

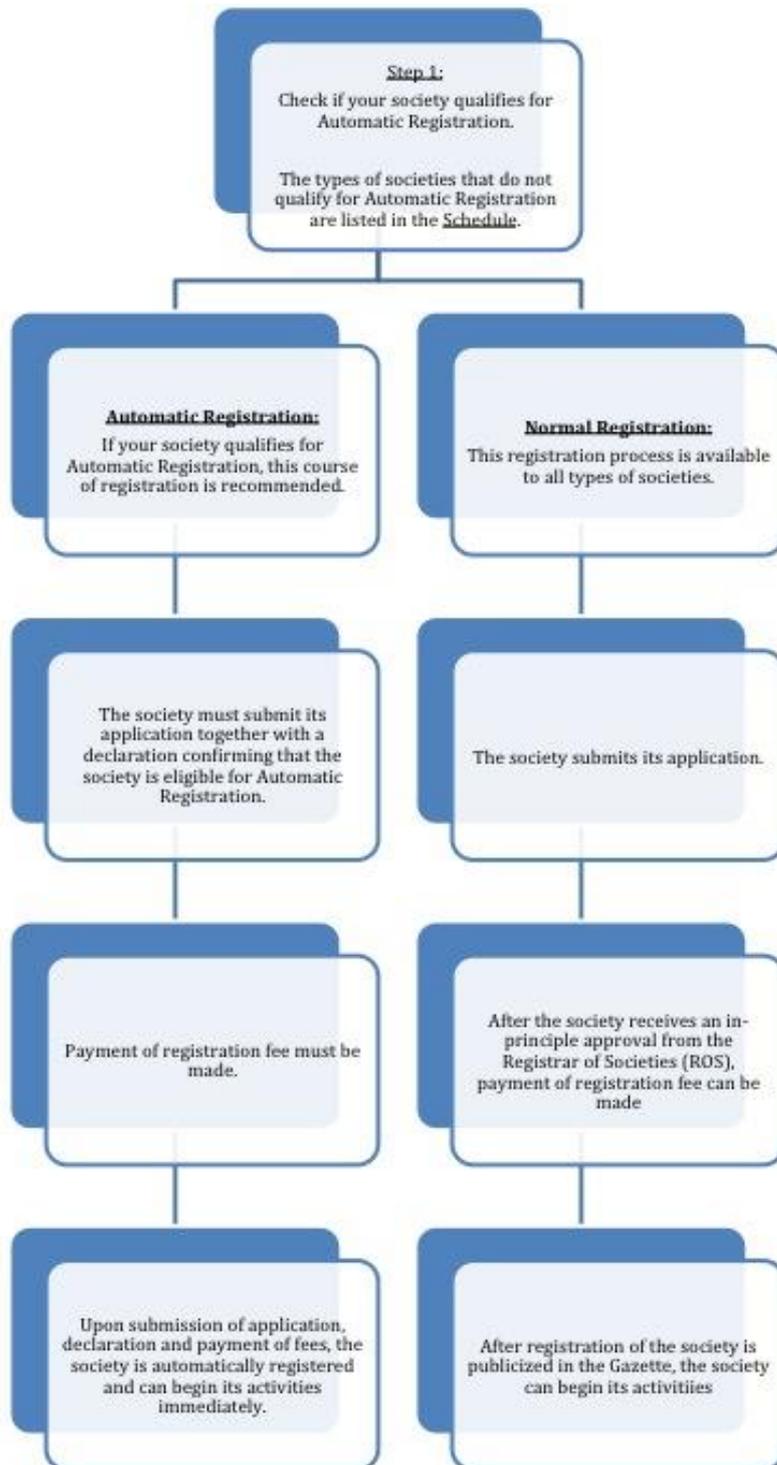
Setting up your Group

Setting up a Society

Any club, company, partnership or association of 10 or more persons, whatever its nature or object, should register themselves with the Registrar of Societies (ROS), unless they fall within any of the exceptions specified [here](#).

Registration Process

There are 2 types of registration processes, Automatic and Normal. You may refer to the flowchart below for information on each process.



