picture

- 3.12 When faced with a problem, it is often easy to overlook the broader landscape. This tendency is common when reviewing contract provisions. Aggrieved parties frequently focus their complaints on a specific contractual term that suits their purpose, while ignoring other relevant terms. This can often be a deliberate tactic. Therefore, it is important to avoid evaluating a contractual term in isolation. A more comprehensive review of the contract may reveal other provisions that could mitigate the harm or provide an express opportunity to remedy the breach.
- 3.13 Additionally, consider the dispute within the context of the broader relationship. Is there an opportunity to resolve the issue amicably, allowing both sides to achieve a win-win outcome? Mediation can be an effective tool for facilitating such resolutions. It is rarely in either party’s interest to litigate a dispute to the end.

Do Not Underestimate the Power of the Media

- 3.14 Disputing parties sometimes resort to using the media to put pressure on the other side. It is prudent to have in place an internal policy regarding all public communications on behalf of the charity, especially in response to adverse publicity. A communication which is not well thought through could jeopardise your organisation's position in the litigation proceedings or adversely affect its public image.

Seek Legal Advice

- 3.15 Unless you have a thorough understanding of contract law, it is prudent to seek legal advice in the early stages of a dispute. Failing to do so can often result in a sub-optimal response and/or if you subsequently change your mind, the delay in taking advice can lead to missed opportunities for efficient dispute resolution.

Mitigation

- 3.16 In many jurisdictions the law requires that an aggrieved party must act reasonably when managing contractual disputes, particularly in cases of serious breaches that result in termination. In such a situation, the aggrieved party must recognise its obligation to mitigate losses. This is crucial, as failing to do so may lead to significant unrecoverable losses, even if the claim is ultimately successful.

Avoid Statements that Undermine your Case

- 3.17 During the course of a legal dispute, it is important to be wary of making statements that could undermine your case or be used against you at a later stage. This applies to both written communications and things said in negotiation meetings, unless made "without prejudice". There is often a temptation to be conciliatory or to say things in order to diffuse tense situations. However, care needs to be taken not to take this too far – maintain a professional approach, stick to factual statements wherever possible and avoid admissions of fault or rubric that could be construed as such. Whilst communications between you and your lawyer may be confidential and lawyer to lawyer dialogue can be on a without prejudice basis, most other communication with the opposition is open to be used against you at a later date.
- 3.18 It may be prudent in some circumstances to designate a spokesperson who is authorised to communicate with the counter party once a dispute arises. This ensures that you are aware of the contents of communications being made on behalf of your charity.

Documentation of the Process

- 3.19 Proper documentation is key to maximising the chances of success in legal proceedings. Keep detailed records of correspondence and negotiations and be careful to preserve relevant documents and other evidence.

- 3.20 It is good practice for communications sent on behalf of the charity to be sent from domain email addresses or business accounts. If this is not possible, there should be a system in place for the charity to have a record of all such communications, particularly where employees use their personal devices for work.

Avoid Acting in Isolation

- 3.21 Do not be afraid of seeking help. This applies not just to legal advice but also to your colleagues. There may be people within your organisation with more experience in litigation than you and even the benefit of a second opinion can be very helpful in avoiding mistakes.

Play by the Rules

- 3.22 During negotiations and proceedings, resist the urge to engage in behaviours that could damage your reputation and weaken your case. Underhanded actions often have a way of backfiring and any impact on your credibility can undermine even the strongest aspects of your case.

4. Employee grievances

- 4.1 In any organisation, disagreements and grievances are likely to occur. If these are not addressed or are handled badly this can have an adverse impact on morale, performance and productivity and in the worst-case scenario can lead to legal proceedings which may result in both financial penalties and reputational damage.
- 4.2 In order to minimise the chances of this happening it is important for the organisation to have a well-defined process for handling employee grievances and for you as a director to be aware of this process and your role in it.
- 4.3 The following are some of the key features that such a process should have:

Formal Grievance Policy

- 4.4 It is important to put in place a clear and comprehensive grievance policy. This policy should describe the procedures for reporting grievances, the timelines for resolution, and the persons responsible for handling the process and addressing the issues. The policy should also make clear that all grievances will be handled with utmost confidence and sensitivity. Finally, the policy should be communicated to all employees and supported by training to ensure that employees at all levels are aware of the policy and their rights in the event of a grievance.

Communication

- 4.5 Creating an environment where employees feel comfortable expressing their concerns is vital. Encourage open communication by actively listening to your employees, providing feedback, and fostering a culture that values dialogue. Regular team meetings, suggestion boxes, or anonymous feedback channels can be effective

methods to promote open communication. Consider implementing an open-door policy where employees can approach their supervisors or Human Resource ("HR") representatives with any grievances or concerns.

HR Training

- 4.6 HR personnel and managerial staff, including you as a director, will play a critical role in addressing employee grievances. As such, appropriate training should be arranged to ensure that such persons have the necessary skills to:

- (a) spot the early signs of conflicts and grievances so as to maximise the opportunity to proactively diffuse them; and
- (b) in the event of escalation, discharge their role in the formal grievance process in professional and competent manner.

This will help to facilitate a process which is transparent, fair and professional which should in turn reinforce employee confidence in the process.

Investigation and Resolution

- 4.7 The grievance policy should provide a mechanism for the impartial investigation of the grievance. Impartiality is key to ensure that employees with grievances appreciate that their grievances are accorded due attention and fairness. Utmost care must be taken to avoid situations of conflict of interest from arising.
- 4.8 Save in cases where the nature of the grievance makes it inappropriate, the process should then include a mediation phase which encourages those involved to engage in a dialogue to work towards a mutually agreeable resolution. If mediation fails (or is not possible) the grievance should be escalated for review and resolution. The review and resolution process should also provide for an avenue of appeal to higher management against the decision at first instant.

Review and Decision-Making

- 4.9 If mediation has not resulted in a resolution of the issue a decision needs to be made. This should involve an evaluation of the information gathered in the light of the relevant policies and regulations of the organisation and should be unbiased, fair and transparent. So far as possible, the decision should be supported by an explanation of the reasoning behind the outcome. The decision should be communicated to those involved and ideally should be subject to a right of review / appeal.

Implement Corrective Actions

- 4.10 Once a decision has been made, implement any necessary corrective actions. This may include disciplinary measures, policy revisions, or changes in work processes. Communicate the actions to all relevant stakeholders, ensuring clarity on expectations

and any follow-up steps. Provide support and resources to employees to facilitate their adherence to the resolution.

Record-keeping

- 4.11 It is critical that, when a grievance is raised, the organisation keeps a comprehensive record of each phase of the process. Such records should include notes of meetings including when they took place and who was present, the nature of the grievance and the individuals involved. This documentation will serve as a valuable resource both during the process and also if the grievance is escalated to legal proceedings. Where possible, corrective steps to policy and work processes should be documented in writing to facilitate implementation.

Maintain Confidentiality

- 4.12 Confidentiality is a key feature of a robust grievance process. If employees are to have confidence in the process and its outcome, it is critical that all of the parties involved maintain confidentiality. This includes not just those directly involved in the event(s) that gave rise to the grievance but also those that are tasked with investigating and resolving it and those that are drawn into the process during the investigation phase. Confidentiality should be maintained both during the process and after it has been resolved. It should also be remembered that certain details established during a grievance may fall within the ambit of data protection legislation (see section 6 below) and that in extreme cases may involve criminal conduct that may require reporting to the police.

Review and Improve

- 4.13 Monitor the working environment on an ongoing basis to ensure that the grievance resolution process is delivering effective results. The grievance process should be a dynamic tool that can be improved over time as a result of experience and employee feedback.

Dispute Resolution via Employment Claims Act 2016 (“ECA”)

- 4.14 You may wish to note that not all employment disputes need to be resolved in a court. Alternative dispute resolution processes exist, including mediation, and before Employment Claims Tribunals under the ECA. Whether or not these options are available in your dispute depends on the ECA (see: <https://www.judiciary.gov.sg/civil/file-employment-claim> for more details).
- 4.15 As can hopefully be seen from the above, handling employee grievances effectively is important in creating a workplace culture of respect, trust and well-being which benefits both the individuals involved and the organisation as a whole. So, if your role as a director means you are involved in the charity’s grievance process, here are a few practical points to consider:

- (a) irrespective of whether you are involved in the review process with respect to a grievance, avoid being drawn into gossip or otherwise commenting on the situation;
- (b) if one of the parties to a grievance approaches you to discuss the issue, tread carefully. If there is a formal process in play, refer that person to the process. If the grievance has not yet been escalated, remind the person that there is a formal process available and refer them to HR;
- (c) if you are approached by someone who appears to have a problem that may amount to a grievance but who does not appear to appreciate the fact, point this out to them and remind them that there is a formal process available and, again, refer them to HR; and
- (d) avoid being caught in a one-on-one conversation with a colleague that is involved in a grievance process. If such a situation arises, politely request that someone else joins the meeting. Ideally this should be someone from HR but if that is not practical, another colleague who is not involved should suffice.

5. Confidentiality

- 5.1 For any organisation, confidentiality is an important business dynamic as it provides the foundation for trust. From an internal perspective this helps to promote a culture of openness and accountability and fosters a more engaged and productive workforce; whilst externally it helps to protect and build a brand and win and retain customers, donors and other stakeholders.
- 5.2 As the director of a charity, it is therefore important to understand where confidentiality can arise and, more importantly, how to ensure that it is respected and maintained.
- 5.3 In simple terms, a distinction can be drawn between two key areas of confidential information:
 - (a) information which is confidential to the charity itself and which is likely to be of key importance to the charity's operations; and
 - (b) information which belongs to a third party, which is disclosed to or in the possession of the charity and which the charity is obliged to keep confidential either pursuant to the law or because the charity has contractually undertaken with the relevant third party to keep the information confidential.

What Constitutes "Confidential Information"?

- 5.4 Confidential information (sometimes also referred to as proprietary information) refers to any non-public information that an organisation deems valuable and that could provide a competitive advantage. However, the specific definition of confidential information can vary between organisations. Some may adopt a broad definition, while others may have a more narrow definition, depending on the nature of their business.

By way of example, the following information is generally considered by most organisations to be confidential:

- (a) Trade secrets, such as a secret recipe, a new manufacturing process, or a customer / client list.
- (b) Product information, such as new product designs, specifications, or marketing plans that are not yet publicly known.
- (c) Financial information, such as earnings reports, sales figures, pricing information or investment plans, that are not yet publicly released.
- (d) Research and development information, such as new product ideas, experimental results, or proprietary testing methods, that are not yet patented or publicly disclosed.
- (e) Technical information that shows how products or services work can be considered confidential because it can be used by competitors to reverse engineer the products or services.

5.5 If you, as a director, fail to safeguard confidential information, it is important to be aware that this could have legal implications both for the charity and for you as an individual. Where you fail to protect confidential information that belongs to the charity this could result in adverse commercial implications for the charity, in particular, the charity could lose its competitive advantages. Where the failure relates to third party confidential information that has been made available to the charity subject to contractual confidentiality obligations, the relevant third party may bring a claim against the charity for the breach. In each of these circumstances, the charity may be able to make a claim against you personally for a breach of your terms of service as a director if you have failed to take adequate steps to maintain confidentiality of the relevant information.

5.6 Below are a few practical tips to avoid the chances of this occurring:

- (a) ensure that employment contracts (including letters of offer, employee handbooks etc.) include clauses which impose a clear obligation of duty of confidentiality over all matters pertaining to company documents and affairs – providing for only standard exceptions (for example where the information was already in the public domain through no fault or breach of duty of confidence, or where disclosure is compelled by law or court order, in which case you should be given an opportunity to contest the order or ask for a protective order, to protect the confidential information);
- (b) ensure that all devices such as laptops and phones that you use for work are password protected (including dual-factor authentication, if feasible) and armed with up-to-date security software / applications;

- (c) try to avoid connecting devices to unsecure Wi-Fi and other networks and databases;
- (d) avoid printing copies of confidential information, where possible, if you have physical copies of confidential information, do not leave confidential information unattended in places outside the office where you work such as at home or in cafes, hotel rooms and the like;
- (e) laptops and electronic devices should be locked whenever you step away from them, even if just for a short period or shut down if you are leaving;
- (f) do not leave confidential information in your car, gym locker or other locations that might easily be compromised;
- (g) when making voice or video calls of a confidential nature ensure that you do so in a private environment;
- (h) try to use different passwords for different websites / applications, and to change them on a regular basis, including implementing organisation-wide policies that require passwords to be changed at regular intervals;
- (i) when physical copies of confidential information are no longer required, dispose of them in a secure manner, such as via a confidential shredding and disposal processes;
- (j) limit disclosure of confidential information (in particular, third-party information) to people who need to know within your organisation or to specified authorised personnel;
- (k) ensure that any third-party contractors engaged by the charity have robust confidentiality obligations within their engagement terms;
- (l) arrange training to educate employees about the importance of and practical tips for protecting confidential information;
- (m) have technical process in place to protect and limit the disclosure of confidential information, in particularly in respect of third-party confidential information, as third parties may have a contractual right to demand the return or destruction of their confidential information in certain circumstances;
- (n) do not share passwords or security details; and
- (o) if you think there has been a breach of confidentiality with respect to confidential information report it promptly.
- (p) There is also some overlap here with data privacy and data protection which are discussed in more detail in section 6 of this guide.

6. Cybersecurity and data protection

- 6.1 With the exponential growth of the internet, digitalisation and the proliferation of social media and the online world over the last 20-30 years, data privacy and data protection have become complex areas of the law. As a result, managing information technology (“IT”) security risks, data sprawl, privacy programs and compliance with the regulatory framework that governs these areas has become a challenging task for organisations of all sizes. We focus here on the protection of personal data, defined in the Personal Data Protection Act 2012 (“PDPA”) as “data, whether true or not, about an individual who can be identified from that data, or from that data and other information to which the organisation has or is likely to have access”.
- 6.2 Any organisation that handles personal data of customers, employees and other stakeholders must protect and use such personal data in a responsible manner and take steps to mitigate the harms that can arise from statutory non-compliance and/or data breaches. Many charities work with society’s vulnerable members and the last thing such people need is to suffer further from the misuse of their personal data.
- 6.3 In order for an organisation to properly manage the legal risks inherent in the collection, storage and processing of data, it is critical to have a proactive policy for personal data risk management. This will help to build trust and foster further engagement with key stakeholders.
- 6.4 There is considerable overlap here with confidentiality as discussed in section 5 above. As such, the majority of the recommendations highlighted there are also relevant here. The following are a few additional tips for navigating the data protection landscape, which can go a long way to ensuring compliance and minimising negative outcomes.
- (a) Familiarise yourself with the data protection policy at the charity where you work.
 - (b) If the charity collects, stores and processes personal data, it must designate a data protection officer (“DPO”). Make sure you know who the DPO is as the DPO will be a first port of call for questions and is usually the person data breaches / potential data breaches should be reported to. The DPO should also keep the board informed of the charity’s PDPA compliance.
 - (c) If the charity collects, stores and processes personal data, you should with the rest of the board ensure that the management implements relevant guidance issued by the Personal Data Protection Commission, such as the Advisory Guidelines for the Social Services Sector. Management should also conduct training for volunteers and others in the charity that may process personal data.
 - (d) If the charity outsources data processing to intermediaries, you should with the rest of the board ensure that the DPO and management have implemented appropriate protocols to ensure the personal data is protected.

- (e) If you have access to personal data as part of your role, make sure you understand the reason why the personal data was collected. In general, data protection law requires the organisation to inform the data subject of the purpose(s) for which the personal data is being collected and used and the data subject consents to the collection and use for such specific purpose(s) only. Using the personal data for any other purpose can be a breach of the law.
 - (f) If, in the performance of your role, you incorporate personal data into reports, spreadsheets or other work-products, be aware that these documents are then subject to the same requirements in terms of confidentiality and data protection.
 - (g) It is good practice to delete the personal data of customers, employees or other stakeholders when it is no longer being used on your computer or other device. This will help to minimise the risk of data breach occurring.
 - (h) When deciding which personnel should have access to personal data for a particular purpose or on a more general basis, avoid giving blanket access. Whilst this can be the easy option, taking the time to assess whether someone needs access at all or only for a limited data set, can dramatically reduce the scope for personal data misuse or breach.
- 6.5 A proper assessment and monitoring of IT assets and IT security vulnerabilities – whether this is done in-house or through the use of IT vendors who have specialisation in the field of IT security should be maintained. Since cybersecurity risks evolve constantly, continuous monitoring and evaluation of your IT security posture is essential.
- 6.6 Whether it is data protection or cybersecurity, the protection of the charity's IT assets and personal data does require, among other things, a well-practised / rehearsed data breach and cybersecurity incident response plan.

7. Insurance

- 7.1 Insurance policies are available as a tool to protect the insured from various liabilities. The charity is likely to have one or more policies in place to help safeguard its operations from a variety of potential risks and may have directors and officers insurance to cover its directors' exposure to financial liability. As a director, you should take time to understand the insurances that the charity has and their purpose and limitations. However, it is not enough to simply be aware of the coverage that is in place and to assume that it will be available to cover the full extent of the loss incurred if a particular adverse event occurs. Insurance policies are legal contracts that contain a range of terms and conditions that can, if not met, result in reduced coverage or a complete failure of the policy. In addition, insurance claims typically require that certain procedures are complied with in order for the policy to pay out.
- 7.2 As such, it is important that you are aware of some of the common pitfalls that should be avoided when putting in place a policy and when making a claim. These are set out below:

General Considerations

- (a) **Not Fully Reading your Policy:** As with any legally binding document, it's crucial that you read the entire document including the fine print.
- (b) **Exclusions:** In particular, almost all policies will have some exclusions (items that are not covered) so be aware of what these are as this may inform your behaviour.
- (c) **Excess:** Similarly, typically insurance policies have an excess provision (i.e. the first part of the claim expressed in \$ which is not covered). Again, being aware of what this is can help to avoid unwittingly relying on the policy in some circumstances.

Claims

- (a) **Not Filing the Claim in Time:** Most policies require that you alert your insurer immediately. The rationale being that it is easier to verify and quantify a claim when the event is recent and the evidence is fresh
- (b) **Not Notifying the Relevant Authorities:** Policies often require that you report the incident giving rise to a potential claim to certain authorities. Often this is the police but it can also include regulatory bodies or government departments.
- (c) **Admitting Fault:** If an insured event occurs, do not admit fault or liability. Even if you believe you are the party at fault this can be fatal for a claim. Most liability policies prohibit the policyholder from assuming legal liability without the insurer consenting to the issue.
- (d) **Failing to Cooperate:** Policies typically require that you fully cooperate and communicate with your insurer in order to allow them to participate in both the investigation and the settlement of the claim.
- (e) **Poor Documentation:** Documentation is one of the most important parts of filing an insurance claim. Creating and maintaining a detailed record of the facts that underpin a claim is vital. This can include pictures (including multiple angles and distances), notes and other physical items. Insurers rely on your records to review and settle a claim. This may require a detailed inventory of the damaged and undamaged property, including the costs, values, quantities, and total loss claimed.
- (f) **Disposing of or Repairing Damaged Property:** If your property has been damaged, do not dispose of it even if retaining it is difficult or disruptive to the business. The damaged property may be the best evidence of the damage incurred and the insurance adjuster is likely to want to inspect it.

