

Running the Organisation

Setting up a physical office

Hiring staff

Getting a visa

The eligibility criteria for obtaining a visa (Employment Pass) in Singapore include an adequate monthly salary and acceptable qualifications, subject to further checks, such as immigration and fraud. Applicants who pass these criteria would likely qualify for a visa.

Please see [the Ministry of Manpower's website](#) for more information.

Relocating to Singapore

Singapore is known around the world as a city that is hospitable to and easy to navigate for expatriates of all nationalities, and this reputation is well-deserved as approximately 30% of the population of Singapore consisted of non-residents as of June 2012 according to [a Singaporean government website](#). Expatriates arriving in Singapore will find the infrastructure catering to their needs to be well-worn and effective, and the resources and amenities available to be abundant and conveniently located. There is a wide range of websites specifically addressing issues confronted by expatriates in Singapore from managing culture shock, to applying for housing. One such website is [Singapore Expats](#).

Finding an office

Besides stand-alone offices available for charitable or business-oriented organisations on normal commercial terms, there are also ICO clusters island-wide, with similarly focused ICOs congregating together in order to reap benefits such as shared facilities and subsidized rentals. These clusters may be worth noting when deciding on a location for your premises.

For more information, please see the [International Organisations Programme Office's website](#).

Fundraising

The 70/30 rule

Total expenses incurred on public fund-raising appeals in a financial year must not exceed 30% of total donations collected through the public appeals in that year and should be followed by appropriate disclosures.

For more information, please see [the Charity Portal](#).

Fundraising for foreign charitable purposes

If your organisation wishes to conduct public fund-raising appeals for foreign charitable purposes, a fund-raising permit from the Commissioner is required. Approval for this permit is conditional, among other things, upon the applicant undertaking to apply at least 80% of the funds raised within Singapore. However, the Commissioner has discretion to waive or modify this threshold and no restriction applies if funds are to be raised only from private donors.

Please consult the [Guidance on Regulation of International Charitable Organisations and Charities \(Fund-Raising Appeals for Local and Foreign Charitable Purposes\) Regulations 2012](#) for more information.

How to differentiate between public and private fundraising

Generally, donations made due to appeals under the following circumstances are considered public”

- (a) using house-to-house and street collections;
- (b) using media publicity (including internet advertising);
- (c) using outdoor displays;
- (d) using collection instruments accessible to the general public (e.g. donation boxes next to cash registers in restaurants); or
- (e) otherwise targeting members of public who have no relationship with the fund-raising organisation.

Generally, donations made under the following circumstances are considered private:

- (a) sourced from donors who share a defined relationship to the organisation conducting the fund-raising appeal, such as family members, personal friends, business associates or acquaintances;
- (b) the fund-raising appeal was not advertised or publicised to the general public in any form; or
- (c) the donation consisted of bequeathed private assets.

Please consult the [Guidance on Regulation of International Charitable Organisations](#) for more details.

Applying for fundraising permits

In order to conduct any fund-raising appeal for any foreign charitable purposes, an application for a permit must be submitted online to the office of the Commissioner of Charities.

Please consult the [Guidance on Regulation of International Charitable Organisations](#) for more details.

Governance issues

What governance means

The 'governance' of an organisation generally refers to the processes by which an organisation is directed, controlled and held to account. It covers issues of authority, accountability, stewardship, leadership, direction and control exercised in the organisation.

Good governance practices are crucial to the organisation's ability to function, to achieve its objects and to comply with all of the legal, ethical and operational requirements of a non-profit organisation. A major issue that non-profit organisations often face is working out:

- the role and responsibility of an organisation's board or committee (to govern the organisation) and

- the role and responsibility of the management or executive team (to manage the organisation).

Keep in mind that your non-profit organisation would be subjected to different laws depending on its legal structure. For example, if your non-profit organisation is registered as a charity you will be governed by legislation such as the Charities Act and other relevant laws depending on what the legal structure your organisation adopts (e.g. Companies Act for a Company Limited by Guarantee).