Potential problems:

1. Problems with the name or rules of the society
 - a. The Registrar of Societies (ROS) may order an automatically registered society to change its name or rules after its registration if he feels that the rules of the society would be contrary to national interest.
2. Where the society does not qualify for automatic registration
 - . The Registrar may deem it to be registered under the Normal Registration process and claim from the society the difference in the amount of prescribed fees under the two different registration processes.

- a. The Minister may order the society to be dissolved.

Information Required for the Registration Process

To find out more about the information required for the registration of a society, please visit the [Registry of Societies website](#).

Submission of Applications

Societies can submit their applications via the Registry of Societies Electronic System (ROSES). The three key officers of the society, i.e. President, Secretary and Treasurer, will be required to verify and submit the application online using their SingPasses. Societies wishing to submit an application over-the-counter can either collect the application forms from the ROS or call to be sent a copy of the application forms for registering a society.

Obligations of a Society Upon Successful Registration

Registered societies are generally self-governing. In carrying out your activities, the societies has to abide by the prevailing laws in Singapore and by the rules of your own respective constitutions.

Under the Societies Act registered societies are required to:

1. maintain proper accounts and records of the transactions and affairs of the society and get its accounts audited annually;
2. submit an Annual Return and its audited of statement of accounts to the ROS annually;
3. submit to the ROS an audited statement of accounts of any fund raising appeal 60 days after its completion;
4. make an application to change its name, place of business and rules when the need arises; and
5. make an application to use any flag, symbol, emblem, badge or other insignia when such a need arises.

Setting up a Company Limited by Guarantee or Company Limited by Shares

To set up a Company Limited by Guarantee or by Shares, you need to register with ACRA. How this is done depends on whether you are a Singaporean or a foreigner.

Singaporeans can incorporate a company by logging into Bizfile using their SingPass. Please see the [ACRA website](#) for further information and instructions.

If you are a foreigner who would like to set up his own company and be present in Singapore to actively manage its operations, you should apply for an EntrePass from the Ministry of Manpower (“MOM”). For more information on the EntrePass, please refer to the [MOM website](#). Once you have an EntrePass, you can then apply for a SingPass, which will allow you to log into Bizfile.

If you plan to start up a company with no intent of staying on in Singapore to manage its operations, you can do so without having to apply for an EntrePass. However you will need to have at least one Singapore citizen or Singapore Permanent Resident (“PR”) as a director.

In any event, you are required to engage the services of a professional firm (e.g. lawyers, accountants, chartered secretaries) or a service bureau (e.g. DP Bureau) to submit the online

application on your behalf if any of the company officers or members does not have SingPass. Only an individual with SingPass can proceed to submit any online transactions or perform the required endorsements via BizFile (ACRA's online filing system). They will need to log in to BizFile using their identification number (NRIC or FIN no.) and SingPass.

Furthermore, if you are a foreigner and want to work as an employee in the company you have started up, you would still need to apply for the appropriate work pass from the MOM.

If you are setting up a company limited by guarantee, you must have some guarantee money behind it. This guarantee money would be put up by the members of the company, and would be the amount of money the member would be liable for.

If you were to choose to wind up your company limited by guarantee, how the excess money will be distributed will depend on the governing instruments of your company. If nothing is stated in the governing instruments, the excess money will be distributed among the members according to their respective rights and interests in the company.

Setting up a Charitable Trust

A trust is an arrangement set out in a document (trust deed) where a party would hand over certain property (trust property) to a group of persons (trustees) to administer the trust properly. In this case the aim is to set up a trust for a charitable intention. It must promote a charitable purpose and must not benefit any specific person.

To set up a trust for charitable purposes, the following are required:

- a trust deed stating:
 - the trustees;
 - the charitable intentions of the trust; and
 - the benefit of the trust is wholly or substantially to the community in Singapore.
- Board of Trustees containing at least 3 persons.

Under the Trustees Act, you would need to apply to the Minister for a certificate of registration of the trustees as a corporate body.

Setting up a Branch

Branches must be registered with ACRA and are regulated by the Companies Act.