- (g) **Preventing Additional Damage:** The damage that occurs from the initial incident may be compounded by ongoing impacts after the event. If this happens and you are unable to justify why you did not act to prevent this, the insurer may only pay for the initial damage that happened during the incident. To prevent such a scenario, take measures to limit further damage and, if this is not possible, document the steps taken and why it was not possible.
- (h) **Conduct your own Investigation:** Even if the insurer has appointed a claims adjuster to investigate your claim, it is still important to conduct your own investigation. You and your colleagues have a deeper understanding of the charity and its operations than an external professional. An internal investigation can often provide valuable insights that may help you challenge the claim adjuster's findings, potentially leading to a better settlement.

8. Authority and Duties

- 8.1 Generally, from a constitutional perspective, corporate bodies have a two-tier governance structure. Shareholders or members own the organisation and are responsible for certain key decisions, often reserved to them by the organisation's constitutional documents or statutes. Subject to this, the directors are responsible for the day-to-day management of the organisation.
- 8.2 As a director, it is crucial to understand the limitations on your authority to undertake certain actions, such as creating legally binding relationships with third parties.
- 8.3 Directors of the charity owe several duties to the charity in their decision making. A director acting with actual authority (authority expressly provided in the Constitution or by resolution) can bind the charity with their decisions. Additionally, a director who appears to hold such authority (through their words or conduct) will also bind the charity if a third party relies upon the belief that the director holds the appropriate authority. If a director acts beyond their authority, they may be held personally liable by the charity for any losses arising from such misconduct, and the concerned transaction may become voidable.
- 8.4 This authority to bind the charity applies to entering into contracts on behalf of the charity, posing a significant risk to the organisation if the director acts outside their limits of authority, whether intentionally or otherwise.
- 8.5 Below is a summary of some of the other key duties that directors owe to the charity by virtue of their position as a director:

Duty to Avoid Conflicts of Interest

- 8.6 It is a well-established principle that a director has a duty to act in good faith and in the interests of the charity. Such director must also ensure that he/she is not faced with a situation where there is an actual, or a real and sensible possibility, of a conflict arising between his/her personal interests and his/her duty as director.

- 8.7 In determining whether there exists a real and sensible possibility of a conflict arising, the test would be an objective one where it is based on the mind of a reasonable person looking at the circumstances. Hence, if the circumstances are such that a reasonable person would not consider there to be a real and sensible possibility of conflict arising, any dealings between the charity and a third party would not render the director liable for a breach of his/her fiduciary duty.

Duty to Act in the Best Interests of the Charity

- 8.8 A director is subject to a duty to act in good faith and in the best interests of the charity as a whole. Therefore, it is crucial that the directors act within their powers authorised by the Constitution and/or any resolution.

Duty to Use Powers for a Proper Purpose for the Benefit of Members as a Whole

- 8.9 The primary and substantial purpose of the exercise of a director's powers must be for the benefit of the charity and in accordance with the constitution of the charity. If the director exercises his/her powers for any other purpose, then any action or transaction arising from the exercise of such powers is voidable. The charity may choose to declare it void or to adopt it and the director may be liable to compensate the charity for any loss it suffers as a result thereof. It is immaterial that the director acted honestly or that he/she considered the transaction to be in the interests of the charity.

Duty Not to Delegate Powers Except with Proper Authorisation and Duty to Exercise Independent Judgment

- 8.10 Except where authorised to do so, a director must not delegate any of his/her powers and must exercise independent judgment in relation to any exercise of his/her powers.

Duty to Use Powers for the Proper Purpose

- 8.11 A director is under a duty to exercise the powers vested in them by the constitution and by the members in the general meetings for the purposes for which the powers were conferred. This duty is similar to the wider duty that the director must act in good faith and in the interests of the charity and members as a whole.

Duty to Exercise Due Care, Skill and Diligence

- 8.12 This means the care, skill and diligence that would be exercised by a reasonably diligent person with the general knowledge, skill and experience that may reasonably be expected of a person carrying out the functions carried out by the director, plus the general knowledge, skill and experience that the director has.

Duty Not to Gain Advantage from Use of Position as a Director

- 8.13 A director must not use his/her position as a director to gain (directly or indirectly) an advantage for himself/herself, or someone else, or which causes detriment to the charity.

Duty to Observe the Constitution and Resolutions

- 8.14 A director must act in accordance with the constitution and other constitutional documents of the organisation. He/she must also comply with resolutions that are made in accordance with the constitution.

4. Conflict of Interest Protocols and Procedures

A conflict of interest arises when a person has an interest in the decision making or transaction that may interfere with his or her performance or duty in the organisation. He or she may be a Board member, staff, or a person with an existing or potential financial or material interest in the charity. When actual, potential or perceived conflict of interest arises, the integrity, fairness and accountability of the person may be affected, which could impede the best interests of the charity.

A **policy on conflict of interest** serves as a reference to the charity for managing conflict of interest issues. The main objectives of the policy are to ensure that the charity meets its regulatory obligations, help management make consistent decisions with regards to conflict of interest situations, provide a clear understanding of the lines of authority and responsibilities, and define the processes and procedures with regards to the handling of conflict of interest situations.

In the Schedule, you will find a template Conflict of Interest and Related Party Transactions policy which you can adapt for your organisation.

Guidance notes for using the template

The policy should be aligned with the charity's existing governing instrument and administration guidelines and tailored to address identified conflict of interest risks which are specific to your charity.

The template includes footnotes which provide instructions to guide you in preparing the policy.

The parts of the template which are marked out in highlighted square brackets are to be adapted to your organisation's needs and circumstances.

Please delete the footnotes and square brackets when the document is finalised as these have been included just for the purposes of helping you to prepare the policy.

The information and legal references contained in this chapter are accurate as of 4 July 2023.

Schedule 4 Template Conflict of Interest and Related Party Transactions Policy

Responsible Person	Dept / [●insert department / person]	Approved by [●insert date]
Version ²	v.001	Governing Board ¹ on Last Updated on [●insert date]

[●NAME OF THE ORGANISATION]

CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS PROTOCOLS AND PROCEDURES

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A. INTRODUCTION AND OBJECTIVE

1. This Policy serves as a reference for managing conflict of interest issues. The main objectives are to ensure that [●Name of Organisation] (the "**Charity**") meets its regulatory obligations, to help management make consistent decisions with regards to conflict of interest situations, provide a clear understanding of the lines of authority and responsibilities, and define the processes and procedures with regards to the handling of conflict of interest situations.
2. Compliance is compulsory for all governing board members, all members of any committees formed by the governing board, staff and volunteers who are involved in the day-to-day operations of the Charity).
3. In particular, this Policy serves to:

¹ If the Charity is a company limited by guarantee the Governing Board is the board of directors; if the Charity is a registered society, the Governing Board is the committee formed to manage it.

² When a policy is being drafted, its Version Number is "000". Once approved by the Board, it becomes version "001". Following scheduled or other revisions, this number increases by one.

- (a) Put in place documented procedures for members of the governing board of the Charity and for members of any committees formed by the governing board (collectively, the **"Board"**), staff and volunteers who are involved in the day-to-day operations of the Charity (collectively, **"Staff"**) to declare actual or potential conflicts of interest to the Board at the earliest opportunity.
- (b) Ensure that no Board member or Staff is involved in setting his or her own remuneration.
- (c) Install special procedures to deal with conflicts of interest that Board members and/or Staff may have.
- (d) Ensure that where a conflict of interest arises at a Board meeting, the Board member concerned should not vote on the matter nor participate in discussions and should be recused from the meeting. The reason(s) for the final decision regarding a conflict of interest having arisen should be recorded in the minutes of the relevant Board meeting.
- (e) Ensure that any appointment of staff who is a close member of the family of any of the current Board members or staff undergoes established human resource procedures for recruitment, performance evaluation and remuneration. Board members or staff should make a declaration of such relationships and should not influence decisions made during these procedures.

B. DEFINITIONS

- 4. **"Interest"** is defined as any commitment, relationship, obligation or involvement, financial or otherwise, that may influence a person's judgement.
- 5. **"Conflict of Interest"** arises when a person has an interest in the decision making or transaction that may interfere with his or her performance or duty in the organisation. A Conflict of Interest may arise merely based on a third party's perception. When actual, potential or perceived conflict of interest arises, the integrity, fairness and accountability of the person may be affected, which could impede the best interests of the Charity. Examples of Conflict of Interest situations are set out in **[Annex C]**.
- 6. **"Member"** is defined as any individual who is (1) a member of the governing board, (2) a committee member or a Staff member of the Charity.
- 7. **"Policy"** refers to this document (including the Annexes).
- 8. **"Related party"** is as defined in **(*Delete according to the accounting standard used)**

[Financial Reporting Standard ("FRS") 24 (ANNEX A):

A related party is a person or entity that is related to the entity that is preparing its financial statements (the "reporting entity").

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control of the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.]

OR

[Charity Accounting Standard ("CAS") (**ANNEX A**)

Related parties include all of the following:

- (a) A person or a close member of that person's family is related to a charity if that person:
 - (i) Has control or joint control over the charity;
 - (ii) Has significant influence over the charity; or
 - (iii) Is a governing board member, trustee or member of the key management personnel of the charity or of a parent of the charity.

- (b) An entity is related to the charity if any of the following conditions applies:

- (i) The entity and the charity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) The entity is an associate or joint venture of the charity (or an associate or joint venture of a member of a group of which the charity is a member) and vice versa;
- (iii) The entity and the charity are joint ventures of the same third party;
- (iv) The entity is a joint venture of a third entity and the charity is an associate of the third entity and vice versa;
- (v) The entity is controlled or jointly controlled by a person identified in (a); and
- (vi) A person identified in (a)(i) has significant influence over the entity or is a governing board member, trustee or member of the key management personnel of the entity (or of a parent of the entity).]

C. ACKNOWLEDGMENT

9. No Member shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation in the Charity. They each have an obligation to act in the best interest of the Charity. Hence, it is pertinent that they avoid situations where their personal or family interest conflicts with the interests of the Charity.

For Board members and the Chief Executive Officer

*[*Note: Only required if Charity is a company limited by guarantee, where the provisions of the Companies Act 1967 (the "Act") will apply.]*

10. *[The provisions under the Companies Act 1967 (the "Act") will apply to charities that are companies limited by guarantee. As the Charity is a company limited by guarantee, the declaration at **ANNEX B** is to be signed by the Board member or the chief executive officer upon hiring, appointment or election to the Board as an acknowledgement of having understood the requirements for disclosure of interests in a transaction or proposed transaction with the Charity and that he or she will fully disclose to the Board when required under and in the manner prescribed by the Act.]

*[(*Delete if the organisation is not a company limited by guarantee)]*

For all Members

11. The acknowledgement form at **ANNEX C** is to be signed by all Members upon hiring, appointment or election to a committee (as the case may be) as an acknowledgement of having understood the policy and that he or she will fully disclose to the Board or the chief executive officer whenever a Conflict of Interest situation arises.
12. The declaration needs to be updated annually and also when any changes occur.
13. The information set out in **ANNEX B** [and **ANNEX C**] shall also apply to this Policy.

D. OPERATING PROCEDURES

14. All disclosure of Conflicts of Interest shall be recorded, updated and filed with [•responsible officer of the Charity].
15. In cases where there is a Conflict of Interest:
 - a. the Conflict of Interest shall be fully declared in accordance with the relevant conflict of interest policy and declaration form at Annex B [or C as the case may be];
 - b. the person with a Conflict of Interest shall be excluded from the discussion and decision-making process. In particular, where a Conflict of Interest arises at a Board meeting, the person should not vote or participate in any discussions on the matter;
 - c. the Charity shall ascertain that the decision in relation to the transaction is in its best interest;
 - d. the reason(s) for the final decision should be recorded in the minutes of the meeting; and
 - e. in case of a financial transaction, the Charity shall ensure that the transaction is made on an arm's length basis with comparative quote(s) or bid(s) submitted and documented.
16. The Board shall have the discretion to suspend the involvement of any Member when it is made aware of a potential, perceived or actual Conflict of Interest that has not been voluntarily disclosed to the Board by the relevant Member.

E. RECORDS OF PROCEEDINGS

17. The minutes of any meeting of the Board (which includes any committee) pursuant to this Policy shall include:
 - (a) the name of each person who disclosed or was otherwise determined to have a Conflict of Interest in a transaction;
 - (b) the nature of the Interest and whether it was determined to constitute a Conflict of Interest;
 - (c) any alternative transactions considered;

- (d) the members of the Board who were present during the deliberations on the transaction, those who voted on it, and to what extent the person with a Conflict of Interest was excluded from the deliberations;
- (e) any comparability data or other information obtained and relied upon by the Board and how the information was obtained;
- (f) the reason for the final decision and how it was made; and
- (g) the result of the vote, including, if applicable, the terms of the transaction that was approved and the date it was approved.

F. POST-TRANSACTION REVIEW

- 18. The Board shall review any transactions approved under this Policy at the completion of the transaction or more regularly, if required, to ensure compliance with the terms and conditions as approved by the Board.

G. VIOLATIONS

- 19. The Charity shall notify the Member involved when it suspects that there has been a Conflict of Interest involving such Member that has not been declared. The Member involved shall provide an explanation for the non-declaration.
- 20. Any violation will result in such disciplinary action to be determined by the Board, up to and including removal from the Board, or termination from employment (or, as the case may require, expulsion from being a volunteer) of the Charity.

Approved at Board Meeting held on [●date].

ANNEX A

FINANCIAL REPORTING STANDARD

FRS 24

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

Compensation includes all employee benefits (as defined in FRS 19 *Employee Benefits*) including employee benefits to which FRS 102 *Share-based Payment* applies. Employee benefits are all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity. Compensation includes:

- (a) short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, profit-sharing and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees;
- (b) post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care;
- (c) other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation;
- (d) termination benefits; and
- (e) share-based payment.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Government refers to government, government agencies and similar bodies whether local, national or international.

A government-related entity is an entity that is controlled, jointly controlled or significantly influenced by a government.

The terms 'control' and 'investment entity', 'joint control' and 'significant influence' are defined in FRS 110, FRS 111 *Joint Arrangements* and FRS 28 *Investments in Associates and Joint Ventures* respectively and are used in this Standard with the meanings specified in those FRSs.

- 10 In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.
- 11 In the context of this Standard, the following are not related parties:
 - (a) two entities simply because they have a director or other member of key management personnel in common or because a member of key management personnel of one entity has significant influence over the other entity.
 - (b) two joint venturers simply because they share joint control of a joint venture.

CHARITY ACCOUNTING STANDARD

352. Particulars must be given of any charge on the assets of the charity to secure the liabilities of any other person, including where practicable, the amount secured.

Related Party Disclosures

353. Related parties include all of the following:

- a. A person or a close member of that person's family is related to a charity if that person:
 - i. Has control or joint control over the charity;
 - ii. Has significant influence over the charity; or
 - iii. Is a governing board member, trustee or member of the key management personnel of the charity or of a parent of the charity.
- b. An entity is related to the charity if any of the following conditions applies:
 - i. The entity and the charity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - ii. The entity is an associate or joint venture of the charity (or an associate or joint venture of a member of a group of which the charity is a member) and vice versa;
 - iii. The entity and the charity are joint ventures of the same third party;
 - iv. The entity is a joint venture of a third entity and the charity is an associate of the third entity and vice versa;
 - v. The entity is controlled or jointly controlled by a person identified in (a); and
 - vi. A person identified in (a)(i) has significant influence over the entity or is a governing board member, trustee or member of the key management personnel of the entity (or of a parent of the entity).

354. Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the charity and include:

- a. That person's children and spouse or domestic partner;
- b. Children of that person's spouse or domestic partner; and
- c. Dependants of that person or that person's spouse or domestic partner.

355. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

ANNEX B¹

DECLARATION OF INTERESTS FORM (FOR DIRECTORS AND CHIEF EXECUTIVE OFFICER)

Under Section 156(1) of the Companies Act 1967 (the “**Act**”), every director and chief executive officer (“CEO”) of a company who is in any way, whether directly or indirectly, interested in a transaction or proposed transaction with the company shall as soon as is practicable after the relevant facts have come to his or her knowledge, (a) declare the nature of his or her interest at a meeting of the directors of the company, or (b) send a written notice to the company containing details on the nature, character and extent of his or her interest in the transaction or proposed transaction with the company.

Under Section 156(6) of the Act, every director and CEO who holds any office or possesses any property whereby whether directly or indirectly, any duty or interest might be created in conflict with his or her duties or interests as a director of the company, shall (a) declare the nature of his or her interest at a meeting of the directors of the company, or (b) send a written notice to the company setting out the fact and the nature, character and extent of the conflict.

If you are in any way, whether directly or indirectly, interested in a transaction or proposed transaction with [●Name of Organisation] (the “Charity”), you are required to:

- (a) declare the nature of your interest, as soon as it is practicable after the relevant facts have come to your knowledge, at a meeting of the directors of the Charity, or
- (b) complete and send the written notice to the Charity containing details on the nature, character and extent of your interest in the transaction or proposed transaction with the Charity.

Such written notice shall be given as soon as is practicable after you became, directly or indirectly, interested in a transaction or proposed transaction with the Charity.

If you hold any office or possess any property whereby, whether directly or indirectly any duty or interest might be created in conflict with your duties or interests as a director or CEO of the Charity, you are required to:

- (a) declare at a meeting of the directors of the Charity the fact and the nature, character and extent of the conflict, or
- (b) complete and send the written notice to the Charity setting out the fact and the nature, character and extent of the conflict

Under Section 156(5) of the Act, a declaration given by a director or CEO under Section 156(1)(a), or a written notice given by a director or CEO under Section 156(1)(b), shall be treated as a sufficient declaration or written notice under those provisions in relation to a transaction or proposed transaction if:

- (a) in the case of a declaration, the declaration is given at a meeting of the directors, or the director or CEO takes reasonable steps to ensure that it is brought up and read at

¹Only applicable in the context of companies limited by guarantee.

the next meeting of the directors after it is given:

- (ii) the declaration or written notice is to the effect that he or she is an officer or a member of a specified corporation, a member of a specified firm, or a partner or officer of a specified limited liability partnership, and
 - (iii) he or she is to be regarded as interested in any transaction which may, after the date of the declaration or written notice, be made with the specified corporation, firm or limited liability partnership;
- (b) the declaration or written notice specifies the nature and extent of his or her interest in the specified corporation, firm or limited liability partnership; and
- (c) at the time any transaction is made with the specified corporation, firm or limited liability partnership, his or her interest is not different in nature or greater in extent than the nature and extent specified in the declaration or written notice.

If you wish to make a general declaration as provided in Section 156(5) of the Act as mentioned above, please complete and send the written notice to the Charity containing the details required therein.

Any Director or CEO who fails to comply with any of the provisions of Section 156 of the Act shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$5,000 or to imprisonment for a term not exceeding 12 months.

DECLARATION

I hereby confirm that I have read and understood the Conflict of Interest policy of [●Name of Organisation] (the “Charity”) and that I have or will make full disclosure of interests, relationships and holdings as required by that Policy. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with the policy set out herein, I will notify the Board immediately.