In addition charities are also guided by non-mandatory regulations like the Code of Governance. These provide guidance on the key principles of governance best practices. While there are no sanctions arising from non-compliance, a charity must be able to explain why it is unable to comply and to indicate what steps it intends to take to move towards compliance or provide explanations if it decides not to take steps to comply with the Code. For IPCs, the extent of compliance or explanations for non-compliance will be taken into consideration when they apply for renewal of their IPC status.

Since the board and staff will be complying with the law and in some cases be responsible for making sure that the organisation complies with the law, it is important for them to understand Singapore laws regarding non-profit organisations. The links below may be useful sources of information.

[Charities Act](#)

[Code of Governance](#)

[Companies Act](#)

[Societies Act](#)

Conflicts of interest

Board members and staff should act in the best interests of the charity. Clear policies and procedures should be set and measures be taken to declare, prevent and address any conflicts of interest. Whenever a member of the board has an interest (either directly or indirectly) in a transaction, project or other matter to be discussed at a meeting, the member should disclose the nature of such interest before the discussion on the matter begins. In addition, the member concerned should not participate in the discussion or vote on the matter and should also offer to withdraw from the meeting. The board will then decide whether such withdrawal is necessary.

Please see the [Code of Governance for Charities and IPCs](#) for a detailed discussion of corporate governance principles applicable to charities and IPCs.

A person cannot be appointed to the board of a non-profit organisation if he has been disqualified from being a governing board member by an order from the Commissioner of Charities.

Meetings

Holding meetings

Meetings are an important part of the operations of any effective not-for-profit community organisation. Depending on the size and structure of your community organisation, there are a number of different meetings that may be held including:

- meetings of the organisation's management committee or board;
- meetings of members of your community organisation;
- management meetings; and
- an annual general meeting.

There are quite a few legal issues that can arise out of the holding of a meeting. It is important for your organisation to conduct meetings in accordance with the requirements set out in any legislation (For example, societies must comply with the Societies Act (Cap 311) and companies limited by guarantee must comply with the Companies Act and any other applicable legislation. For trusts please refer to the Trust deed and seek legal advice before proceeding. However, for many organisations, much of the details of the requirements for holding valid meetings will be set out in an organisation's rules or constitution.)

The main legal issues that can arise around meetings involve:

- requirements to hold meetings and rights to call a meeting;
- proper notice of the meeting (time periods, content of notice);
- quorum (minimum number of people present to make meeting valid);
- adjournments;
- voting rights (and proxy rights);
- resolutions; and
- minutes.

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

In addition to complying with the legal requirements for running a meeting there are also a number of 'best practice' procedures that can be followed. These are designed to ensure meetings are run efficiently and in a way that assists the organisation to achieve its objects!

Holding annual general meetings (AGMs)

This page is about the legal requirements for non-profit organisations which need to hold annual general meetings. This is a requirement for companies limited by guarantee, companies limited by shares, and branches only. Societies and trusts are not required by law to hold AGMs.

The information on this website is intended as a guide only and is not legal advice. If you or your organisation has a specific legal issue you should seek advice before making a decision about what to do.

What is an annual general meeting (AGM)?

An AGM is a meeting that must be held each year to which all the current organisation members (financially paid-up for the current year) are invited to attend. In general, the purpose of an association's AGM is:

- to elect new management committee members or directors and possibly new office-bearers (that is, the president/chairperson, treasurer and secretary) for the following 12 months;

- to report to members on the year, including financial performance and events;
- to propose and decide on any changes to the organisation's constitution; and
- to discuss any significant issues relevant to members.

Do we have to hold an AGM?