For more information on the registration requirements and other considerations related to establishing a branch, kindly refer to [Guide Me Singapore](#). If you want to set up a branch office, please refer to [the ACRA website](#).

Setting up a Representative Office

Approval for the establishment of a representative office can be obtained from International Enterprise (IE) Singapore.

For more precise information on the registration requirements and the limitations of what a representative can and cannot do, kindly refer to [International Enterprise \(IE\) Singapore](#) or [Guide Me Singapore](#).

Setting up a Foundation

The use of the word “Foundation” in the name of a non-profit organisation is allowed only if the organisation is: self-funded by an individual, family or for-profit company to aid the organisation's intended charitable purposes; or financed by an endowment for such an organisation.

Please see the [Charities Portal](#) for more information on other naming considerations.

Applications for Registration and Qualification

Charity Registration

Registration as a charity and subsequent on-going oversight by the Commissioner of Charities is required for any non-profit that wishes to conduct activities or own property in Singapore without paying taxes to the Singaporean government.

Applications for registration may be made through the [Charities Portal](#), which is also an excellent source for more information on this process and a list of all registered charities in Singapore.

Although registration is not required to conduct charitable operations in Singapore, it will be difficult to engage in any meaningful and sustainable activities unless you are a registered entity. In addition having to pay taxes, you may have difficulty raising funds from non-members or otherwise successfully soliciting donations, since many donors use registration as an important criteria to evaluate requests for funds.

Commissioner of Charities

The registration and regulation of charities and Institutions of a Public Character (see below) is overseen by [the office of the Commissioner of Charities](#), which is a unit of [the Ministry of Community Development, Youth and Sports](#).

There are five sector administrators to assist the Commissioner of Charities to oversee the charities in their respective sectors: (1) social and welfare; (2) education; (3) health; (4) community; and (5) sports.

All references to the “Commissioner” below refer to either the actual Commissioner of Charities or the relevant sector administrator.

Registration Application

Application to the Commissioner for registration as a charity by any organisation operating for charitable purposes in Singapore is mandatory and should be made within three months of the commencement of operations, in accordance with Singapore law. In the event the application is

rejected, operations do not have to cease, but the organisation will ultimately be required to pay income tax as it will not be eligible for the benefits associated with being a registered charity.

As an initial matter, your organisation must set up as a legal entity before it can apply for charity status through the Charity Portal. To transact with the Charity Portal, your organisation must also have a valid Singpass account.

The name of your organisation is also subject to restrictions, namely (i) it cannot include “International” -unless it has objects and activities serving beyond local geographical boundaries, (ii) the word “Singapore” can be used only within brackets at the end of the charity's name, e.g. ABC Charity (Singapore) to indicate the charity's place of registration. and (iii) it cannot be wholly in foreign language.

The following baseline conditions must also be met by any organisation to be registered as a charity:

- (a) the purposes/objects of the organisation must be exclusively charitable;
- (b) the organisation must have at least three governing board members, at least two of whom must be Singapore citizens or permanent residents; and
- (c) the purposes or objectives of the organisation must be beneficial wholly or substantially to the community in Singapore.

In considering whether to accept an application, the Commissioner has the discretion to waive or modify both (b) and (c). The Commissioner is particularly likely to be lenient on these conditions if you are an ICO with international scope if you have taken (or are willing to take) efforts or measures to involve Singaporeans in your governance and provide benefits to the local community in Singapore, which may include contributing a percentage of your income to local charitable causes, partnering with local charities or otherwise building or improving their capabilities through workshops, conferences or consultancy.

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

Foreign Charitable Purpose Trusts that are registered as charities, but deemed “qualifying grantmakers” by MAS, are exempt from certain registration requirements for charities, namely (i) instead of three to ten total trustees, a minimum of one local trustee (which could be a corporate trustee, such as a bank or a law firm) is required; and (ii) instead of being required to apply wholly or substantially all of their funds in Singapore, qualifying grantmakers registered as charities must only apply some (the Commissioner’s office will not specify the percentage or amount) of their funds in Singapore.