Signature

Name of Director / Chief Executive Officer*:

Date:

** Delete whichever is not applicable*

APPENDIX:
SPECIMEN WRITTEN NOTICE OF DIRECTOR / CHIEF EXECUTIVE OFFICER ("CEO")

(Name of Director / CEO*)
(Address)

Date:

The Secretary
[●Address of Organisation]

Dear Sir / Madam,

[●Name of Organisation] (the "Charity")

- Disclosure of Interests in Transactions, Property, Offices, etc, pursuant to Section 156, Companies Act 1967 (the "Act")

Period of Declaration: _____ [●Date]- [●Date]

I hereby give notice, pursuant to Sections 156(1), 156(6) and 156(5)* of the Act, that:

1. I am interested in the transaction or proposed transaction with the Charity set out below
(*Section 156(1) of the Act*):

<u>Description of Transaction or Proposed Transaction</u>	<u>Nature of my Interest</u>
---	------------------------------

2. I hold the following office or possess the following property whereby, whether directly or indirectly, any duty or interest might be created in conflict with my duties or interests as Director of the Company (*Section 156(6) of the Act*):

<u>Description of Office / Property</u>	<u>Fact and the Nature, Character and Extent of the Conflict</u>
---	--

3. I am an officer or member of the undermentioned corporations, firms or limited liability partnerships and I am to be regarded as interested in any transaction which may be made with any of the undermentioned corporations, firms or limited liability partnerships after the date of this written notice (*Section 156(5) of the Act*):

<u>Name of Corporation, Firm or Limited Liability Partnership</u>	<u>Office held / Nature and Extent of my Interest</u>
---	---

4. The disclosures made above are complete and correct to the best of my knowledge and belief.

Yours faithfully,

(Name)
Director / CEO*

** Delete whichever is not applicable*

ANNEX [C]

CONFLICT OF INTEREST POLICY AND DECLARATION FORM ([BOARD MEMBERS, (*Delete if not applicable)] COMMITTEE MEMBERS AND STAFF

1. This conflict of interest policy and declaration form will be signed by [Board members], the Committee members, Staff members of [•Name of Organisation] (the “Charity”) upon appointment / election to the [Board (as defined below)] or Committees (the “Committees”) of the Charity or hiring or engagement, as an acknowledgement of having understood the policy and that he or she will fully disclose to the board of directors of the Charity (the “Board”) whenever a conflict of interest situation arises.

Conflict of Interest Situations

2. Conflict of Interest situations may arise in the following circumstances which should be disclosed to the Charity. The list below is not exhaustive:

(a) Contract with vendors and suppliers

Where you have personal interest in business transactions or contracts that the Charity may enter into, a declaration of such interest shall be made as soon as possible followed by abstention from discussion and decision-making on the matter (including voting on the transaction or contract). All such discussion and evaluation by the Board or relevant approving authority in arriving at the final decision on the transaction / contract will be documented.

(b) Vested interest in other organisations that have dealings / relationship with or is considering entering into joint ventures with the Charity

Where you also have vested interest in other organisations that have dealings / relationship with the Charity or with whom the Charity is considering entering in a joint venture, and when matters involving the interests of both the Charity and the other organisation are discussed, a declaration of such interest shall be made as soon as possible and if necessary, followed by abstention from discussion and decision-making on such matters.

(c) Business arrangement

The Board’s approval should be sought before the Charity enters into any business arrangement with external parties. Where you have interest in such arrangement, a declaration of such interest shall be made as soon as possible and if necessary, followed by abstention from discussion and decision-making on the matter.

(d) Recruitment, performance evaluation and remuneration of staff with close relationship

Recruitment of staff with close relationship (i.e. those who are more than just mere acquaintances) with you should go through the established human resource procedures for recruitment, performance evaluation and remuneration.

You shall be required to make a declaration of such relationships and refrain from influencing decision on the recruitment, performance evaluation or remuneration.

(e) Remuneration

Committee members serve without remuneration for their voluntary service to the Charity so as to maintain the integrity of serving for public trust and community good instead of personal gain. However, the Charity may reimburse Committee members for out-of-pocket expenses directly related to the service.

(f) Major donors / representatives from major donor organisations

Potentially conflicting situations may arise where a major donor sits on the Committee or the Board, such as the following:

- **Conflict of loyalty:** Board members or Committee members who are major donors or representatives of major donors may not have the overall best interests of the Charity due to their vested interests / priorities. This may influence decisions relating to allocation of resources/ setting the organisation's directions.
- **Use of information to influence donor decisions:** Information accessible to Board members or Committee members may be used to influence donor decisions on allocations or the corporation they represent. This may result in staff not highlighting certain issues for fear that the donation may be affected. Issues of transparency and disclosure can arise.
- **Pressure to release additional information to donor:** Board members or Committee members may expect additional information from staff on how donations were used and the details of users.
- **Personal benefit / gain / recognition:** The Committee member may expect greater recognition for financial support given, than is usually done. Staff may feel beholden to this Committee member in case the donor relationship is threatened.

Similar potentially conflicting situations may arise where a major donor is employed or engaged as a Staff member. If you are a major donor or a representative from major donor organisations, such fact should be disclosed to the Board prior to your appointment.

(g) Service users and beneficiaries

Where you are service users or beneficiaries of the Charity, a declaration of such interest shall be made to the Board as soon as possible and if necessary, followed by abstention from discussion and decision-making on such matters.

(h) Others

As [Board members, (**Delete if organisation is a company limited by guarantee*)] Committee members and/or Staff, you are prohibited from receiving gifts, entertainment and other favours from any persons or entities which do or seek business with the Charity.

Disclosure Policy and Procedure

3. Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:
 - The Conflict of Interest is fully disclosed;
 - The person with the Conflict of Interest is excluded from the discussion and approval of such transaction;
 - A competitive bid or comparable valuation exists; and
 - The Board or a duly constituted committee thereof has determined that the transaction is in the best interest of the organisation.
4. Disclosure involving Committee and Staff members should be made to the Board or a duly constituted committee advised by the Board in the form set out in the Appendix to this Form. Disclosures involving Board members need not be separately made if already disclosed in accordance with Annex C.
5. The Board or a duly constituted committee thereof shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorised as just, fair and reasonable to the Charity. The decision of the Board or a duly constituted committee thereof on these matters will rest in their sole discretion, and their concern must be the welfare of the Charity and the advancement of its purpose.
6. All decisions made by the Board or a duly constituted committee thereof on such matters shall be minuted and filed.
7. This Policy must be read and understood by all Board members, Committee members and Staff upon the start of office or employment/engagement respectively.
8. Any disclosure of interest made by Board members, Committee members and Staff where they may be involved in a potentially conflicting situation(s), must be recorded, filed and updated appropriately by all specified parties.

DECLARATION

I hereby confirm that I have read and understood the Conflict of Interest policy of the Charity and that I have and will make full disclosure of interests, relationships and holdings that could potentially result in a Conflict of Interest. I will make full disclosure to the Board when a Conflict of Interest situation arises. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with the Conflict of Interest policy, I will notify the Board or the relevant designated Committee immediately.

Signature

Name & Designation:

Date:

APPENDIX: SPECIMEN CONFLICT OF INTEREST DISCLOSURE STATEMENTS

For the purposes of this conflict of interest disclosure statement, 'affiliated' refers to the following: Spouse, domestic partner, child, mother, father, brother or sister or close associates; any corporation, business or non-profit organisation of which you serve as staff, officer, committee member, partner, participate in management or are employed by; any trust or other estate in which you have a substantial interest or as to which you serve as a trustee or in a similar capacity.

With regard to my employment as [●designation] / voluntary service as [●designation]*/ voluntary service as Committee member* with [●Name of Organisation] ("the **Charity**") / voluntary service as Board member with the Charity*, I have the following potential conflict of interest to report:

- ☐ I am affiliated to another charity.
- ☐ I am affiliated to an organisation that the Charity has dealings with or is considering entering into a joint venture with the Charity.
- ☐ I am affiliated to a vendor, supplier, or other party providing or bidding for providing services, having a direct or indirect interest in any business transaction(s), agreement or investment with the Charity.
- ☐ I have business dealings or transaction with a vendor, supplier or other party which could result in benefit to me.
- ☐ I am a service user or beneficiary of the Charity.
- ☐ I am affiliated to a staff of the Charity.
- ☐ I am affiliated to a person who is involved as a party to or has an interest in any pending legal proceedings involving the Charity.
- ☐ Others:

Please elaborate on the potential conflict arising from the above situation with regards to the transaction concerned (e.g. nature of service / transaction, if affiliated person involved, the identity of the affiliated person and your relationship with that person):

I hereby confirm that the disclosure made above is complete and correct to the best of my information and belief. I shall not be participating in the discussion and decision making of this matter. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with the Conflict of Interest policy, I will notify the Board immediately.

Signature

Name & Designation:

Date:

** Delete whichever is not applicable*

5. Volunteer Management

Volunteers are indispensable to charities, providing vital support in the form of time, skills, and expertise. They help charities maximise their impact, expand their reach, and create a strong sense of community and engagement around the organisation's mission. By leveraging the efforts of volunteers, charities can not only achieve their goals more effectively but also strengthen their overall capacity and sustainability.

A **policy on volunteer management** provides guidance and direction to the charity on volunteer management processes such as recruitment, training, supervision and recognition of volunteers.

In the Schedule, you will find a template Volunteer Management policy which you can adapt for your organisation.

Guidance notes for using the template

The policy should be aligned with the charity's existing governing instrument and administration guidelines and tailored to address identified volunteer management risks which are specific to your charity.

The template includes footnotes which provide instructions to guide you in preparing the policy.

The parts of the template which are marked out in highlighted square brackets are to be adapted to your organisation's needs and circumstances.

Please delete the footnotes and square brackets when the document is finalised as these have been included just for the purposes of helping you to prepare the policy.

The information and legal references contained in this chapter are accurate as of 15 January 2024.

Schedule 5 Template Volunteer Management Policy

Responsible Dept/Person Version ²	<<insert department/person>> v.000	Approved by Governing Board ¹ on Last Updated on	<<insert date>> <<insert date>>
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[•NAME OF THE ORGANISATION] VOLUNTEER MANAGEMENT POLICY

TABLE OF CONTENTS

A.	INTRODUCTION	[Insert page number]
B.	VOLUNTEER MANAGEMENT PROCEDURES	[Insert page number]
C.	VOLUNTEER RECRUITMENT AND SELECTION	[Insert page number]
D.	VOLUNTEER TRAINING AND DEVELOPMENT	[Insert page number]
E.	VOLUNTEER SUPERVISION AND EVALUATION	[Insert page number]
F.	VOLUNTEER SUPPORT AND RECOGNITION	[Insert page number]
	ANNEX: VOLUNTEER CODE OF CONDUCT	[Insert page number]

A. INTRODUCTION

1. [Name of Organisation] (the “Charity”) is dedicated to carrying out its mission to ensure [Insert Organisation’s purpose]. In order to augment its mission, the Charity seeks to effectively engage and integrate its volunteers.

Purpose of Policy

2. The purpose of this Policy is to:
 - 2.1 Provide guidance and direction to employees and volunteers on the volunteer, recruitment, training, supervision and recognition process.
 - 2.2 Articulate a process to identify the training needs of volunteers, so as to equip them with the necessary skills to perform their roles effectively.
 - 2.3 Provide guidance on protocol for the engagement and integration of volunteers.
 - 2.4 Highlight that insurance coverage will be provided for volunteers. Details of the actual coverage are outlined in the specific insurance policy, which should be referred to separately from this policy.

¹ If the Charity is a company limited by guarantee the Governing Board is the board of directors; if the Charity is a registered society, the Governing Board is the committee formed to manage it.

² When a policy is being drafted, its Version Number is “000”. Once approved by the Board, it becomes version “001”. Following scheduled or other revisions, this number increases by one.

- 2.5 Ensure that there is an appropriate and effective channel of communication for volunteers to give feedback and exchange information with the Charity.
- 2.6 Ensure that there are processes to address volunteer grievances and resolve conflict with volunteers.

Application of Policy

- 3. Unless specifically stated, this Policy applies to all volunteers in all programmes and projects undertaken by or on behalf of the Charity, and to all employees, departments and sites of operation of the Charity.

Definition of 'Volunteer'

- 4. A 'volunteer' is anyone who, without compensation or expectation of compensation beyond reimbursement and/or a token honorarium, performs a task at the direction of and on behalf of the Charity. A 'volunteer' must be officially accepted and enrolled by the Charity prior to performance of tasks on behalf of the Charity.
- 5. Neither the volunteers nor the Charity intends any employment relationship to be created either now or at any time in the future. Volunteers shall not be considered as 'employees' of the Charity only by virtue of carrying out volunteer work for the Charity.

Volunteer Service with the Charity

- 6. The Charity accepts the service of all volunteers with the understanding that the Charity's acceptance of such service is at the sole discretion of the Charity. Volunteers agree that the Charity may at any time, for whatever reason, decide to terminate the volunteer's relationship with the Charity.
- 7. Any volunteer may at any time, for whatever reason, decide to sever the volunteer's relationship with the Charity. Notice of such a decision should be communicated as soon as possible to the volunteer's supervisor.
- 8. Volunteers are viewed as a valuable resource to the Charity, its employees, members and its clients. The Charity will endeavour to give each volunteer a meaningful and fulfilling volunteer experience. Volunteers shall endeavour to actively perform their duties to the best of their abilities and to remain loyal to the goals and procedures of the Charity.

B. VOLUNTEER MANAGEMENT PROCEDURES

Maintenance of Records

9. Before signing up to be a volunteer, and where requested by the Charity, each potential volunteer agrees to provide all relevant information to the Charity for background checks, where such checks are necessary and appropriate for the specific volunteer role. Such information may include, but is not limited to, the volunteer's full name, a copy of the volunteer's identification documents, criminal records, medical history, and Covid-19 vaccination status, subject to prevailing laws on personal data protection.
10. For as long as a volunteer remains a volunteer with the Charity, the volunteer should inform the Charity as soon as possible of any material information that may affect their suitability to be a volunteer, or changes to information that has been previously provided to the Charity.
11. The Charity shall maintain a system of records of its volunteers in accordance with the Personal Data Protection Act 2012 and all regulations issued under it. Volunteers and appropriate employees, as the case may be, shall be responsible for submitting all appropriate records and information to the appropriate department of the Charity in a timely and accurate fashion. Volunteer personnel records shall be accorded at least the same degree of confidentiality as employee personnel records. If you have any queries in relation to these records, please reach out to the Charity's Data Protection Officer at [state email].

Conflict of Interest

12. Volunteers are expected not to place themselves in a position where their interests conflict with the interests of the Charity. Volunteers will familiarise themselves and comply with the Charity's Conflict of Interest policy.

Confidentiality

13. Volunteers are responsible for maintaining the confidentiality of all proprietary or privileged information to which they are exposed while serving as a volunteer, including information involving an employee, volunteer or beneficiary of the Charity and/or the Charity itself. The Charity expects volunteers not to use or disclose such information to any person both during their volunteering experience with the Charity or at any time afterwards without the [written] consent of the Charity. Failure to maintain confidentiality may result in termination of the relevant volunteer's relationship with the Charity or other corrective action as defined at paragraph 32 below, or any other action that the Charity may take under law.

Handling Personal Data of others

14. Volunteers shall collect, use and/or disclose all personal data in accordance with the Charity's internal privacy policy in force at the material time and all standard operating procedures (SOPs) made under it.
15. The Charity shall ensure that a programme is in place to ensure that all volunteers are familiar with its internal privacy policy before they are permitted to undertake any activity assigned to them.
16. Unless volunteers will not have a role that involves them collecting, using and/or disclosing personal data on behalf of the Charity, the Charity shall also ensure that volunteers are trained in the SOPs that are relevant to the activities that they will undertake as a volunteer before they are permitted to undertake such activities.

Dress Code

17. As representatives of the Charity, volunteers, like employees, are responsible for presenting a good image to clients and the community. Volunteers shall dress in line with the dress code communicated to them for each activity (if applicable), and appropriately for the conditions and the performance of their duties. Where the Charity provides safety clothing and equipment, including protective footwear, it should be worn or used as appropriate and directed.

C. VOLUNTEER RECRUITMENT AND SELECTION

Position Descriptions

18. The Charity will endeavour to give volunteers a clear, complete, and current description of the duties and responsibilities of the position which they are expected to have. Prior to any volunteer assignment or recruitment effort, a position description will be developed for each volunteer position and given to each accepted volunteer. When the position description is updated, such updated description will be provided to volunteers as soon as possible. Position descriptions will be utilised in subsequent management and evaluation efforts.
19. When a volunteer is assigned duties and responsibilities, the volunteer should clearly understand what he or she is entitled to do or say on behalf of the Charity at all times. Unless this is made clear to the volunteer in writing, the volunteer should not claim or represent that he or she has any authority to commit the Charity to any obligations or to agree to anything on behalf of the Charity.

Recruitment

20. Volunteers shall be recruited by the Charity on a pro-active basis with the intent of broadening and expanding the volunteer involvement of the community and in accordance with the objects of the Charity (as listed in its Constitution).
21. Volunteers may be recruited through either an interest in specific functions or through a general interest in volunteering which will be matched with specific functions.

D. VOLUNTEER TRAINING AND DEVELOPMENT

Orientation

22. All volunteers will receive a general orientation on the Charity as an organisation, an orientation and training on the nature and operation of the specific function which they are recruited, and a specific orientation and/or training on the purposes and requirements of the particular position. Where appropriate, each volunteer will receive training regarding safety measures to be taken.

Code of Conduct

23. The Volunteer Code of Conduct (annexed) sets out the standard of conduct required of volunteers and shall be communicated to all volunteers as part of the orientation.

On-the-Job Training

24. Volunteers will receive specific on-the-job training to provide them with the information and skills necessary to perform their duties and responsibilities. The timing and methods for delivery of such training should be appropriate to the complexity and demands of the position and the capabilities of each volunteer.

Volunteer Involvement in Orientation and Training

25. Experienced volunteers may be involved in the design and delivery of volunteer orientation and training.

E. VOLUNTEER SUPERVISION AND EVALUATION

Management by a Supervisor

26. Each volunteer who is accepted to a position with the Charity may have a clearly identified supervisor who is responsible for direct management of that volunteer. This supervisor shall be responsible for the management and guidance of the work of the volunteer and identifying the specific training needs of such volunteer as described at paragraphs 30 and 31. The supervisor shall be available to the volunteer for consultation and assistance at reasonable times. Each volunteer may communicate to their supervisor their targets for their volunteering role and discuss any suggestions, problems or complaints they may have.

Volunteers as Volunteer Supervisors

27. A volunteer may act as a supervisor of other volunteers ("Volunteer-Supervisor"), provided that the Volunteer-Supervisor is under the direct supervision of an employee of the Charity.

Employee Training

28. An orientation on working with volunteers will be provided to all employees. Training on effective volunteer utilisation will be provided to those employees who are highly involved in volunteer management.

Standards of Performance

29. Volunteers shall discharge their duties with due diligence and undertake to make every effort to meet the expectations and standards of performance of their assigned roles, as determined by the assigned supervisor(s). Volunteers shall comply with all instructions, policies and codes of conduct communicated by the Charity (including the Volunteer Code of Conduct annexed) and applicable laws, including but not limited to the laws of the Republic of Singapore. Volunteers shall not take any action which may potentially lead to damage to or liability on employees of the Charity, beneficiaries of the Charity, other volunteers, and/or the Charity. If a volunteer breaches their duties, the Charity reserves the right to take any necessary remedial action against the volunteer as it sees fit.