For companies and branches: yes, in most cases. The Companies Act requires all public companies (a company limited by guarantee is a public company) to hold an AGM once every calendar year. The only exception is for public companies that have only one member. Public companies comprising of only one member are also required to hold AGMs but it can be done by a written resolution if the Memorandum and Articles of Association permit

All subsequent information refers to companies limited by guarantee, as societies and trusts do not need to hold AGMs.

When must our AGM be held?

A company must hold an AGM once every calendar year and not more than 15 months after the holding of the last AGM. Furthermore a company's first AGM must be within 18 months of the date of incorporation and it need not hold it in the year of its incorporation or the following year. This may be, for special reasons, extended by the Registrar as long as the period is not extended beyond the calendar year. If the company does not hold an AGM within that period they shall be liable to a fine not exceeding \$5,000 and a penalty. Furthermore the court may order a general meeting to be called.

What if we can't hold our AGM in time?

If you cannot hold your AGM in time the Registrar may extend the period of 15 months as long as the next AGM is held within that calendar year.

How do we notify members of the AGM?

Members may be notified by post in a manner similar to that when holding meetings.

What is the usual procedure at an AGM?

The Companies Act sets out matters which must be considered at each AGM:

- appoint a person to be the auditor of that company. This auditor cannot be removed from office except at the next AGM or at a general meeting of which special notice must be given;
- appoint new directors; and
- deliver a review of accounts, consolidated accounts and the director's report.

Depending on the company's constitution, members may also ask to consider special resolutions or change the company's rules.

Financial reporting requirements

Society

Societies, unlike companies limited by guarantee (CLGs), are not required under the Societies Act to report their finances to statutory authorities. However societies registered as charities are required to submit an annual financial report to the Commissioner of Charities under the Charities Act.

Under the Charities Act the trustees of a charity have a duty to prepare a statement of accounts for each financial year of the charity. If the gross income of a charity in any financial year does not exceed \$50,000 the trustees do not have to prepare an annual statement of accounts and may instead prepare a receipts and payments account and a statement of assets and liabilities for that year. Such accounts and statements are to be preserved for at least 5 years from the end of the financial year they are made.

If the gross income or total expenditure of a charity for any financial year exceeds \$250,000 the accounts must be audited by a public accountant (defined by the Companies Act) for that financial year and the two financial years immediately preceding that year. Otherwise the auditing may be done by an independent examiner or by an approved company auditor. The Commissioner may also, at his discretion, appoint a person by an order to audit the accounts of a charity for any financial year. The charity trustees may be personally liable for the expenses of the audit under certain conditions defined in section 14(5) of the Charities Act.

Company limited by guarantee (CLG)

A company limited by guarantee must meet strict requirements specified in the Companies Act. For example, it must:

- Appoint a qualified company secretary within 6 months of incorporation;
- File audited accounts with the ACRA; and
- Hold annual general meetings.

For full reporting requirements please consult the [ACRA website](#).

As a company already has reporting requirements such as the duty to keep accounting records and the duty to prepare and audit an annual statement of accounts, imposed by the Companies Act, a company registered as a charity is exempt from having to meet the corresponding requirements under the Charities Act.

Company limited by shares

The requirements are the same as for a company limited by guarantee.

Charitable trusts

The trustees must prepare accounts of all income, balances, payments and debts by 25th March of each year. Within 14 days of such date, the trustees must file a copy of the accounts with the Public Trustee.

Branch

A branch office must file with ACRA financial accounts of both the head office and the branch office. The requirements for filing head office accounts vary depending on the laws of the parent company's place of origin.

If the laws of the parent company's place of origin require the company to hold an AGM and to prepare a balance sheet, the accounts must be filed with ACRA within two months after the company's AGM.

If the laws of the parent company's place of origin do not require the company to hold an AGM and to prepare a balance sheet, audited accounts must be filed with ACRA within seven months after the end of a financial year.

Branch office accounts must also be audited and filed with ACRA for the last preceding financial year.

Please see [the ACRA website](#) for more information.