Volunteer Evaluation

30. Where applicable, volunteers may receive periodic evaluation to review their work. The evaluation session is given for the purpose of:
- 30.1. Reviewing the performance of the volunteer.
 - 30.2. Suggesting any changes in work style, to seek suggestions from the volunteer on means of enhancing the volunteer's relationship with the Charity.

30.3. Conveying appreciation to the volunteer.

30.4. Ascertaining the continued interest of the volunteer in serving that position.

31. Evaluations should include both an examination of the volunteer's performance of their responsibilities and a discussion on any suggestions that the volunteer may have concerning the position or project with which the volunteer is connected. The evaluation is an opportunity for both the volunteer and the Charity to examine and improve their relationship.

Corrective Action

32. In appropriate situations, corrective action may be taken following an evaluation. Examples of corrective action include the requirement of additional training, reassignment of a volunteer to a new position, suspension of the volunteer, or dismissal from volunteer service.

Expressions of Conflicts and Grievances

33. Decisions involving corrective action of a volunteer may be reviewed for their appropriateness. If corrective action is taken, the volunteer shall be informed of the procedures for expressing their concern or grievance. The Charity seeks to deal with conflicts and grievances fairly and ensure that steps are taken to establish the facts and to give volunteers the opportunity to respond before taking any formal action.
34. In the event of a conflict or grievance between a volunteer and an employee, another volunteer, or the Charity itself, the Charity will promptly and effectively address and attempt to resolve the issue. If the conflict cannot be resolved, the Charity may terminate the volunteer relationship or take any other reasonable actions it deems necessary.

Volunteer Feedback

35. The Charity shall regularly seek feedback from volunteers about their volunteering experience. Volunteers may also offer feedback at any point in time via **[Mode of Feedback]** to the Charity which shall be receptive to such feedback.

F. VOLUNTEER SUPPORT AND RECOGNITION

Reimbursement of Expenses

36. Volunteers may be eligible for reimbursement of reasonable out-of-pocket expenses incurred while undertaking duties and responsibilities for the Charity. Prior approval of the Charity must be sought for any expenditure incurred. All volunteers shall receive information regarding the reimbursement process, including for specific items.

Access to the Charity's Property and Material

37. As appropriate, volunteers may have access to the Charity's property and materials as necessary to fulfil their duties and shall receive training in the operation of any equipment. Property and materials shall be utilised only when required for the Charity's purposes. Volunteers shall not make copies of or duplicate the Charity's property and materials without the Charity's consent. Upon the Charity's request, volunteers shall return or destroy any property and material or copies of such property and material to the Charity. Volunteers agree that the intellectual property rights in any works created by them in the course of their volunteering duties will vest wholly with the Charity. Volunteers shall keep an accurate record of and disclose to the Charity all works created by them during and pursuant to the discharge of their volunteering duties with the Charity.
38. The Charity shall provide adequate liability and accident insurance cover for volunteers engaged in the Charity's business. Volunteers are encouraged to consult with their own insurance agents regarding the extension of their personal insurance to include community volunteer work.

Formal Recognition

39. The Charity may recognise the efforts and contributions of volunteers through recognition events to highlight and reward the contribution of volunteers to the Charity.

Informal Recognition

40. All employees and volunteers overseeing volunteer supervision are encouraged to regularly engage in ongoing methods of recognising volunteer service. These informal recognition methods can range from a simple "Thank You" to actively involving volunteers as full participants in programme decision-making and implementation.

ANNEX: Volunteer Code of Conduct

This Volunteer Code of Conduct aims to ensure that all volunteers understand the standard of conduct required. Volunteers are expected to uphold the Volunteer Code of Conduct at all times when carrying out their duties and interactions.

Volunteers are expected at all times to:

- Be present for their duties, otherwise to inform their supervisor as early as possible and in any case, within a reasonable time before their committed volunteering timings.
- Carry out their duties responsibly, safely and in a competent and professional manner.
- Be appropriately dressed for their duties.
- Maintain confidentiality of all data and information obtained while volunteering and after volunteering ends.
- Observe all safety procedures.
- Observe all rules and requirements specified by the Charity for the conduct of its employees and volunteers.

Volunteers must not:

- Act in any way that may create liability or bring the Charity and its name into disrepute.
- Act in any way to give the impression (or allow the impression to be formed) that the volunteer has any authority to make promises, agree to or authorise anything on behalf of the Charity unless authorised in writing by the Charity.
- Disclose confidential information without the consent of the Charity.
- Use the Charity property, resources, information or funds for any purpose other than authorised uses.
- Seek or accept rewards, benefits or gifts from the Charity or any third-party organisation or individual without authorisation by the Charity.
- Engage in any activity that may bring harm (e.g. physical or mental) to another person or property.
- Be under the influence of alcohol and/or non-prescription drugs while volunteering.
- Falsify or change any documents or records.

- Post any photographs or videos on reports, advertisement, promotional material or social media without obtaining permission from relevant personnel.
- Act as a spokesperson for the Charity unless prior permission or authority has been given.
- Behave inappropriately towards the Charity's clients, employees, volunteers and/or any other persons.

Conflict of Interest

- Volunteers are expected to avoid situations which may have conflict of interest with the Charity (e.g. other commitments or roles in other organisations).
- If any potential area of conflict arises, volunteers should consult their supervisor (if any), or such other relevant personnel.

Any breach of the Volunteer Code of Conduct may lead to a warning of unacceptable behaviour or immediate termination of services as a volunteer.

6. Personal Data Protection

Personal data refers to data about an individual who can be identified from that data, or from that data and other information to which the organisation has or is likely to have access.

The Personal Data Protection Act (PDPA) provides a baseline standard of protection for personal data in Singapore. It comprises various requirements governing the collection, use, disclosure and care of personal data in Singapore.

The PDPA recognises both the need to protect individuals' personal data and the need of organisations to collect, use or disclose personal data for legitimate and reasonable purposes.

In the Schedule, you will find a brief which serves as a practical guide on personal data protection requirements in Singapore.

Guidance notes

The information has been summarised from the Personal Data Protection Act 2012 and the Advisory Guidelines on Key Concepts in the Personal Data Protection Act (Issued 23 September 2013, Revised 17 May 2022) issued by the Personal Data Protection Commission Singapore (the “**Key Advisory Guidelines**”).

The information in the brief does not purport to provide a definitive view on personal data protection laws and regulations in Singapore. At all times, in the event of any inconsistency, the provisions of the PDPA and all regulations or rules issued thereunder by law or by the Personal Data Protection Commission Singapore, will prevail over the information set out in this brief.

The information and legal references contained in this chapter are accurate as of 9 December 2024.

PERSONAL DATA PROTECTION¹

1.1 What is personal data

The Personal Data Protection Act 2012 (the “**PDPA**”) defines personal data as:

“data, whether true or not, about an individual who can be identified (a) from that data; or (b) from that data and other information to which the organisation has or is likely to have access”².

1.2 Protection of personal data in Singapore

The PDPA protects personal data belonging to individuals³ in Singapore. Data relating to corporate bodies and other entities are not covered under the PDPA.

It governs the collection, use and disclosure of electronic and non-electronic personal data by all organisations. It recognises the rights of individuals to protect their personal data, and the requirements of organisations to collect, use or disclose personal data for purposes that a reasonable person would consider appropriate in each circumstance.⁴

The PDPA data protection provisions apply to organisations carrying out activities involving personal data in Singapore.

1.3 Who is responsible for the PDPA

The Personal Data Protection Commission (the “**PDPC**” or the “**Commission**”) is the body responsible for administering the PDPA.

1.4 What are the types of personal data protected by the PDPA⁵

The PDPA protects data which are about an individual (i.e. a natural person) and from which the individual can be identified. This includes direct identifiers (such as passport

¹ The information contained in this chapter has been provided for information purposes only and does not purport to be legal advice, professional advice or a definitive interpretation of law. The information has been summarised from the Personal Data Protection Act (No. 26 of 2012) and the Advisory Guidelines on Key Concepts in the Personal Data Protection Act (Issued 23 September 2013, Revised 17 May 2022) issued by the Personal Data Protection Commission Singapore (the “**Key Advisory Guidelines**”). When referring to the information in this chapter, it should be noted that the Key Advisory Guidelines are not legally binding on the PDPC or any other party. The Key Advisory Guidelines are also not meant to modify or supplement the legal effect and interpretation of any laws cited in this chapter. Finally, the information set out herein does not purport to provide a definitive view on personal data protection laws and regulations in Singapore. At all times, in the event of any inconsistency, the provisions of the PDPA and all regulations or rules issued thereunder by law or by the Commission, will prevail over the information set out in this chapter and any guidelines referred to herein.

² Section 2, PDPA

³ An “individual” means a natural person (human being), whether living or deceased (Section 2, PDPA)

⁴ Section 3, PDPA

⁵ Section 5, Key Advisory Guidelines

numbers) and partial identifiers (such as profile information, etc.) to the extent that such partial identifiers could be combined with other data so as to identify the individual.

1.4.1 Data about an individual

Some examples include but are not limited to:

- (i) information on an individual's health, educational and employment background, as well as his/her activities such as spending patterns, if such information can identify or be associated with a particular individual who can be identified;
- (ii) residential address, if that address is associated with a particular individual who can be identified; and
- (iii) email messages and text messages, if they contain information which can identify an individual.

1.4.2 Data about an individual who can be identified from that data, or from information which an organisation has or is likely to have access to⁶

Data which is inherently distinctive to an individual including but not limited to:

- (i) Biometric identifiers such as face geometry (including facial image of an individual in a photo or voice recording), iris image, fingerprint, DNA profile, voice of individual (e.g. in a voice recording); or
- (ii) Data assigned to an individual to identify the individual such as full name, NRIC or FIN number, passport number and personal mobile phone number.

When information about one individual contains information about another individual, it may also constitute personal data. For example, when an organisation collects emergency contact details from an individual, the organisation is deemed as holding personal data of two individuals - that individual and his/her emergency contact.

A short note on collection, use or disclosure of NRIC numbers – the NRIC Advisory Guidelines:

- The nature of National Registration Identification Cards (“**NRIC**”)

The Singapore NRIC is considered a unique identifier assigned by the Singapore Government to Singapore citizens and permanent residents of registrable age. The Singapore NRIC is considered personal data as it is possible to identify a specific individual from just the unique numbers and alphabets used.

⁶ Whether data or dataset collected by an organisation constitutes personal data is determinable on a case by case basis. For example, if the organisation conducts a street survey including full names of persons surveyed, this would identify the individuals and constitute personal data. If the street survey only collects general information on gender, age range, occupation (and so on), if one is unable to identify an individual specifically when reading such data points, it may not constitute personal data.

- Collection, use or disclosure of NRIC numbers

As of 1 September 2019,⁷ organisations are generally not allowed to collect, use or disclose NRIC numbers or copies of NRIC.

The treatment for NRIC numbers is also applicable to birth certificate numbers, foreign identification numbers, work permit numbers and passport numbers (such identification being “**other identification numbers**”). This is because other identification numbers may similarly be used to identify a specific individual. For the purposes of this note, any reference to “NRIC numbers” will also be deemed to include the other identification numbers.

Organisations may however collect, use or disclose NRIC numbers in the following specified circumstances:

- (i) where collection, use or disclosure is required under law (or an exception under PDPA applies).

Organisations may collect, use or disclose an individual’s NRIC number (or copy NRIC) with or without his/her consent if it is required under law. As good practice, organisations should still notify the individual of the purpose of such collection, use or disclosure.

Examples include where a patient is seeking medical treatment at a general practitioner clinic⁸, where a customer is subscribing for a mobile telephone line⁹, where a new employee is joining an organisation¹⁰ or where in an emergency situation where information is disclosed to the hospital without the individual’s consent¹¹; or

- (ii) it is necessary for the organisation to accurately establish or verify the individual’s identities to a high degree of fidelity, provided it has received that individual’s notification and consent. Examples include: where failure to identify the individual may pose a significant safety or security risk (e.g. visitor entry to restricted areas or preschools); or may pose a risk of significant impact or harm (e.g. fraudulent claims to healthcare, financial, property industries, background checks with credit bureaus, medical reports).

⁷ Part II of the Advisory Guidelines on the Personal Data Protection Act for NRIC and other National Identification Numbers published on 31 August 2018, effective 1 September 2019 (the “**NRIC Advisory Guidelines**”)

⁸ Healthcare institutions are required under the Private Hospitals and Medical Clinics Regulations to carry out proper documentation and accurate verification of a patient’s identity.

⁹ Telecommunications companies are required by the Telecommunications Act to collect customer NRIC information.

¹⁰ All employers are required to maintain detailed employment records of employees covered by the Employment Act 1968.

¹¹ There is an applicable exemption in the Fourth Schedule to the PDPA for the disclosure of an individual’s personal data, without consent, that is necessary to respond to an emergency that threatens his/her health.

An organisation should assess if it truly requires such collections as it would need to provide justification on request of that individual or to the PDPC.

On collecting a copy of the NRIC, that organisation will be considered to have collected all personal data on that NRIC and will be subject to the PDPA and the NRIC Advisory Guidelines for that collection.

- Retention of physical NRIC

It is not recommended for organisations to retain any individual's physical NRIC unless retention is required under the law. This is to minimise any impact to the individual should the physical NRIC be misplaced, stolen or used for illegal activities.

The treatment for retention of physical NRIC applies to other identification documents containing the NRIC numbers or other national identification numbers.

If the organisation needs to check the individual's physical NRIC for verification purposes, as there is no intention by the organisation to obtain control of the physical NRIC and no personal data is retained once the NRIC is returned to the individual, such checks will not constitute a collection of personal data on the physical NRIC.

If the organisation needs to collect NRIC numbers, please refer to the PDPC website for a suggested template notice for collection of NRIC numbers.¹²

For further information on the use, collection and disclosure of NRIC, please refer to the Advisory Guidelines on the NRIC for more information.¹³

1.4.3 Excluded personal data

The PDPA does not apply to certain categories of personal data such as:

- (i) data about a deceased individual who has been dead for more than 10 years¹⁴;
- (ii) data in a record that has been in existence for at least 100 years¹⁵; and
- (iii) business contact information (including contact information of sole proprietors and partners) provided by an individual where such information has not been provided solely for personal purposes¹⁶.

¹² <https://www.pdpc.gov.sg/guidelines-and-consultation/2020/02/advisory-guidelines-on-the-personal-data-protection-act-for-nric-and-other-national-identification-numbers>

¹³ <https://www.pdpc.gov.sg/-/media/Files/PDPC/PDF-Files/Advisory-Guidelines/Advisory-Guidelines-for-NRIC-Numbers---310818.pdf?la=en>

¹⁴ Section 4(4)(b), PDPA. For individuals who have been deceased for 10 years or fewer, limited provisions relating to the disclosure and protection of personal data will apply.

¹⁵ Section 4(4)(a), PDPA

¹⁶ Section 2, PDPA defines "business contact information" as "an individual's name, position name or title, business telephone number, business address, business electronic mail address or business fax number and any other similar information about the individual, not provided by the individual solely for his personal purposes".

1.5 General responsibilities of an organisation under the PDPA¹⁷

1.5.1 What is an organisation

An “organisation” is “any individual, company, association or body of persons, corporate or unincorporated whether or not (a) formed or recognised under the law of Singapore; or (b) resident, or having an office or a place of business, in Singapore.”¹⁸

Generally, this covers natural persons, corporate bodies (e.g. companies) and unincorporated bodies of persons (e.g. associations) including charities regardless of whether they are formed or recognised under the law of Singapore or whether they are resident or have an office or place of business in Singapore.

1.5.2 Responsibilities of an organisation

An organisation which collects, uses or discloses personal data:¹⁹

- is responsible for personal data which it possesses or controls;
- has to designate one or more individuals to ensure that the organisation complies with the PDPA. While that individual can delegate the responsibility to another individual, this does not relieve the organisation of any of its obligations under the PDPA;
- must make the business contact information of the designated individual (or his/her delegate) available to the public – this is typically done as, for example, dpo@charityname.com, not as john.lim@charityname.com;
- in meeting its responsibilities, must take into consideration what a reasonable person would consider appropriate in the circumstances;
- shall develop policies and practices necessary for it to meet with its obligations under the PDPA; and
- shall develop a process to receive and respond to related complaints that may arise;
- communicate to its staff of its personal data protection policies and practices; and
- make such information available on request.

¹⁷ Section 6, Key Advisory Guidelines

¹⁸ Section 2, PDPA

¹⁹ Sections 11 and 12, PDPA

A short note on “reasonableness” as used in the PDPA²⁰

The term “reasonableness” is used throughout the PDPA and the PDPC applies it to each of an organisation’s obligations under the PDPA.

In determining what a reasonable person would consider appropriate in the circumstances, an organisation should consider the particular circumstances which it is facing. Thereafter, using the “reasonable person” standard, the organisation should determine the appropriate course of action in order to comply with its obligations under the PDPA.

A “reasonable person” is judged based on an objective standard and can be said to be a person who exercises the appropriate care and judgement in the particular circumstances. One suggestion is for the organisation to view the situation from the perspective of the individual and consider what the individual would think as fair.

1.5.3 Excluded organisations

Unless expressly excluded, every organisation is required to comply with the PDPA in respect of activities relating to the collection, use and disclosure of personal data in Singapore.

The PDPA imposes limited data protection obligations, including insofar as they are acting as data intermediaries, and does not impose any data protection obligations on the following entities:²¹

- (i) an individual who is acting in a personal capacity²²;
- (ii) an individual who is acting in a domestic capacity²³;
- (iii) an employee (including a volunteer) who is acting in the course of his/her employment with an organisation²⁴; and
- (iv) public agencies²⁵.

²⁰ Section 9, Key Advisory Guidelines

²¹ Section 4(2), PDPA explains that data intermediaries are not subject to obligations under Parts III, IV, V, VI (except sections 24 and 25), VIA (except sections 26C(3)(a) and 26E) and VIB of the PDPA in respect of its processing of personal data on behalf of and for the purposes of another organisation pursuant to a contract which is evidenced or made in writing. Under Sections 24, 25, 26C(3)(a) and 26E of the PDPA, data intermediaries remain subject to obligations relating to protection and retention of personal data and notification of data breaches.

²² This includes undertaking activities for his/her own purpose.

²³ Section 2, PDPA defines “domestic” as “related to home or family”. An example provided by the Key Advisory Guidelines is when an individual undertakes activities for his/her home or family such as opening joint bank accounts between 2 or more family members.

²⁴ Section 2, PDPA defines “employee” to include “volunteer”, an individual who undertakes work without an expectation of payment. This does not relieve the responsibility of the organisations for actions of its employees (including volunteers).

²⁵ Section 2, PDPA defines “public agencies” to include the Government, including any ministry, department, agency, organ of State, tribunal appointed by law or statutory bodies. The Personal Data Protection (Statutory

1.5.4 The use of data intermediaries

A “data intermediary” refers an organisation which processes personal data on behalf of another organisation, but does not include an employee of that other organisation.²⁶ An organisation can be a data intermediary notwithstanding that it does not charge for its services.²⁷ Not all vendors to an organisation are its data intermediaries – it depends on whether or not the vendors processes personal data “on behalf of” the organisation.

Where personal data is processed by a data intermediary on behalf of and for the purposes of an organisation, the organisation continues to be liable under the PDPA for such personal data as if the personal data were processed by the organisation itself.²⁸

When using data intermediaries, the organisation should:

- (i) contractually stipulate clearly the scope of work which the data intermediary is to perform on its behalf and the purposes of such work;
- (ii) undertake appropriate due diligence on the data intermediary to ensure the data intermediary has policies and procedures in place to comply with PDPA;
- (iii) if the organisation is processing personal data on behalf of another organisation (e.g. an organisation acting as data intermediary for its other group entities), to include clauses in its written contracts to clearly set out the responsibilities and liabilities of each organisation including whether that first organisation is to process personal data on behalf of and for the purposes of the second organisation; and
- (iv) ensures its agents²⁹ are aware and exercise proper data protection practices.

A short note and illustration on processing data for group entities³⁰

As data intermediaries which process data on behalf of another organisation are subject to different obligations (data intermediaries are only subject to the Protection Obligation, Retention Limitation Obligation and Data Breach Notification Obligation whereas the organisation engaging the data intermediary is subject to all obligations under the PDPA), it is prudent to define the role of each entity in handling personal data, even if the entities belong to the same corporate group. This is because group entities have separate legal identities.

Bodies) Notification 2013 also provides a list of specified public agencies. Examples of these include Accounting and Corporate Regulatory Authority, Central Provident Fund Board, Info-communications Media Development Authority and Inland Revenue Authority of Singapore.

²⁶ Section 2, PDPA

²⁷ Section 6.4 of the Advisory Guidelines for the Social Service Sector (Issued 11 September 2014, Revised 31 August 2018) issued by the PDPC (“**Social Service Guidelines**”)

²⁸ Section 4(3), PDPA

²⁹ Section 6.31, Key Advisory Guideline provides that an agent is considered in law to represent the principal, such that it can affect the principal’s legal position in respect of contracts and certain other dealings with third parties. Therefore organisations should ensure that their agents are aware of its data protection policies and procedures.

³⁰ Section 11, Key Advisory Guidelines

For instance, if the personal data collected by a charity is processed by its subsidiary (e.g. a business subsidiary), the two entities may wish to enter into a service agreement which expressly states that the subsidiary is a data intermediary of the charity and subject to the obligations applicable to a data intermediary under the PDPA. The charity itself will then bear the responsibility of complying with other obligations (such as the Consent Obligation, Notification Obligation and Access & Correction Obligation).

A short note on data transfer into Singapore³¹

When personal data is collected overseas and subsequently transferred into Singapore, the data protection provisions of the PDPA will apply in respect of the activities involving the personal data in Singapore.

Where personal data which originates outside Singapore is being collected by an organisation located in Singapore for its own purpose, such organisation is expected to also comply with the PDPA for such personal data. This means the organisation will have to obtain consent to collect, use and disclose the personal data unless an exemption applies, or if there could be deemed consent.

1.6 Data Protection Provisions in PDPA

Organisations have to comply with the data protection provisions which are found in Parts III to VI of the PDPA.

While the PDPA does not specifically define the terms “collection”, “use” and “disclosure”, the Key Advisory Guidelines have suggested that these terms may be understood to have the following meanings³²:

- (i) “Collection” refers to any act or set of acts through which an organisation obtains control over or possession of personal data;
- (ii) “Use” refers to any act or set of acts by which an organisation employs personal data. A particular use of personal data may occasionally involve collection or disclosure that is necessarily part of the use;
- (iii) “Disclosure” refers to any act or set of acts by which an organisation discloses, transfers or otherwise makes available personal data that is under its control or in its possession to any other organisation.

The next few sections will touch on the general obligations which organisations are required to comply with when undertaking activities relating to the collection, use or disclosure of personal data.

³¹ Section 11, Key Advisory Guidelines

³² Section 7.2, Key Advisory Guidelines

These obligations are:³³

- (a) Consent Obligation (Section 14.7)
- (b) Purpose Limitation Obligation (Section 14.8)
- (c) Notification Obligation (Section 14.9)
- (d) Access & Correction Obligation (Section 14.10)
- (e) Accuracy Obligation (Section 14.11)
- (f) Protection Obligation (Section 14.12)
- (g) Retention Limitation Obligation (Section 14.13)
- (h) Transfer Limitation Obligation (Section 14.14)
- (i) Accountability Obligation (Section 14.15)
- (j) Data Breach Notification Obligation (Section 14.16)

1.7 The Consent Obligation³⁴

1.7.1 The Consent Obligation

An organisation may only collect, use or disclose an individual's personal data if (i) the individual has given, or is to be deemed to have given, his/her consent (the "**Consent Obligation**"), or (ii) no consent is required from that individual under law³⁵.

This includes consent which is given or deemed to be given by any person who is validly acting on behalf of that individual for the collection, use or disclosure of personal data.³⁶

Individuals validly acting on behalf of others

Organisations which handle personal data of minors or individuals that are mentally unwell should ensure compliance with applicable laws to determine whether such persons have the capacity to give consent and in what circumstances another person might validly give consent on behalf of the minor or mentally unwell individual.³⁷

Relevant laws include:

³³ Please note that a new Data Portability Obligation will be introduced in the near future. The Data Portability Obligation will require organisations to, at the individual's request, transmit the individual's data to another organisation in a commonly used machine-readable format. Specific details of the Data Portability Obligation will be set out in separate regulations under the PDPA.

³⁴ For more details, please refer to Section 12, Key Advisory Guidelines

³⁵ Sections 13 and 17, PDPA.

³⁶ Section 14(4), PDPA may apply, provided such person would similarly have to be notified of the purposes for which the individual's personal data will be collected, used and disclosed and that person has consented on behalf of that individual.

³⁷ Section 4(6)(a), PDPA provides that Parts III to VIA of the PDPA do not affect any legal rights or obligations under other laws. For more details on obtaining consent from minors, please refer to Section 7, Advisory Guidelines on the PDPA For Selected Topics (Issued 24 September 2013, Revised 4 October 2021) issued by the PDPC ("**Selected Topics Guidelines**").

- Mental Capacity Act 2008
- Civil Law Act 1909
- Children and Young Persons Act 1993 (“**CYPA**”)
- Employment Act 1968

Whether there is valid consent must be assessed on a case-by-case basis. Charities can consider the following good practices and guidance when dealing with minors or individuals that are mentally unwell:

- **Minors:** There are generally two ways to obtain consent when dealing with minors’ personal data – from the minors themselves or from the parent(s)/legal guardian(s) of the minors. As a good practice, charities should (1) if possible and appropriate, seek consent from the parent/legal guardian of the minor; (2) if it is not possible to obtain a parent/legal guardian’s consent, exercise due diligence to ensure that the minor understands the nature and consequences of giving consent. As a practical guide, the PDPC generally takes the view that minors of at least 13 years of age are likely to be able to consent on his/her own behalf (assuming the circumstances do not suggest otherwise).
- **Mentally unwell individuals:** Typically, mentally unwell individuals who lack capacity to make decisions for themselves will be in the care of a court-appointed deputy or a donee of a lasting power of attorney (“**LPA**”). As a good practice, charities should take reasonable steps to establish if the person they are dealing with lacks mental capacity (e.g. checking if the person understands the information provided to them and the consequences of consenting). If the person lacks capacity, the charity should obtain consent from that person’s deputy or LPA donee (who can be required to produce their court order or registered LPA, as applicable).
- **Possible consent exceptions under the PDPA:** If consent is not forthcoming and the charity needs to collect or use or disclose personal data to provide a service in the vital interests of, or for the personal or domestic purposes of the minor/person lacking mental capacity, the charity may be able to rely on certain exceptions to consent under the PDPA.³⁸
- **Seek additional guidance when in doubt.** When in doubt, it is always prudent to seek guidance from relevant authorities (e.g. PDPC or Office of the Public Guardian) or seek legal advice.

³⁸ For instance, one exception is the collection, use or disclosure of personal data about an individual which is necessary for a purpose that is clearly in the individual’s interests, where consent cannot be obtained in a timely manner and would not reasonably be expected to be withheld by that individual (Part 1 of the First Schedule to the PDPA). Another exception is the collection, use or disclosure of personal data about an individual (A) which was provided to the charity by another individual to enable the charity to provide a service for the personal or domestic purposes of Individual A.

1.7.2 How to procure consent

An individual has not given consent unless: (i) the individual has been notified of the purposes of collection, use or disclosure of the personal data, on or before such personal data is collected³⁹ and (ii) that individual provided consent for those purposes.⁴⁰

As good practice, it is recommended that an organisation:

- obtains written consent, or at least in a manner which it is able to demonstrate if tasked to in future, that it has received consent;
- document any verbal consent subsequently. Verbal consent tends to be more readily disputable than written consent. If verbal consent is obtained, organisations should document the consent in some way, such as making an internal note that the individual has provided his/her consent to a named officer, or reconfirm subsequently in writing with the individual after the verbal confirmation⁴¹;
- in any forms which it provides to collect personal data, indicate which fields are compulsory or optional, and to state the purposes for which such personal data (including the optional personal data, if it is provided) will be collected, used and/or disclosed.

In addition to the above, an individual is deemed to have consented to the collection, use or disclosure of personal data for a purpose if:

- the individual voluntarily provides the personal data to the organisation for that purpose and it is reasonable that he/she would voluntarily provide the data⁴²; or
- the individual consents to the disclosure by one organisation to another organisation for a particular purpose, he/she is deemed to have consented to the collection, use or disclosure of the personal data for that particular purpose by that other organisation⁴³.

³⁹ Section 14(1) and Section 20, PDPA

⁴⁰ Section 14(1), PDPA

⁴¹ As per Section 12.27 of the Key Advisory Guidelines, organisations that wish to rely on the individual's consent to send specified messages to Singapore telephone numbers should note that the relevant requirement in the Do Not Call Provisions requires such consent to be clear and unambiguous consent to the sending of the specified message to that Singapore telephone number, evidenced in written or other accessible form. For this purpose, verbal consent would be insufficient unless it can be recorded in a form which is accessible for subsequent reference. Please refer to the Do Not Call Provisions for further details.

⁴² Section 15(1), PDPA. An example provided in the Key Advisory Guidelines is where a person hands over a credit card to make payment for services. The person is deemed to have consented to the collection, use and disclosure of the personal data associated with the credit card. Another example is when a person goes to the clinic for the purpose of a medical check-up through a series of tests. The person is aware that such tests will be conducted as the clinic has provided this information on the registration form that the person filled out and submitted prior to the tests. The person will be deemed to have consented to the collection of the personal data by submitting to the tests even though the person did not directly provide the data to the clinic.

⁴³ Section 15(2), PDPA. An example provided in the Key Advisory Guidelines is where a person pays for services using a credit card. There is deemed consent to the collection of the credit card details by the bank handling the payment process to the service provider.

When an organisation wishes to rely on deemed consent, the Key Advisory Guidelines recommend that the organisation be able to establish factors such as, that the individual has voluntarily provided his/her personal data, the individual was aware of the purpose for the collection, use or disclosure of his/her personal data and the circumstances are reasonable for the individual to have provided his/her personal data.

Illustration on deemed consent⁴⁴

A charity hosts an event for its clients, donors and volunteers and engages a photographer for the event.

If, for instance, the charity clearly states in its invitation or at the reception or entrance of the event venue that photographs will be taken for publicity purposes, individuals attending the event may be deemed to have consented to the charity publicly posting photographs in which they are identifiable.

1.7.3 When is consent not validly given

An organisation shall not:⁴⁵

- (i) as a condition of providing a product or service, require an individual to consent beyond what is reasonable to provide the product or service to that individual⁴⁶; or
- (ii) obtain or attempt to obtain consent for collecting, using or disclosing personal data by providing false or misleading information with respect to the collection, use or disclosure of the personal data, or using deceptive or misleading practices⁴⁷,

in each case where even if procured under (i) or (ii) above, such consent will be invalid for purposes of the PDPA.

Finally, it is not recommended that organisations rely on the “opt out” approach. This is where for example, an organisation deems an individual to have given his/her consent through inaction on his/her part. The PDPC does not regard this as consent.

⁴⁴ Section 2.15 of the Social Services Guidelines

⁴⁵ Section 14(2), PDPA

⁴⁶ An example provided in the Key Advisory Guidelines is where an individual wishes to sign up for a spa package. The terms and conditions allows the spa to share his/her personal data with third parties. The individual refuses to consent to such a disclosure and in turn the spa refuses to process his/her form on the basis that the standard terms and conditions must be signed as-is. In this case, even if the individual consents, the consent is not valid as it is beyond reasonable of what is required by the spa to provide services. The spa should consider whether the personal data required is necessary to provide the services. Instead, it is recommended that the spa requests his/her consent to separately disclose her information rather than tie it up as a condition of providing the services.

⁴⁷ The Commission recommends in the Key Advisory Guidelines that organisations obtain consent from an individual through a positive action of the individual rather than adopting an opt out approach. An example provided in the Key Advisory Guidelines is where a retailer has collected personal data from its customers to deliver products. It subsequently sends a notice to its customers stating that unless the customers reach out to the retailer, they are deemed to have consented to the retailer disclosing their personal data to a third party. In this case, the customer not replying to the retailer is unlikely to be good consent, since the customer may not have received the information, or generally may not be aware.

1.7.4 What happens when consent is withdrawn

An individual may at any time withdraw any consent given or deemed to have been given under the PDPA, provided reasonable notice is given to the organisation⁴⁸.

Again, it is difficult to pinpoint what constitutes “reasonable” notice but generally, the Commission considers a withdrawal notice of at least 10 business days from date of receipt of notice, to be reasonable notice⁴⁹.

To facilitate withdrawals, organisations are encouraged to implement a clear and easily accessible withdrawal policy setting out the process and procedures.

An organisation shall not prohibit an individual from withdrawing his/her consent. Any attempt to include a term in a contract stipulating that an individual cannot withdraw its consent is also prohibited.

Once an organisation has received from an individual a notice to withdraw consent, the organisation should inform the individual concerned of the likely consequences of withdrawing his/her consent⁵⁰. Thereafter, it shall cease to collect, use or disclose such personal data including to any third party⁵¹.

It should be noted that withdrawal of consent would only apply to an organisation’s continued use or future disclosure of the personal data. The organisation also has to inform its data intermediaries and agents about the withdrawal and ensure they cease collecting, using or disclosing such personal data.

Although an individual may withdraw consent for the collection, use, or disclosure of his/her personal data, the PDPA does not require an organisation to delete or destroy the individual’s personal data upon request. Organisations may retain personal data in their documents and records in accordance with the Data Protection Provisions.

1.7.5 When consent is not required by law

Section 17 of PDPA sets out in details when organisations may collect, use or disclose personal data about an individual without his/her consent.

⁴⁸ Section 16, PDPA.

⁴⁹ Section 12.41, Key Advisory Guidelines

⁵⁰ Section 16(2), PDPA. An example provided in the Key Advisory Guidelines includes a situation where an individual wishes to obtain services from a telecom service provider and provides its consent. If the individual withdraws his/her consent, Operator X would be unable to provide services to the individual as Operator X needs to access personal data such as the individual’s name and address. Operator X should inform the individual of the consequences of his/her withdrawal i.e. early termination of contract and early termination charges payable by individual.

⁵¹ The exception to this is unless such collection, use or disclosure, as the case may be, without the consent of the individual is required or authorised under the PDPA or other written law, Section 16(4), PDPA.

One significant exception to highlight, is in relation to personal data which is “publicly available”⁵² at the point of collection. In cases where personal data which is generally available to the public or can be observed by reasonably expected means at a location or event where the individual appears and that is open to the public, consent is not required.

1.7.6 Requiring consent for marketing purposes⁵³

Organisations may wish to obtain an individual’s consent to send marketing materials (whether by post, text, voice calls, emails or otherwise) or use his/her personal data for other marketing activities by the organisation (e.g. publishing customers’ personal data in publicity materials).

Organisations should generally provide the individuals the option whether or not to give consent to the marketing purposes and should not deny provision of the item to the individuals simply because they do not give consent for the marketing purposes.

However, there are certain situations where organisations can require consent for marketing purposes. For example, organisations may provide offers, discounts or lucky draw opportunities to individuals that are conditional on the collection, use or disclosure of their personal data for specified purposes⁵⁴.

Organisations which intend to send specified messages to Singapore telephone numbers for purposes such as promoting goods or services must comply with the Do Not Call Provisions under the PDPA.

A short note on the Do Not Call Provisions – Advisory Guidelines on the Do Not Call Provisions⁵⁵

- What constitutes a specified message

An organisation that wishes to send a “specified message” to a Singapore telephone number must comply with the Do Not Call Provisions.

A message (whether sent via a voice call, text message or fax message) is a

⁵² Section 2, PDPA defines “publicly available” as “in relation to personal data about an individual, means personal data that is generally available to the public, and includes personal data which can be observed by reasonably expected means at a location or an event (a) at which the individual appears and (b) that is open to public.”

⁵³ See Section 6, advisory guidelines on requiring consent for marketing purposes issued by PDPC on 8 May 2015 (“**Marketing Advisory Guidelines**”).

⁵⁴ Examples provided in Section 8 of the Marketing Advisory Guidelines include: (i) where a retailer makes it a condition for every customer participating in its lucky draw to provide consent to collection and use of the customer’s name and email address to send marketing emails on its product and services. A customer who does not consent to receiving such marketing emails can choose not to participate in the lucky draw; (ii) providing free gifts, vouchers or complimentary coupons to customers on the condition that they consent to receiving product information through their telephone numbers and marketing SMSes. A customer who does not wish to receive such marketing SMSes can choose to decline the free gifts, vouchers or complimentary coupons.

⁵⁵ Advisory Guidelines on the Do Not Call Provisions issued 26 December 2013 and revised on 1 February 2021, which expound on the provisions set out in Parts IX and IXA of the PDPA (the “**Do Not Call Provisions**”).

“specified message” if the purpose of the message, or one of its purposes, is:⁵⁶

- (i) to advertise, promote or offer to supply or provide goods or services; land or an interest in land; or a business opportunity or an investment opportunity; or
- (ii) to advertise or promote a supplier/provider (or a prospective supplier or provider) of the items listed above; or
- (iii) any other prescribed purpose related to obtaining or providing information.

The following illustrate the types of messages are considered specified messages subject to the Do Not Call Provisions:⁵⁷

1. A charity which runs a caregiver support group sends an SMS to clients and volunteers to publicise a seminar imparting caregiver skills. The SMS is likely to be a specified message to the extent that it is an offer to provide a service.
2. A charity organising an annual charity fund-raiser sends an SMS to donors and volunteers to donate money during the fund-raiser. The SMS is not considered a specified message if it does not include other content which has any of the purposes within the definition of a specified message.

- Sending a specified message to a Singapore telephone number

Where a person intends to send a specified message to a Singapore telephone number, he/she must check with the Do Not Call (“**DNC**”) Registry within the prescribed period before sending the message, and receive confirmation from the Commission that the number is not listed on a DNC register.⁵⁸ The results received from the checks are valid for 21 days from the date of the receipt of the result.