Representative office

A foreign entity applying to register a representative office in Singapore must attach its latest audited financial accounts with the application.

After successful registration, an representative office does not have to file audited accounts or tax returns with Singapore's tax authority. However, IE Singapore may request the parent company's annual report to process applications for renewal of representative office status each year.

Please see the [IE Singapore website](#) for more information.

Document retention requirements

What documents does my organisation need to keep?

Society

A society must maintain proper accounts and records of the transactions and affairs of the society for a period of at least 5 years.

Company

The Companies Act states that a company must keep accounting and other records that will:

- sufficiently explain the transactions and financial position of the company; and
- enable true and fair profit and loss accounts and balance-sheets and any documents required to be attached thereto to be prepared from time to time, and
- be kept in such manner as to enable them to be conveniently and properly audited.

The types of records **businesses** need to keep include:

- Source documents that substantiate all transactions in your business - e.g. receipts, invoices, vouchers, and other relevant documents issued or received from customers/suppliers;
- Accounting records and schedules - manual or electronic records of assets and liabilities, revenue and expenses, gains (profit) and losses;
- Bank statements; and

- Any other records of transactions connected with your business.

You are required to keep these records for 5 years.

Charitable trust

Please retain and keep proper records of all income derived by the estate/trust and distributions made to the beneficiaries for a period of seven years from the relevant Year of Assessment (YA).

For YA 2008 and each subsequent YA the record keeping period is reduced from seven to five years. For information on the types of records, see the "What taxation records do we need to keep?" section on this page.

Branch

The requirements are the same as for a company limited by guarantee.

Representative office

No requirements.

If your organisation is also a charity

The Charities Act states that a charity must keep accounting records to:

- sufficiently show and explain all the charity's transactions; and
- disclose at any time, with reasonable accuracy, the financial position of the charity at that time; and
- prepare a required annual statement of accounts for submission.

The accounting records must contain:

- entries showing from day to day all sums of money received and expended by the charity and the matters in respect of which the receipt and expenditure takes place; and
- a record of the assets and liabilities of the charity.

These records must be preserved for 5 years and the last trustees of the charity are obliged to carry out this duty even where the charity ceased to exist within the 5 years.

Note: These requirements do not apply to exempt charities and charitable companies. For further information on exempt charities please go to www.charities.gov.sg

If your organisation is also an Institution of a Public Character

An institution of a public character must maintain accounting records containing entries showing —

- all the donations received and disbursed;
- details of all the income received and the expenses incurred;
- the extent to which the amount of donations received has met any target set by your organisation; and

- the period during which your organisation is approved to collect tax deductible donations.

If your organisation is a fund that is approved to collect tax deductible donations for a limited period or of a limited amount only, your organisation must maintain separate accounting records for moneys received for the fund and shall comply with the limits to the approval period and to the approved amount for donations to be collected.

An institution of a public character must maintain every accounting record for a minimum period of 5 years from the end of the financial year to which the accounting entry relates.

All IPCs are required to post their financial and non-financial information online on the Charity Portal.

What taxation records does my organisation need to keep?

Generally records, receipts and other documentation you have used to prepare your organisation's tax return, including written evidence to verify claims for deductions claimed, must be kept.

Society

Societies are exempted from income tax.

Company

Your company must maintain proper records of its financial transactions and retain the source documents, accounting records and schedules, bank statements and any other records of transactions connected with your business.

For accounting records and supporting documents relating to Year of Assessment (YA) 2007 and the earlier YAs, your company must retain the records for a period of seven years from the relevant YA. For YA 2008 and each subsequent YA the record-keeping period has been reduced from seven to five years.

Charitable trust

Please retain and keep proper records of all income derived by the estate/trust and distributions made to the beneficiaries for a period of seven years from the relevant Year of Assessment (YA).

For YA 2008 and each subsequent YA the record keeping period is reduced from seven to five years.