If a person is accused subsequently of violating Section 43(1) of the PDPA, he/she must be able to show that he/she has received clear and unambiguous consent to send that specified message to that Singapore telephone number and show evidence of such consent.⁵⁹

- Withdrawal of consent

Section 47(1) of the PDPA provides that a subscriber or user of a Singapore telephone number may withdraw any consent given to a person for the sending of any specified message to that number by giving notice to the person. Section 47(3) provides that a person that receives such a notice must cease (and cause

⁵⁶ Section 37(1) read with the Tenth Schedule of the PDPA. Also refer to Eight Schedule of PDPA which sets out the list of exclusions from the meaning of “specified message”.

⁵⁷ See Section 8.8 of the Social Services Guidelines for more details.

⁵⁸ Section 43(1), PDPA

⁵⁹ Section 43(4), PDPA

its agents to cease) sending any specified messages to that number after the expiry of the prescribed period, which are prescribed in Regulations.

The “prescribed period” (as set out in section 47(3)) within which persons must effect a withdrawal of consent is 21 days, for a notice of withdrawal given on or after 1 February 2021.

For further details on the Do Not Call Provisions, please refer to the PDPC website and the Advisory Guidelines on the Do Not Call Provisions for more information.

1.8 The Purpose Limitation Obligation

An organisation may collect, use or disclose personal data about an individual only for purposes (i) that a reasonable person would consider appropriate in the circumstances; and (ii) where applicable, that the individual has been informed of by the organisation (pursuant to the Notification Obligation).⁶⁰

This is to ensure that organisations only collect, use and disclose personal data that are relevant for the purposes in question, and only for purposes that are reasonable⁶¹.

Whether a purpose is reasonable depends on whether a reasonable person would consider it appropriate in the circumstances. Hence the Commission would consider the particular circumstances to determine if the purpose of such collection, use or disclosure is reasonable. For example, a purpose that is in violation of a law is unlikely to be considered appropriate by a reasonable person.

1.9 The Notification Obligation⁶²

1.9.1 The notification obligation

An organisation has to inform the individual of the purpose of collecting, using or disclosing the personal data on or before collecting such data, or any other purpose which it intends to use or disclose such personal data⁶³.

It is also a requirement that the organisation must on the individual’s request, provide the business contact information of a person within the organisation, who is able to answer the individual’s questions accordingly.⁶⁴

⁶⁰ Section 18, PDPA limits the purposes and the extent to which an organisation may collect, use or disclose personal data.

⁶¹ An example provided in the Key Advisory Guidelines is where a fashion retailer is conducting a membership drive. It states in the membership registration form of the purposes it may use the details provided by individuals who register with them. Such purposes include providing them with updates on new products and promotions and any other purpose that it deems fit. The reference to “any other purpose as it deems fit” is not reasonable.

⁶² Section 14, Key Advisory Guidelines

⁶³ Section 20, PDPA

⁶⁴ Section 20(1)(c), PDPA

Notification is not required only if:⁶⁵

- (a) the individual is deemed to have consented to the collection, use or disclosure of his/her personal data under Section 15 of the PDPA; or
- (b) the organisation is allowed to collect, use or disclose the personal data without such individual's consent in accordance with Section 17 of the PDPA.

1.9.2 Important considerations under the notification obligation

Organisations should take note of 3 considerations in order to comply with the notification obligation:

- (i) when an organisation must inform the individual of the purposes:

Notification is required on or before the organisation collects personal data.⁶⁶ For example, an organisation intending to conduct surveys involving the collection of personal data should notify the individual of the purpose prior to conducting the survey;

- (ii) the manner and form in which the organisation should inform the individual of its purposes:

It is for an organisation to determine the best way of notification to ensure the individual has the required information to understand the purposes for which his/her personal data is collected, used or disclosed.

The PDPC considers it good practice for an organisation to state its purposes in a written form to ensure both the individual and the organisation are clear about the purpose and there is documentary evidentiary proof of notification by the organisation in the event of any dispute.⁶⁷ This could be done in a contract or even as a separate data protection notice provided to the individual.

Another suggestion is for the organisation to develop a data protection policy or a privacy policy, setting out its policies and procedures which are in compliance with the PDPA. This may be provided to individuals e.g. in the form of a physical document or on the organisation's website. If the policy is not available as a physical document, the organisation should provide the individual with an opportunity to view its data protection policy before collecting the individual's personal data.⁶⁸

⁶⁵ Section 20(3), PDPA

⁶⁶ Sections 20(1) and (4), PDPA

⁶⁷ Section 14.11, Key Advisory Guidelines

⁶⁸ An example provided in the Key Advisory Guidelines is when an individual signs up for services at an organisation's retail shop. The retailer could provide the individual with an extract of the most relevant portions of the Data Protection Policy in a physical document.

- (iii) the information and details to be included when an organisation states its purposes

An organisation should state its purposes with an appropriate level of detail for the individual to determine the reasons and manner in which the organisation will be collecting, using or disclosing his/her personal data.

In notifying individuals of the purpose, it is recommended that organisations should consider:

- (a) drafting notices which are easy to understand;
- (b) provide the most important summary or basic information more prominently and detailed information elsewhere (for example by referring the individual to a website which sets out the policies in full details)⁶⁹;
- (c) where certain purposes may be of special concern, to highlight and bring them to the individual's attention; and
- (d) developing processes to regularly review the effectiveness of and relevance of the notification policies and practices.

If at any point an organisation wishes to use or disclose personal data for purposes which it has not yet informed the individual or for which it has not yet obtained the individual's consent, organisations will require fresh consent from that individual in most cases.

1.10 Access & Correction Obligations⁷⁰

Individuals have the right to verify, and request for access to, personal data held by an organisation.⁷¹

Unless there is an applicable exception⁷², an organisation shall provide the individual with the following as soon as reasonably possible:

- (i) personal data about that individual in the organisation's possession or under its control. An organisation does not have to provide access to the documents (or systems) which do not comprise or contain the personal data in question, as long as the organisation provides the individual with the personal data that the individual requested and where that individual is entitled to have access to under Section 21 of the PDPA. In the case of a document containing the personal data in question, the organisation may provide only the personal data

⁶⁹ An example provided in the Key Advisory Guidelines is when a supermarket conducts a survey on its shoppers through a survey form. The first line of each survey form clearly and legibly states that "Your personal data will be used by the supermarket or its appointed survey company for analysis of survey responses to find out ways to improve customer experience at our supermarket, or to contact survey respondents for follow-up queries on the survey responses for such analysis."

⁷⁰ Section 15, Key Advisory Guidelines

⁷¹ Section 21 & 22, PDPA

⁷² Section 21, PDPA or Fifth Schedule PDPA

(or the sections of the document containing the personal data) if it is feasible for it to do so; and

- (ii) information about the ways in which the personal data had been or may have been used or disclosed by that organisation within a year before the date of the request:

The organisation may keep a standard list of all possible third parties⁷³ to whom personal data may have been disclosed by the organisation and provide this to the individual. It may provide information on the purposes rather than the specific activities for which the personal data had been or may have been used or disclosed.

In responding to an access request:

- (i) organisations should exercise due diligence and adopt appropriate measures to verify an individual's identity;
- (ii) if a third party is requesting on behalf of an individual, the organisation must ensure that party has legal authority to act on behalf of the individual;
- (iii) the organisation may charge the individual a reasonable fee for producing the copy if documentary form is requested. If the personal data is in a form that cannot be practicably provided to the individual, the organisation should provide the individual a reasonable opportunity to examine the data in person;
- (iv) if the information is no longer within the organisation's possession or under its control when the request was received, the organisation should inform the individual that it no longer possesses the personal data and is thus unable to meet the individual's request;
- (v) typically, an organisation must respond to an access request as soon as reasonably possible from the time the access request is received.⁷⁴ If an organisation is unable to respond to an access request within 30 days after receiving the request, the organisation shall inform the individual in writing within 30 days of the time by which it will be able to respond to the request⁷⁵;
- (vi) an organisation is not required to provide access in limited situations including certain exceptions under the PDPA⁷⁶ which covers frivolous or vexatious requests, where the expense of providing access would be unreasonable to the organisation, if such organisation has legally been mandated to disclose personal data for any investigation or proceedings (and in certain cases must not provide access, for

⁷³ As recommended by the Key Advisory Guidelines, the organisation should individually identify each possible third party (e.g. 'pharmaceutical company ABC'), instead of simply providing general categories of organisations (e.g. 'pharmaceutical companies'). This would allow individuals to directly approach the third party organisation to which his/her personal data has been disclosed.

⁷⁴ Section 21, PDPA

⁷⁵ Section 15.18, Key Advisory Guidelines

⁷⁶ Section 21(2) and Fifth Schedule of PDPA

instance if granting such access might reasonably be expected threaten or cause harm to an individual)⁷⁷; and

(vii) if an organisation believes it has legal grounds not to provide the individual with access to the personal data, as good practice it should inform the individual of the reasons.

1.11 Accuracy Obligation⁷⁸

An organisation has to take reasonable effort to ensure that the personal data collected is accurate and complete, if the personal data (i) is likely to be used by the organisation to make a decision that affects the individual to whom the personal data relates; or (ii) is likely to be disclosed by the organisation to another organisation.⁷⁹

This is important as personal data may be used to make a decision that affects the individual, so all relevant data should be reasonably correct and complete.

1.11.1 Reasonable effort

In determining what may be considered a “reasonable effort”, an organisation should take the following factors including:⁸⁰

- (i) the type of data and its significance to the individual;
- (ii) the reason for collecting, using or disclosing such data;
- (iii) how reliable the data;
- (iv) how old the data is; and
- (v) the potential impact on the individual if the data is inaccurate or incomplete

into account.

1.11.2 Collecting personal data

Good practices include taking reasonable steps to ensure accuracy of the data. An example is to get the individual to either make a verbal or written declaration that the data provided is accurate and complete. An organisation can also reach out to the individual for a more updated copy of the personal data.

It is worth highlighting that organisations should be more cautious about collecting data on an individual through a third-party source. For example, the organisation may ask for confirmation from the third party that it has verified the accuracy and completeness of that personal data. If the organisation deems fit, it may also wish to conduct further independent verification on the information.

⁷⁷ Section 21(3) of PDPA

⁷⁸ Section 16, Key Advisory Guidelines

⁷⁹ Section 23, PDPA

⁸⁰ Section 16, Key Advisory Guidelines

1.12 Protection Obligation⁸¹

An organisation is required to protect personal data in its possession or under its control by making reasonable security arrangements to prevent unauthorised access, collection, use, disclosure, copying, modification, disposal or similar risks.⁸²

The PDPA and Key Advisory Guidelines are not overly prescriptive in the ways in which each organisation is required to keep data confidential. Instead, each organisation should consider reasonable and appropriate security arrangements. Some examples of good practices include:⁸³

- (i) Administrative measures such as confidentiality obligations with employees, designing policies and procedures to ensure confidentiality, regular training sessions for employees;
- (ii) Physical measures such as securely storing confidential documents, limiting employee access to confidential information on a need-to-know basis, disposal of confidential documents properly when they are no longer needed; and
- (iii) Technical measures such as securing computer networks to prevent breaches, encrypting personal data, making use of email security settings when sending and/or receiving highly confidential emails and ensuring updated security standards with updated computer security and IT equipment.

1.13 Retention Limitation Obligation⁸⁴

1.13.1 Retention Obligation

An organisation shall cease to retain its documents containing personal data, or remove the means by which the personal data can be associated with particular individuals, as soon as it is reasonable to assume that (a) the purpose for which that personal data was collected is no longer being served by retention of the personal data and (b) retention is no longer necessary for legal or business purposes.⁸⁵

1.13.2 How long should personal data be kept

The PDPA is not prescriptive on the time duration by which an organisation can retain personal data. The duration of time is typically assessed on a reasonable standard, taking into account the reason for collecting the data⁸⁶ and other legal or business purposes for which retention of the personal data may be necessary⁸⁷. An example

⁸¹ Section 17, Key Advisory Guidelines

⁸² Section 24, PDPA

⁸³ Section 17.5, Key Advisory Guidelines

⁸⁴ Section 18, Key Advisory Guidelines

⁸⁵ Section 25, PDPA

⁸⁶ An example provided in the Key Advisory Guidelines includes a situation where a dance school has collected personal data of its tutor and students. Retention and use (with consent) of such data for purposes of maintaining an alumni network is acceptable even if a tutor or student is no longer with the dance school.

⁸⁷ Under the Limitation Act 1959, actions founded on a contract (amongst others) must be brought within 6 years

would be where there are applicable legal or industry standards on data retention, then organisations must comply with those standards, or if data needs to be retained for business operations such as to generate annual reports.

It should also be noted that the longer the organisation retains the data, the higher the risk of a potential breach of the PDPA if the data is not kept confidentially or properly.

As good practice, the Key Advisory Guidelines recommend for organisations to internally prepare an appropriate personal data retention policy, which clearly sets out their approach towards retention periods for personal data.

1.13.3 Ceasing to keep personal data

When it is no longer necessary for an organisation to retain personal data, it must promptly ensure that it either (i) stops retaining the personal data or (ii) remove the means by which the personal data is associated with a specific individual.

The Key Advisory Guidelines recommend a number of methods including: (i) returning the documents to the specific individual, (ii) destroying the documents securely and (iii) anonymising the personal data so that a specific individual is not identifiable from the particular data set.

It should be noted that merely by warehousing the personal data, filing the documents in a locked space, shredding documents in unemptied bins, are not the same as ceasing to keep personal data. Similarly, electronic data which are archives and even if kept in a limited access folder, will still be considered as being retained by the organisation. Therefore it is highly recommended that organisations look into secure methods of disposal or returning such data.

1.14 **Transfer Limitation Obligation⁸⁸**

Section 26 of the PDPA limits the ability of an organisation to transfer personal data outside Singapore, except in accordance with PDPA requirements. This is to ensure that organisations provide a standard of protection to personal data which is being transferred, comparable to the standard or protection offered under the PDPA.

The Key Advisory Guidelines have advised that an organisation may transfer personal data overseas if it has taken appropriate steps to ensure that it will comply with the PDPA for the transferred personal data while such personal data continues to be in its possession or its control. Where the personal data is transferred to a recipient in a country or territory outside Singapore, that the recipient is bound by legally enforceable obligations to provide to the transferred personal data transferred a standard of protection comparable to that under the PDPA.

from the date on which the cause of action accrued. Hence an organisation may wish to retain records relating to its contracts for 7 years from the date of termination of the contract and possibly for a longer period if an investigation or legal proceedings should commence within that period.

⁸⁸ Section 19, Key Advisory Guidelines

Regulations issued under the PDPA will specify the conditions under which an organisation may transfer personal data overseas. Please refer to the PDPA for further information.

1.15 Accountability Obligation⁸⁹

The accountability obligation is premised on Section 11(2) of the PDPA, which states, “an organisation is responsible for personal data in its possession or under its control.”

Organisations are required to implement measures to meet their obligations under the PDPA which may include:

- (a) appointing one or more individuals to ensure that the organisation complies with the PDPA⁹⁰:

This could be by way of appointing a data protection officer who is expected to work with management and the company staff to develop data protection policies appropriate for that organisation;

- (b) developing and implementing data protection policies and practices to help the organisation meet its obligations under the PDPA⁹¹:

The Key Advisory Guidelines recommend organisations to develop both internal and external policies and practices (as required), taking matters such as the types and amount of personal data it collects, and the purposes for such collection into account. The organisation should also put in place monitoring mechanisms and process controls to ensure the effective implementation of these policies and practices;

- (c) developing a process to receive and respond to complaints that may arise with respect to the application of the PDPA⁹²;

- (d) communication with its staff on its policies and practices developed around data protection⁹³; and

- (e) generally making the above mentioned information available on request⁹⁴.

⁸⁹ Section 21, Key Advisory Guidelines

⁹⁰ Section 11(3), PDPA

⁹¹ Section 12(a), PDPA

⁹² Section 12(b), PDPA

⁹³ Section 12(c), PDPA

⁹⁴ Section 12(d), PDPA

1.16 Data Breach Notification Obligation⁹⁵

1.16.1 Notifiable data breaches

Under Section 26B of the PDPA, a data breach (i.e. the unauthorised access, collection, use, disclosure, copying, modification or disposal of personal data or the loss of any storage medium or device containing personal data where such unauthorised access etc. is likely) is notifiable to the PDPC if it meets one of the following “**Notification Thresholds**”:⁹⁶

- (a) results in, or is likely to result in, significant harm to an affected individual (“**Significant Harm Threshold**”); or
- (b) is, or is likely to be, of a significant scale (“**Significant Scale Threshold**”).

In addition, if the data breach meets the Significant Harm Threshold, the affected individual must also be notified unless an exception applies.⁹⁷

A short note on exceptions to requirement of notifying affected individuals

The exceptions to the requirement of notifying affected individuals are set out in Section 26D of the PDPA.

For instance, in accordance with Section 26D(5) of the PDPA, notification to an affected individual is not required if any measures that render it unlikely that the notifiable data breach will result in significant harm to the affected individual is taken – such measures include timely remedial actions taken on or after the breach and technological protection measures applied prior to the breach (such as encryption which prevents access by an unauthorised party).

In addition, a prescribed law enforcement agency or the PDPC may direct the organisation not to notify an affected individual.

1.16.2 Assessing whether a data breach is notifiable

An organisation must take reasonable and expeditious steps to assess whether a data breach is notifiable once it has reason to believe that a data breach has occurred.

⁹⁵ Section 20, Key Advisory Guidelines

⁹⁶ Notification to the PDPC must be made according to the form and manner specified on PDPC's website (www.pdpc.gov.sg). As of the date of issuance of this toolkit, notifications to the PDPC should be submitted online via <https://eservice.pdpc.gov.sg/case/db>. The PDPC is also contactable at +65 6377 3131 during working hours for urgent notification of major cases.

⁹⁷ The mode of notification should be appropriate and effective for ensuring timely notification (e.g. the usual mode of communication between the charity and the affected individual) and take into account, amongst others, the potential distress or alarm that could be caused. For instance, if a charity loses medical records of a beneficiary, a personal phone call by a well-trained staff to the beneficiary may be more appropriate than an email.

While there is no strict rule on what is considered expeditious, the PDPC generally expects the assessment to be done within 30 calendar days.⁹⁸

A short note on data breaches involving data intermediaries

If a charity's data intermediary has reason to believe that a data breach has occurred, the data intermediary must notify the data breach to the charity without any undue delay. The notified charity is then responsible for assessing whether the data breach is notifiable and for making the notification(s).

- (i) Significant Scale Threshold: A data breach that affects (or which the organisation has reason to believe affects) the personal data of at least 500 individuals are considered significant in scale.
- (ii) Significant Harm Threshold: Significant harm can be in the form of severe physical, psychological, economic or financial harm. A data breach is deemed to result in significant harm if it involves any prescribed type of personal data or circumstances.⁹⁹ Prescribed personal data and circumstances include, among others, the following:
 - (a) in relation to an individual's account with any organisation, his/her account identifier (e.g. name or number) or method to access or use the account (e.g. password, access code, answer to security questions); and
 - (b) full name, alias or identification number along with certain classes of information including:
 1. financial information such as salary, net worth, loans, insurance and investments in capital markets products;
 2. credit or debit card number;
 3. information that reveals or is likely to reveal the identity of a vulnerable person (e.g. a person whose identity is otherwise protected under the CYPA, Vulnerable Adults Act 2018, Women's Charter 1961 or a court order);
 4. sensitive medical information such as assessment, diagnosis, treatment etc. for sexually-transmitted diseases, schizophrenia, substance abuse, contraceptive procedures, suicide attempts, and abuse involving the individual; and
 5. adoption status or information.

A short note on multiple data breaches

The likelihood of significant harm may sometimes only arise only after a second or

⁹⁸ As explained in Section 20.4 of the Key Advisory Guidelines, the PDPC will likely require an explanation for assessments that take longer than 30 calendar days.

⁹⁹ The prescribed personal data and circumstances are set out in the Personal Data Protection (Notification of Data Breaches) Regulations 2021 ("**Notification Regulations**").

third data breach which is linked to a previous breach. In such cases, the data breaches are notifiable if there is reason to believe that the different sets of personal data compromised can be combined and satisfy the test for significant harm.

1.16.3 Notification timelines and information required

Notification to the PDPC must be made as soon as practicable and in any case no later than 3 calendar days after the data breach is assessed to be notifiable. Where required, affected individuals must also be notified at the same time or after notification is made to the PDPC.

Notifications to the PDPC must contain all of the information specified under Regulation 5 of the Notification Regulations and notifications to affected individuals must contain of the information specified under Regulation 6 of the Notification Regulations.

Required information include, amongst others, circumstances of breach, information on the personal data affected, potential harm to affected individuals as a result of the breach and any remedial action and/or technological protection measure taken to eliminate or mitigate harm.

The notification to the PDPC should be submitted using the PDPC's prescribed [online notification form](#).

7. Third Party Fund-raisers

The use of third party fund-raisers allows charities to amplify their fundraising efforts, reach new audiences, and access valuable resources that they might not be able to secure independently.

A **policy on third party fund-raisers** serves as a reference to the charity for managing third party fund-raisers and the associated risks. The main objectives of the policy are to guide the charity on exercising due care when engaging third party fund raisers and ensure regulatory compliance.

In the Schedule, you will find a template Third Party Fund-raiser policy which you can adapt for your organisation.

Guidance notes for using the template

The policy should be aligned with the charity's existing governing instrument and administration guidelines and tailored to address identified third party fund-raiser risks which are specific to your charity.

The template includes footnotes which provide instructions to guide you in preparing the policy.

The parts of the template which are marked out in highlighted square brackets are to be adapted to your organisation's needs and circumstances.

Please delete the footnotes and square brackets when the document is finalised as these have been included just for the purposes of helping you to prepare the policy.

The information and legal references contained in this chapter are accurate as of 4 July 2023.

Schedule 7 Template Third Party Fund-Raiser Policy

Responsible Dept/Person Version ²	<<insert department/person>> v.000	Approved by Governing Board ¹ on Last Updated on	<<insert date>> <<insert date>>
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[●NAME OF THE ORGANISATION] THIRD PARTY FUND-RAISER POLICY

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	ANNEX: FAQs ON THIRD PARTY FUND-RAISING	[Insert page number]

A. INTRODUCTION

1. [●Name of Organisation] (the "Charity") may from time to time engage third party fund-raisers, including commercial fund-raisers, to collect funds on its behalf. A third party fund-raiser may or may not be a commercial fund-raiser.

Purpose of Policy

2. The purpose of this Policy is to:
 - 2.1. Ensure that the Charity exercises due care in engaging third party fund-raisers, accounting for how the public may view its use of third party fund-raisers.
 - 2.2. Ensure that the use of a third party fund-raiser, its rationale and fee arrangements are approved by the Board and disclosed to potential donors.

¹ If the Charity is a company limited by guarantee the Governing Board is the board of directors; if the Charity is a registered society, the Governing Board is the committee formed to manage it.

² When a policy is being drafted, its Version Number is "000". Once approved by the Board, it becomes version "001". Following scheduled or other revisions, this number increases by one.

- 2.3. Ensure that fund-raising targets are set based on the Charity's needs and disclosed to donors.
- 2.4. Adhere to requirements set out in any applicable regulations, guidelines and codes including the Code for Commercial Fund-raisers issued by the Commissioner of Charities (where applicable).

Definitions

3. In this Policy, unless the subject or context otherwise requires the following words and expressions shall have the following meanings:

"Board" refers to the governing board members of the Charity.

"commercial fund-raiser" refers to any person who acts as a third party fund-raiser for reward.

"fund-raising appeal" shall have the meaning ascribed to it in the Charities Act 1994 of Singapore, as amended, modified or re-enacted from time to time.

"person" shall mean any individual, partnership, joint venture, corporation, limited liability company, trust, association, government, governmental agency or department or any other entity.

"proceeds" means all money or other property given (whether for consideration or otherwise) in response to a fund-raising appeal.

"third party fund-raiser" refers to any person who solicits or otherwise procures money or other property for, or purportedly for, the benefit of a charity or any charitable, benevolent or philanthropic purpose. For the avoidance of doubt, third party fund-raisers include commercial fund-raisers.

B. REQUIREMENTS WHEN ENGAGING THIRD PARTY FUND-RAISERS

4. When the Charity engages a third party fund-raiser, the Charity must ensure compliance with the following requirements.

Flow of Funds

5. All proceeds collected by the third party fund-raiser must be paid in gross directly to the Charity without deducting or setting off any payment or reimbursement of expenditure due to him/her.
6. Any payment due to the third party fund-raiser from the Charity or the person shall be paid separately by the Charity.

Written Agreement

7. Where the Charity engages a third party fund-raiser, there must be a written agreement between them containing details of the following:
- (a) location of appeal, date(s) of appeal and fund-raising appeal method;
 - (b) percentage of proceeds to the Charity;
 - (c) time frame within which proceeds must be distributed to the Charity;
 - (d) remuneration of the third party fund-raiser; and
 - (e) clearly setting out and allocating responsibilities of the third party fund-raiser in connection with compliance with the Personal Data Protection Act 2012.

Approval by Board and Disclosure

8. Any use or engagement of a third party fund-raiser, its rationale and fee arrangements must be approved by the Board and disclosed to potential donors.

Fund-raising Targets and Disclosure

9. Fund-raising targets should be based on the Charity's needs and disclosed to potential donors.

Fund-raising Expenses

10. In determining the fee arrangements for third party fund-raisers, the Charity shall ensure that the total fund-raising expenses do not exceed 30% of the total receipts from fund-raising and sponsorships in accordance with the Charities (Fund-raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.
11. In particular, total fund-raising expenses of the Charity for the financial year shall not exceed 30% of the total receipts from fund-raising and sponsorships for that financial year, as determined by the following formula in accordance with the Charities (Fund-raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012:

$$\left(\frac{E + S}{R + S} \right) \times 100\% \leq 30\%,$$

where:

- 11.1. “E” refers to the total expenses relating to fund-raising for the financial year, including:
- (a) direct and material indirect expenses of any kind; and
 - (b) payments made to commercial fund-raisers engaged by the charity, but excluding, in a case of the sale of goods by or on behalf of the charity for fund-raising (and not trading), the cost of the goods sold;

11.2. “R” refers to:

- (a) in a case of the sale of goods by or on behalf of the charity for fund-raising (and not trading), the total receipts from such sale (after deducting only the cost of the goods sold); and
- (b) the total gross receipts from any other fund-raising for that financial year; and

11.3. “S” refers to the total amount of sponsorships in cash received by the Charity relating to fund-raising for that financial year that is conditioned upon the provision of direct or indirect commercial benefit to the sponsors.

C. MANDATORY REQUIREMENTS FOR THIRD PARTY FUND-RAISERS

12. The following provisions set out the requirements that third party fund-raisers have to adhere to. The Charity shall ensure the third party fund-raiser's compliance with the requirements, and where applicable include such requirements in the written agreement between the Charity and the third party fund-raiser.

Appropriate Behaviour

13. Third party fund-raisers must ensure that all necessary consents, licences or permits are obtained for the fund-raising appeal, including but not limited to (where applicable) House to House and Street Collections Licence and permit for fund-raising appeals for foreign charitable purposes.

14. In particular, collectors of house-to-house collections must not:

- (a) cause annoyance to any person or remain at the door of or in any premises, if requested by an occupant thereof to leave; or
- (b) solicit at locations other than the ones stated in the licence authorising them to promote a collection.

Clear and Accurate Information to donors and the general public

15. Third party fund-raisers must ensure that:

- (a) any information they provide to donors or to the general public is accurate and not misleading;
- (b) the following information is disclosed to every person from whom they solicit donations:
 - (i) the name of the Charity or the person to which the donation will be given;

- (ii) the purpose for which the donation will be used;
 - (iii) whether any commercial fund-raiser has been engaged in soliciting the donation; and
 - (iv) in the case of a commercial fund-raiser, the percentage of the total gross receipts from the fund-raising appeal expected to be used to pay for the expenses incurred for the conduct of that appeal; and
- (c) any arrangement by it to solicit donations has adequate control measures and safeguards to ensure proper accountability and to prevent any loss or theft of donations.

Availability of Books, Documents or Other Records

16. The third party fund-raiser shall, on request and at all reasonable times, make available to the Charity any book, document or other record which relates to it and the performance of the agreement. The third party fund-raiser shall make such record available in legible form.

Confidentiality of Donors' Information

17. Third party fund-raisers must ensure that all information relating to every donor is kept confidential and is not disclosed to any other person except as authorised by or under any law or with the consent of the donor.

Management of Funds Raised and Duty to Maintain Accounting Records

18. Third party fund-raisers must ensure that that any arrangements by them to solicit donations have adequate control measures and safeguards to ensure proper accountability and to prevent any loss or theft of donations.
19. Third party fund-raisers must maintain proper accounting records of all donations received and disbursed, as well as details of all the income and expenses incurred by the fund-raising appeal, for at least **[five]** years from the end of the financial year to which the accounting entry relates in accordance with the Charities (Fund-raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.

Furnishing of Information to Commissioner of Charities

20. Third party fund-raisers must furnish any information and any document relating to any charity or fund-raising appeal if the Commissioner of Charities so requires.

Sub-contracting Responsibilities

21. Third party fund-raisers must ensure that any person who makes a fund-raising appeal for the Charity or any a charitable purpose must be at least 16 years of age unless approval is sought from the relevant approving authority.

D. RECOMMENDED STANDARDS FOR COMMERCIAL FUND-RAISERS

22. The following provisions set out standards for commercial fund-raisers under the Code for Commercial Fund-raisers. The Charity may require the commercial fund-raiser to subscribe to the Code for Commercial Fund-raisers. Otherwise, these standards may be articulated in the written agreement between the Charity and the commercial fund-raiser.

Sub-Contracting Responsibilities

23. Commercial fund-raisers who employ or engage sub-contractors to conduct fund-raising appeals should:
- (a) maintain proper oversight over their sub-contractors;
 - (b) ensure property accountability of the documents/items issued to the sub-contractor to prevent misuse;
 - (c) provide the Charity with the names of all sub-contractors they have hired for the Charity's fund-raising appeal and the locations where the sub-contractors will be conducting the fund-raising appeal;
 - (d) include a clear requirement, within the contract with the sub-contractors, to comply with all the requirements in the Charities (Fund-raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012 and House to House and Street Collections Regulations, in the same manner as if the Charity were directly contracting them; and
 - (e) provide training to the sub-contractors to ensure that they are able to clearly share the purpose of the fund-raising appeal to the public or donors

Declaration of Adherence to Code for Commercial Fund-raisers

24. Commercial fund-raisers should provide a declaration of adherence to the Code for Commercial Fund-raisers in the written agreement with the Charity.

Appropriate Behaviour

25. Commercial fund-raisers, including sub-contractors, should not:
- (a) act in any way that might reasonably cause members of the public to become startled or anxious;
 - (b) act dishonestly or manipulatively, or deliberately seek to make a potential donor feel guilty;
 - (c) exert undue pressure on members of the public to donate;
 - (d) exploit their position for personal gain;
 - (e) engage in any other behaviour that harms the reputation of the Charity;
 - (f) block the public right of way or move to obstruct a member of the public; or
 - (g) remain at the door of or in any premises, if requested by the premises' management/owner to leave the premises.

Identifiable Features of a Commercial Fund-raiser

26. Commercial fund-raisers, including any sub-contractor, should have a clearly visible and identifiable feature to indicate that fund-raising is being conducted, which may be in the form of:
- (a) a name tag/lanyard displaying the collector's name, the Charity's name and commercial fund-raiser's name; or
 - (b) clothing that is marked with the commercial fund-raiser's and/or the Charity's name.

Complaints and Concerns

27. Commercial fund-raisers should notify the Charity of any feedback received in relation to the fund-raising appeal and cooperate with the Charity by providing the relevant information and assisting in the review of the feedback.

Checks on Fund-raising Appeals and Adherence to The Code

28. Commercial fund-raisers should conduct periodic reviews of its fund-raising processes to ensure that they are in accordance with the Code for Commercial Fund-raisers and all relevant laws and regulations.

E. MANDATORY REQUIREMENTS FOR CERTAIN COMMERCIAL FUND-RAISERS

29. This section applies only to the commercial fund-raisers as defined at paragraph 30. This section relates to the information provided to donors during solicitation and in publicity materials as well as the refund of donations to donors.

Definition of Commercial Fund-raisers

30. For the purposes of this section E only, "commercial fund-raiser" is defined in accordance with Regulation 13 of the Charities (Fund-raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012, whereby a "commercial fund-raiser" refers to:
- (a) any person (apart from a charitable institution) who carries on a fund-raising business; or
 - (b) any other person who for reward solicits money or other property for the benefit of a charitable institution, excluding:
 - (i) any charitable institution or any company connected with any such institution;
 - (ii) any officer or employee of any such institution or company, or any trustee of any such institution, acting (in each case) in his capacity as such;
 - (iii) any person acting as a collector in respect of a charitable appeal which

- is made in any public place or by means of visits from house to house (apart from a person who is to be treated as a promoter of such a collection according to regulation 12(5));
- (iv) any person who in the course of a radio or television programme in the course of which a fund-raising venture is undertaken by —
 - (I) a charitable institution; or
 - (II) a company connected with such an institution,
- (v) makes any solicitation at the instance of that institution or company; and
- (vi) any commercial participator (such as a social enterprise).

Clear and Accurate Information during Solicitation and in Publicity Materials

31. Where the solicitation is for the benefit of one or more particular charitable institutions, all solicitation and publicity material must be accompanied by a written statement containing clear information on:
 - (a) the name or names of the charitable institution or institutions concerned;
 - (b) if there is more than one charity concerned, the proportions in which each charity is to benefit;
 - (c) the name of the commercial fund-raiser;
 - (d) the fact that the commercial fund-raiser is a commercial entity;
 - (e) that all donations collected by the commercial fund-raiser will be paid in gross to the charitable institution or institutions concerned without deducting or setting off any remuneration due to the commercial fund-raiser;
 - (f) the proportion of total proceeds that will go to charitable causes;
 - (g) the method by which the proceeds of the appeal between the different charitable institutions is to be distributed; and
 - (h) the method (in general terms) by which the remuneration of the commercial fund-raiser is to be determined.

32. Where the solicitation is for charitable, benevolent or philanthropic purpose of any description (rather than for the benefit of one or more particular charitable institutions), all solicitation and publicity material must be accompanied by a written statement containing clear information on:
 - (a) the purpose for which the commercial fund-raiser is soliciting money or other property;
 - (b) the fact that the commercial fund-raiser is soliciting money or other property for those purposes and not for the benefit of any particular charitable institution or institutions;
 - (c) the name of the commercial fund-raiser;
 - (d) the fact that the commercial fund-raiser is a commercial entity;
 - (e) that all donations collected by the commercial fund-raiser will be applied for those purposes without deducting or setting off any remuneration due to the commercial fund-raiser;
 - (f) the proportion of total proceeds that will go to charitable causes;
 - (g) the method by which the proceeds of the appeal between the different charitable institutions is to be distributed; and

- (h) the method (in general terms) by which the remuneration in connection with the appeal is to be determined.
33. Where any representation is made by the commercial fund-raiser to the effect that charitable contributions are to be given to or applied for the benefit of one or more particular charitable institutions, the representation material must be accompanied by a written statement containing clear information on:
- (a) the name or names of the charitable institution or institutions concerned;
 - (b) if there is more than one charitable institution concerned, the proportions in which the charitable institutions are each to benefit;
 - (c) the name of the commercial fund-raiser;
 - (d) the fact that the commercial fund-raiser participator is a commercial entity;
 - (e) the proportion of total proceeds that will go to charitable causes; and
 - (f) the method (in general terms) by which it is to be determined:
 - (i) what proportion of the consideration given for goods or services sold or supplied by him/her, or of any other proceeds of a promotional venture undertaken by him/her, is to be given to or applied for the benefit of the charitable institution or institutions concerned; or
 - (ii) what sums by way of donations by him/her in connection with the sale or supply of any such goods or services are to be so given or applied, as the case may require.

Refund of Donations

34. Any agreement between commercial fund-raisers and donors under which the donor is, or may be liable to make any payment or payments to the commercial fund-raiser shall be cancelled and the commercial fund-raiser must refund any donation made by the donor in accordance with the Charities (Fund-raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012 if:
- (a) the agreement was entered in response to any solicitation or representation referred to in paragraphs 31 to 33 above;
 - (b) the donation amount that the donor is, or may be liable to pay, exceeded S\$200.00; and
 - (c) the donor serves on the commercial fund-raiser a notice indicating his intention to cancel the agreement before the end of seven (7) days beginning on the date of the solicitation or representation.
35. Where there is no agreement under which the donor is, or may be liable to make any payment or payments to the commercial fund-raiser, commercial fund-raiser must still refund any donation made by the donors immediately in accordance with the Charities (Fund-raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012 if:
- (a) the donation was made in response to any solicitation or representation referred to in paragraphs 31 to 33 above;
 - (b) the donation amount exceeded S\$200.00; and

- (c) the donor serves on the commercial fund-raiser a notice indicating his intention to cancel the donation before the end of seven days beginning on the date of the solicitation or representation.
- 36. Where an agreement is cancelled or amount refunded per paragraphs 34 and 35 above, it may only be done provided that:
 - (a) the amount refundable is less any administrative expenses reasonably incurred by the commercial fund-raiser in connection with the making or the refund or dealing with the notice of cancellation;
 - (b) (in the case of a payment for goods) the donor returns any goods already received; and
 - (c) (in the case of payment for services) the payment does not relate to services that have already been supplied at the time when the notice is served.

ANNEX: FAQs on Third Party Fund-raising

- 1. Can the commercial fund-raiser I have engaged deduct its commission and expenses before giving me the remainder?**

No, the commercial fund-raiser must give you *all* the proceeds it has collected without any deduction. You shall then return an amount representing the commission and expenses claimed by the commercial fund-raiser. See paragraphs 5 and 5.