- Trade income - prepare statements of accounts according to accounting standards.
- Rental income - prepare statements of rental income and expenses.
- Dividend income:
 - a. Singapore - keep the original dividend statements issued by the nominee companies or dividends vouchers for submission in respect of dividends paid on or before 31.12.2007. All Singapore dividends paid on or after 1.1.2008 are tax exempt in the hands of shareholders under the one-tier corporate tax system.
 - b. Foreign - make copies of dividend vouchers for submission.

Branch

The requirements are the same as for companies.

Representative Office

No requirements.

If your organisation is a charity

With effect from the Year of Assessment 2008 all registered charities will enjoy automatic income tax exemption without having the need to meet the 80% spending rule. In other words you do not need to file income tax returns effective from the Year of Assessment 2008.

For information about tax-deductible donations, please go to [IRAS website](#)

If your organisation is an Institution of a Public Character

Some IPCs have been authorised to issue tax deduction receipts. Upon receiving the tax deductible donations the IPCs should issue tax deduction receipts to the donors.

A tax deduction receipt should contain or incorporate the following information:

- This donation is tax deductible.
 - For individual donors: This receipt is for your retention. You do not have to claim the deduction in your tax form if you have given your NRIC/FIN number. The deduction will be automatically included in your tax assessment.
 - For other donors: Please retain this receipt for submission to the Comptroller of Income Tax.
- State the name of the Sector Administrator, where applicable;
- Be serially numbered; and
- Be signed by either the treasurer of the IPC or by any person to whom such function is delegated by its trustees.

IPCs can also use the electronic medium provided by the Inland Revenue Authority of Singapore (IRAS) to issue the tax deduction receipts.

IPCs have to maintain a record showing the particulars of every tax deductible donation received. The record should include the following items:

- the receipt number (in numerical sequence);
- the name of the donor;
- the identification number or corporate or business registration number of the donor;
- the date on which the donation was received;
- the type of donation received;
- the amount or value of the donation received; and
- any terms and conditions under which the donation was made.

These records must be kept for at least 5 years from the end of the year of assessment relating to the year in which the donation was received.

What employee and volunteer records do we need to keep?

Code of Governance

It is obligatory for charities to disclose the extent of their compliance with the Code of Governance. The Code of Governance provides these guidelines –

- Basic:

There should be documented human resource policies that cover areas such as recruitment, wages, benefits, training, development actions, performance appraisal and disciplinary actions, approved by the Board for paid staff and volunteers

- Enhanced:

Enhanced rules require additional layers of human resource management in managing volunteers, reference checks, recruitment, performance appraisal, staff payment, reimbursement of expenses, and training.

- Advanced:

Advanced guidelines address the further areas of insurance, feedback channels, conflict resolution and exit policies.

CPF

Submitting contribution details by hard copy:

The Record of Payment (Form CPF 90) should be kept for future reference. If you have misplaced the Record of Payment and request a reprint a service charge will be levied.

Employment Act

Under the Employment Act every employer shall prepare and keep a register showing the

- name;
- address;
- the basic rate of pay and allowances;
- the amount earned;
- and the amount of deductions made from the earnings of each employee employed by him; and
- such other particulars as may be prescribed from time to time.

The Commissioner may require any employer to forward to the Commissioner a return giving the particulars requested.

Please refer to [the MOM website](#) for more information on who is covered under the Employment Act.

Workplace Safety and Health

Under the Workplace Safety and Health Act the occupier must keep the following records in the workplace:

- every document issued in respect of the workplace by the Commissioner for Workplace Safety and Health under the provisions of this Act;
- a copy of every notice furnished to the Commissioner as required under this Act; and
- all reports and particulars prepared in respect of the workplace under this Act.

These records are required to be kept for 5 years.

Incident reporting:

An incident report must be submitted to the Commissioner of Workplace Safety and Health for all accidents, dangerous occurrences and occupational diseases. Employers and occupiers are required to keep a record of all incident reports for three years. It is an offence to fail to make an incident report as required by the law.