- 2. Can anyone act as a third party fund-raiser for me?**

Yes, any person can act as a third party fund-raiser. However, in engaging a commercial fund-raiser, it is recommended that the commercial fund-raiser engaged subscribes to the Code for Commercial Fund-raisers to ensure that the commercial fund-raiser complies with robust fund-raising standards.

- 3. How can I ensure that the third party fund-raiser I have engaged does not negatively affect my reputation as a charity?**

All third party fund-raisers who participate in house-to-house collections must not cause annoyance to the occupants or solicit at location(s) apart from the one(s) indicated in their license. See paragraphs 13 and 13.

To ensure that the third party fund-raisers behave appropriately apart from the above, it is recommended that the expectations of the third party fund-raiser should be set out in the written agreement between you and the third party fund-raiser or, alternatively, that you engage a third party fund-raiser who has subscribed to the Code for Commercial Fund-raisers. See paragraph 28.

- 4. If I choose to engage a third party fund-raiser, must I inform my potential donors about this?**

Yes; in particular, you must disclose to your potential donors the rationale for using a third party fund-raiser and the fee arrangements. You should also disclose your fund-raising targets. See paragraphs 8 and 9.

- 5. Is there any limit on the amount of money I can spend on engaging a commercial fund-raiser?**

No, there is no limit on the amount of money you can spend on a particular commercial fund-raiser. However, you must keep in mind that only 30% of the total fund-raising proceeds and sponsorship may be spent on fund-raising expenses. See paragraphs 10 and 10.

6. What are the relevant legislation and codes I should look at?

For the sake of completeness, you may refer to the Charities Act 1994, Charities (Fund-raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012, House to House and Street Collections Act 1947 and the House to House and Street Collections Regulations.

7. Are commercial fund-raisers allowed to subcontract their responsibilities?

Yes, commercial fund-raisers may subcontract their responsibilities to other persons, such as employees and other companies. However, they are still responsible for ensuring that their subcontractors are in compliance with the written agreement with the charity. Commercial fund-raisers should, among other things, maintain proper oversight over their subcontractors and provide proper training. See in particular paragraph 23.

8. Whistleblowing

Whistleblowing is vital for charities because it helps identify and address misconduct, ensures legal and ethical compliance, fosters transparency and accountability, and protects the charity's reputation and resources. By encouraging whistleblowing and creating a safe environment for reporting concerns, charities can enhance their operations, build trust with donors, and strengthen their commitment to good governance.

In the Schedule, you will find a template Whistleblowing policy which you can adapt for your organisation.

Guidance notes for using the template

The policy should be aligned with the charity's existing governing instrument and administration guidelines and tailored to address whistleblowing protocols which are specific to your charity.

The template includes footnotes which provide instructions to guide you in preparing the policy.

The parts of the template which are marked out in highlighted square brackets are to be adapted to your organisation's needs and circumstances.

Please delete the footnotes and square brackets when the document is finalised as these have been included just for the purposes of helping you to prepare the policy.

The information and legal references contained in this chapter are accurate as of 5 July 2023.

Schedule 8 Template Whistleblowing Policy

Responsible Dept/Person Version ²	<<insert department/person>> v.000	Approved by Governing Board ¹ on Last Updated on	<<insert date>> <<insert date>>
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[•NAME OF THE ORGANISATION] WHISTLEBLOWING POLICY

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A.	INTRODUCTION	[Insert page number]
B.	SCOPE OF THE POLICY	[Insert page number]
C.	HOW TO MAKE A REPORT	[Insert page number]
D.	PROTECTION OF WHISTLEBLOWER	[Insert page number]
E.	CONFIDENTIALITY	[Insert page number]
F.	HANDLING OF CONCERNS RAISED	[Insert page number]
	ANNEX: WHISTLEBLOWER REPORT FORM	[Insert page number]

A. INTRODUCTION

1. [•Name of the Organisation] (the “**Organisation**”) is committed to a high standard of transparency, integrity and accountability. In line with this commitment, this whistleblowing policy (the “**Policy**”) aims to provide an avenue through which employees and/or external parties could, in good faith, raise their concerns so that the Organisation may take appropriate action.

B. SCOPE OF THE POLICY

2. This Policy applies to both staff and/or external parties. Below is a non-exhaustive list of reportable incidents covered by this Policy:

- (a) [fraudulent activity;
- (b) incorrect financial reporting;
- (c) unlawful activities;
- (d) improper or unethical conduct; and
- (e) [•]].

¹ If the Charity is a company limited by guarantee the Governing Board is the board of directors; if the Charity is a registered society, the Governing Board is the committee formed to manage it.

² When a policy is being drafted, its Version Number is “000”. Once approved by the Board, it becomes version “001”. Following scheduled or other revisions, this number increases by one.

C. HOW TO MAKE A REPORT

3. If you reasonably believe that you have discovered any serious misconduct or reportable incidents (as described in section B above), you are encouraged to make a report promptly in any of the following manner:

Option 1: By email

Please complete the Whistleblower Report form in Annex A and send the completed form and any supporting documents and evidence to [●email address]. **[Drafting Note: We would suggest using a group email address so that more than one person will receive the report simultaneously.]** The Whistleblower Report will be received by the [[Audit Committee] / [●] and its members].

[Drafting Note: Other possible bodies or persons that may receive the whistleblowing report include the Corporate Governance Committee and the Audit and Risk Committee. In determining which committee is the appropriate body to receive the whistleblowing report, please consider: (1) whether the committee is involved in operations and more likely to get complaints and (2) whether the committee is made up of non-board members who may be more independent.]

Option 2: By post

You may also send the completed Whistleblower Report Form and any supporting documents and evidence to:

Private & Confidential

For the Attention of [Audit Committee Chairperson] / [●]
[●Mailing address of the Organisation].

4. The whistleblower should provide as much details as possible in relation to the following:
- (a) Name(s) of person(s) / company(ies) involved;
 - (b) Relationship with the reported person(s) / company(ies);
 - (c) Detailed description of the incident (including date, time, duration, location, methods and action / behaviour); and
 - (d) Any supporting documents and evidence.

D. PROTECTION OF WHISTLEBLOWER

5. While the Organisation encourages the disclosure of the whistleblower's identity and contact details to facilitate appropriate follow-up action, we respect your desire for anonymity. Concerns raised anonymously will still be given due consideration and will be investigated on their own merits.

6. The Organisation does not tolerate any reprisal, discrimination or harassment against the whistleblower and will take action to protect any whistleblower who raises a concern in good faith. Any person who carries out any form of retaliation (whether directly, indirectly or through a third party) shall be liable for disciplinary action [up to and including termination of employment or engagement].
7. The Organisation does not condone any frivolous or malicious complaints. The Organisation reserves the right to take action against those who submit frivolous or malicious complaints.

E. CONFIDENTIALITY

8. The identity of the whistleblower (if disclosed), and the information provided, shall be treated with strictest confidence, subject to certain exceptional circumstances including:
 - (a) Where the Organisation is under a legal obligation to disclose the information provided;
 - (b) Where the information is already in the public domain;
 - (c) Where the information is given on a strictly confidential basis to legal or auditing professionals for the purpose of obtaining professional advice; and
 - (d) Where the information is provided to the police or other regulatory authorities in an investigation.

F. HANDLING OF CONCERNS RAISED

9. The [Audit Committee] / [●] **[Drafting Note: Please specify the relevant body or person that will receive the whistleblowing report in section C above.]** shall determine whether an investigation is appropriate based on the severity of the issue and credibility of the information provided. Some concerns may be resolved through an agreed course of action without the need for investigation.
10. If an investigation is required, an independent panel of [three] members **[Drafting Note: It is preferable to have more than one member on the panel to ensure impartiality of the investigation. Examples of members of the Independent Panel include the Board Chairman, the Chairman of the Audit Committee and the Chairman of Human Resource Committee. Please ensure that there is no actual or perceived conflict of interest in the appointment of investigators.]** shall be [convened] / [appointed] within [21] days of the receipt of the Whistleblower Report. **[Drafting Note: It is advisable to conduct the investigation without undue delay so that (i) the relevant evidence can be preserved, (ii) the innocent party can be cleared as soon as possible and (iii) the continuing misconduct can be stopped as quickly as possible.]**
11. For the avoidance of doubt, the subject of the whistleblower report shall be excluded from the handling of the reported matter.

12. If an allegation is made against the Chief Executive Officer, Chairperson or a member of the Audit Committee, or the allegation is otherwise of a significantly serious nature, the matter may be directly referred to external authorities such as external auditors, forensic professionals, the police, or any other relevant government authority.
13. Further information may be sought from the whistleblower during the course of the investigation.
14. When the investigation is complete, the independent panel's findings will be reported to the [Audit Committee] / [●] for its necessary action. Subject to any legal constraints, the whistleblower will be kept informed of the progress of the investigations and, if appropriate, the final outcome.

ANNEX: WHISTLEBLOWER REPORT FORM

Please provide the following details for any suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely impact [●Name of the Organisation]. Please note that you may be called upon to assist in the investigation, if required.

REPORTER'S CONTACT INFORMATION	
Name	
Designation and Department	
Contact Number	
Email Address	
ALLEGED PERSON'S/SUSPECT'S INFORMATION	
Name	
Designation and Department	
Contact Number	
Email Address	
WITNESSES' INFORMATION (if any)	
Name	
Designation and Department	
Contact Number	
Email Address	
REPORT DETAILS: Briefly describe the misconduct / improper activity and how you know about it. Specify what, who, when, where and how. If there is more than one allegation, number each allegation and use as many pages as necessary.	
1. What is the misconduct / improper activity?	
2. Who committed the misconduct / improper activity?	
3. When and where did it happen?	
4. How did you come to know about this?	
5. Evidence substantiating the concern (e.g. documents, emails, voice recordings, witness, etc.)	
6. Have you reported the incident internally or through any other channels? If yes, to whom have you made the report?	

FOR OFFICIAL USE	
Report Received By:	Date & Time Report Received:

9. Communications

A communications policy is crucial for charities to maintain consistent, clear, and ethical communication both internally and externally. It ensures that the charity's messaging aligns with its mission, protects its reputation, supports stakeholder engagement, and complies with legal and regulatory requirements. By having a robust communications policy, a charity can foster trust, enhance its impact, and build strong relationships with donors, beneficiaries, and the public.

In the Schedule, you will find a template Communications policy which you can adapt for your organisation.

Guidance notes for using the template

The policy should be aligned with the charity's existing governing instrument and administration guidelines and tailored to address identified stakeholder communication protocols which are specific to your charity.

The template includes footnotes which provide instructions to guide you in preparing the policy.

The parts of the template which are marked out in highlighted square brackets are to be adapted to your organisation's needs and circumstances.

Please delete the footnotes and square brackets when the document is finalised as these have been included just for the purposes of helping you to prepare the policy.

The information and legal references contained in this chapter are accurate as of 20 June 2023.

Schedule 9 Template Communications Policy

Responsible Dept/Person	<<insert department /person>>	Approved by [Governing Board ¹] / [Committee] on	<<insert date>>
Version ²	v.000	Last Updated on	<<insert date>>

[•NAME OF THE ORGANISATION] COMMUNICATIONS POLICY

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A.	INTRODUCTION	[Insert page number]
B.	REQUESTS FROM MEDIA	[Insert page number]
C.	SOCIAL MEDIA	[Insert page number]
D.	BRAND PROTECTION	[Insert page number]

A. INTRODUCTION

1. The purpose of this Communications Policy is to:
 - 1.1. Ensure that the Organisation accurately portrays its image to its stakeholders, including its members, donors and the public;
 - 1.2. Ensure that there are documented policies on the release of information about the Organisation and its activities to its stakeholders, including the media and the public, across all media platforms;
 - 1.3. Designate appropriate spokesperson(s) for the Organisation; and
 - 1.4. Put in place a system to approve the use and application of the Organisation's name and logos by third parties.

B. REQUESTS FROM MEDIA

Recognising the importance to the media of meeting timelines, and noting that a more visible and stronger presence in the media requires names and faces for attribution and interview and recognising too the importance that the Organisation speaks accurately and consistently through its spokespersons, the following Media Protocol is adopted by the [board] / [committee of management]³ of the Organisation:

¹ If the Charity is a company limited by guarantee the Governing Board is the board of directors; if the Charity is a registered society, the Governing Board is the committee formed to manage it.

² When a policy is being drafted, its Version Number is "000". Once approved by the [Board] / [Committee], it becomes version "001". Following scheduled or other revisions, this number increases by one.

³ Please use "board" if the Organisation is a company limited by guarantee and use "committee" if the Organisation is a society.

2. Requests by any member of the media for an interview or information on matters relating to the Organisation are to be referred to the [relevant secretariat representative of the Organisation (the “**Secretariat Representative**”)] / [the management team of the Organisation (the “**Management Team**”)]⁴.
3. The [relevant Secretariat Representative] / [Management Team] will liaise with the chairman of the Organisation (the “**Chairman**”) and where applicable, the deputy chairman of the Organisation (the “**Deputy Chairman**”) to approve release of information to the media or determine who is to furnish the information or give the interview.
4. Generally, interviews are to be given by, and quotes attributed to:
 - 4.1. The Chairman;
 - 4.2. The Deputy Chairman, where applicable;
 - 4.3. With the approval of the Chairman (and in his or her absence, the Deputy Chairman, where applicable), a committee chairperson or member (only on matters within the relevant committee’s purview); and
 - 4.4. With the approval of the Chairman (and in his or her absence, the Deputy Chairman, where applicable), [a relevant Secretariat Representative] / [the Management Team].
5. For clarity, no committee chairperson or committee member is permitted to give an interview in their official capacity without prior approval from the Chairman (or, in their absence, the Deputy Chairman where applicable). Such approval is to be sought through or with copy to the [relevant Secretariat Representative] / [Management Team].
6. A [board] / [committee] member may develop a media story only after prior approval of the Chairman is obtained (or in their absence, the Deputy Chairman, where applicable), which approval is to be sought through or with a copy provided to the [relevant Secretariat Representative] / [Management Team].
7. Whenever possible, questions and answers to the media are to be in writing and if this is not possible, a clear record of the questions and answers must be taken, with a copy provided to the [relevant Secretariat Representative] / [Management Team].
8. Where interviews are given orally, the interviews should be conducted, where possible, in the presence of [the relevant Secretariat Representative] / [a Management Team member].

⁴ For all references to a “Secretariat Representative”, please use Secretariat Representative if the Organisation has a Secretariat.

9. The record of questions and answers if not taken by [the relevant Secretariat Representative] / [a Management Team member], must be given to him or her as soon as possible.
10. In answering questions from the media, confidentiality relating to the management's internal deliberations are to be observed.

C. SOCIAL MEDIA

Social media provides a new and valuable means for employees of the Organisation to communicate with volunteers, collaborate with colleagues and connect with the community. However, improper use of social media may have an impact on the public positioning of the Organisation. This Policy outlines the guidelines for using the Organisation's work-related social media sites and any social media content that references the Organisation.

11. In this Policy, "**social media**" refers to all forms of social media including, but not limited to, Facebook, Instagram, LinkedIn, X (formerly known as Twitter), Wikipedia or other blogs. This Policy also applies to any comments posted on social media not only by the Organisation's employees, but also by any volunteers, interns, contractors or agents engaged by the Organisation to do any work relating to or on behalf of the Organisation.
12. The Organisation's employees are encouraged to engage in social networking as a means to communicate with external audiences (for example, volunteers, donors, third parties and the public) and internal audiences (for example, coworkers and managers). When using the Organisation's-hosted social media sites, work-related social media sites, or any other publication portal of the Organisation where information and/or documents are or can be made public (collectively, "**social media**"), the Organisation's accounts and tools, employees must adhere to the following rules:
 - 12.1. Clearly state the purpose of each work-related social media site.
 - 12.2. As appropriate, link the employee's work-related social media sites to the Organisation's official website and relevant the Organisation-hosted social media sites and blogs.
 - 12.3. Social media use and content must comply with all applicable laws, including but not limited to the laws of the Republic of Singapore (e.g. avoiding posts that could be construed as obscene for publication, among others).
 - 12.4. Social media use and content must comply with all of the Organisation's employment policies [, including but not limited to the policies found in the employee handbook]⁵.

⁵ To be included where applicable.

- 12.5. Before publication on the Organisation-hosted social media sites, all social media content (including employees' posts and visitors' comments) must be reviewed by the [relevant Secretariat Member] / [Management Team].
 - 12.6. State clearly that the comments, opinions and/or content expressed by visitors to the Organisation-hosted social media site do not necessarily reflect the position, opinions and/or stance of the Organisation.
 - 12.7. Employees must be identified by name and title when operating work-related social media sites. Any contact information provided on work-related social media sites must be official, not personal.
 - 12.8. Unless authorised by the [relevant Secretariat Representative] / [Management Team], employees are prohibited from using any personal devices (desktops, laptops, smartphones, tablet PC, or other mobile devices) to access and manage the Organisation-hosted social media sites.
13. Where an employee, intern, volunteer or contractor engaged by the Organisation refers to the Organisation in any content uploaded on a social media site, the relevant content shall not be false, misleading, offensive or insulting.

D. BRAND PROTECTION

The Organisation's history, its services and its reputation are built, promoted and maintained in its brand, which includes, but is not limited to, the Organisation's name and logos (the "Organisation's Marks"). Brand protection is key to preserving the trust and goodwill in the Organisation.

The information that follows offers guidance on the brand protection and Marks use policies and procedures of the Organisation.

14. The Organisation's Marks may never be used by third parties except with express written consent from the Organisation, which consent must include details of the type of use, the period of use, the context of use (such as the placement of the Organisation's Marks in publications issued by the third party) and such other information as is necessary to state clearly the extent of the consent given for the use of the Marks.
15. All uses of the Organisation's Marks must be approved by the [relevant Secretariat Representative] / [Management Team].
16. The Organisation's logos must always be used and reproduced in accordance with this Policy. The Organisation's logos may only be reproduced from approved artwork and may not be recreated by any other means or in any other form or altered in any way, including the use of unapproved tag lines, abbreviations or translations.

17. The Organisation's Marks may only be used in connection with products or services that are offered in connection with a particular programme or initiative of the Organisation under the Organisation's Mark rights are granted. The Organisation's Marks may not be used or included in or with any non-Organisation related materials, including products or services provided by a third party, save for co-branding or other similar partnership programmes, initiatives or events.
18. The Organisation's Marks should not be used in a way that could cause confusion about the source of products or services not offered by the Organisation or imply a co-branding or partnership, unless explicitly agreed upon by the Organisation as part of co-branding or similar partnership programmes, initiatives, or events.
19. The Organisation reserves the right, at its sole discretion, to terminate or modify permission to display any of its Marks. The Organisation may also request that third parties modify or delete any use of its Marks that, in its sole judgment, does not comply with this Policy

The **Governance Toolkit for Singapore Charities** is a comprehensive resource designed to help charitable organisations in Singapore meet their corporate governance responsibilities and compliance obligations. Aimed at promoting best practices across the non-profit sector, this Toolkit provides accessible templates, policies, and procedures on key governance areas, including governing instruments, administration guidelines, and operational policies for managing conflicts of interest, volunteers, third-party fundraisers, whistleblowing, and stakeholder communications. These resources assist charitable organisations in navigating essential operational and functional areas, empowering them to strengthen their governance framework and practices.



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ISBN 978-9-81-942314-9



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