Please visit [the MOM website](#) for more information.

What records do I need to keep when conducting public fund-raising appeals?

For every organisation

Note: These requirements do not apply to exempt charities and Institutions of a Public Character.

A charity, commercial fund-raiser or person conducting a fund-raising appeal must maintain accounting records which shall contain entries showing —

- all the donations received and disbursed; and
- details of all the income received and the expenses incurred.

Every accounting record must be maintained for a minimum period of 5 years from the end of the financial year to which the accounting entry relates. Total expenses incurred on public fund-raising appeals in a financial year must not exceed 30% of total donations collected through the public appeals in that year.

If you are an Institution of a Public Character

Records of all donations must be kept. (See the section: What documents does my organisation have to keep?). If the donations are tax-deductible there are additional requirements. (See the section: What taxation records do we need to keep?). If the total gross receipts from any single fund-raising appeal are not less than \$1 million the institution of a public character must —

- maintain separate financial accounts in respect of that fund-raising appeal; and
- at the end of the financial year, disclose on its own Internet website or, where it does not have its own Internet website, on the Internet website of the Sector Administrator —
 - the total gross receipts from the fund-raising appeal;
 - the total expenses incurred in the fund-raising appeal; and
 - the purposes for which the funds raised in the fund-raising appeal were used or will be used.

Total expenses incurred on public fund-raising appeals in a financial year must not exceed 30% of total donations collected through the public appeals in that year.

Do you know of any actual or threatened legal proceedings against the organisation or any of its clients?

You are required to retain any document or electronic record which you may be lawfully compelled to produce as evidence before a court of justice or in any proceeding lawfully held before a public servant. It is a criminal offence to tamper documents in order to prevent them from being used as evidence.

Typically an action can be brought against a person or entity within 6 years of the cause of action, for example a breach of contract or an act of negligence. Any legal documents that may be relevant if legal action was to be taken (but is not actual or threatened), for example contracts, should be kept for at least 6 years.

Can I keep records in electronic form?

Any document, record or information can be retained in the form of an electronic record if the following conditions are satisfied:

- the information contained remains accessible so as to be usable for subsequent reference;
- the electronic record is retained in the format in which it was originally generated, sent or received, or in a format which can be demonstrated to represent accurately the information originally generated, sent or received;
- information enabling the identification of the origin and destination of an electronic record and the date and time when it was sent or received, is retained; and
- any additional requirements relating to the retention of such electronic records specified by the public agency which has supervision over the requirement for the retention of such records are complied with.

If the document, record or information is required by law to be retained in its original form, they can be retained in the form of an electronic record if the following conditions are satisfied:

- there exists a reliable assurance as to the integrity of the information contained in the electronic record from the time the document, record or information was first made in its final form, whether as a document in writing or as an electronic record;
- integrity is assessed by whether the information has remained complete and unaltered, apart from the introduction of any changes that arise in the normal course of communication, storage and display in the light of the purpose for which the information was generated and the relevant circumstances;
- if the document, record or information is to be provided to a person, the electronic record that is provided to the person is capable of being displayed to the person; and
- any additional requirements relating to the provision or retention of such electronic records specified by the public agency which has supervision over the requirement for the provision or retention of such records are complied with.

Are we required to have a document retention policy?

If your organisation has no policies currently in place regarding the retention and amendment of employment records and other documents you should develop such policies as a matter of good governance, and have regard to:

- the type of information to be retained by the organisation;

- the purpose for which that information is retained;
- the means of accessing, and if necessary altering, the retained information; and
- the timeframes for retention and what happens to files once this timeframe has expired.

The following links provides the above information in pdf format according to the type of organization -

- [document retention guidelines for a trust](#)
- [document retention guidelines for a society](#)
- [document retention guidelines for a companies and branches](#)

There is no requirement for a Representative Office to have a document retention policy.