Condition (a) of the charity registration conditions (i.e. the exclusive charitable purpose requirement), however, is non-negotiable, and organisations that are only partially charitable must separate their charitable and non-charitable functions into separate legal entities prior to applying for registration as a charity.

For more information on grantmakers, please see [Guidance on Regulation of Grantmakers](#).

Your application must also include, among other things:

- (a) the governing instrument of your organisation (e.g. memorandum and articles of association) which must comply with applicable regulations,
- (b) statements of accounts for the last 5 financial years (if available),
- (c) particulars of board members and officers, and
- (d) descriptions of your activities and plans.

Clear and organised presentation of this material is important as the Commissioner will review it to determine whether the board members and officers are capable of proper administration of the institution and whether the activities planned by the institution are sufficient to further the charitable purposes of the institution.

For more information on the application process, including specific requirements related to governing documents, please consult the [Charity Portal](#) or [the actual regulations](#).

Financial Reporting Requirements

Once registered, charities are subject to on-going requirements such as filing an annual report of financial accounts with the Commissioner within six months after fiscal year-end.

The annual report of a charity should be prepared in accordance with the requirement set out in the [Charities \(Accounts and Annual Report\) Regulations](#).

Furthermore, all charities which are subject to external audit are required to post a summary of their financial information online. This includes all charities set up as companies, and all other charities with annual income or expenditure over \$500,000.

Large charities, meaning those with gross annual receipts of not less than \$10 million in each of the last 2 financial years, are subject to additional rules relating to governing board members and auditors.

The reporting requirements for IPCs are also somewhat different, and include information related to each donation received. Furthermore, IPCs are required to rotate their external auditors every five years and post their financial and non-financial information online on the Charity Portal.

Please see the [Charity Portal](#) for additional information.

Fund-raising Requirements

Public fund-raising appeals are subject to financial and disclosure requirements that are slightly different for IPCs. Please see [\[link\]](#) for a discussion of fund-raising requirements applicable to registered charities, as well as the [Charities \(Fund-Raising Appeals for Local and Foreign Charitable Purposes\) Regulations 2012](#).

What is an International Charitable Organisation (“ICO”)?

Charitable organisations with a regional or global charter that are involved in delivering some form of charitable aid or charitable services on a regional or global scale may also apply to register as a charity in Singapore through the same process as a local organisation. In assessing your application, the Commissioner will take the international status of your organisation into account, especially when determining whether to waive or modify the requirements for local trustees and benefit to the community in Singapore. ICO status is also relevant for fund-raising purposes, as public fund-raising appeals for foreign charitable purposes may only be made upon application to the Commissioner and subject to certain conditions.

To qualify as an ICO, an organisation is required to be:

- (a) A bona fide, tax exempt non-profit entity in another country;
- (b) Not affiliated with or funded by a political party;
- (c) Engaged in activities directly fulfilling a recognized charitable purpose;
- (d) Regionally or globally chartered; and
- (e) Committed to benefit Singapore economically under at least one of three established criteria related to (i) the employment of Singaporeans or permanent residents; (ii) the amount of corporate expenditures, or (iii) the organising of conferences or other activities generating overnight visitors to Singapore

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

In the event your organisation’s registration application is rejected by the Commissioner, it may, if it is an ICO, still be eligible for tax benefits on a case-by-case basis under the NPO Incentive Scheme administered by the International Organisation Programme Office of the Economic Development Board of Singapore. Please contact the Economic Development Board of Singapore directly at <mailto:clientservices@edb.gov.sg> for more information on whether your organisation qualifies for the NPO Incentive Scheme.

What is an Institution of Public Character (“IPC”)?

To be legally allowed to accept tax-deductible donations in Singapore, your organisation must qualify as an IPC by applying to the Commissioner.

Assuming the donation was made in accordance with IRAS guidelines, the amount deductible from the income of the donor is 2.5 times the amount of the donation. However, donations or gifts made for a “foreign charitable purpose” are not tax deductible even if they are made to an IPC. For example, donations made to some overseas relief funds managed by an approved IPC are not tax deductible.

More information on the various types of donations and their respective tax deductibility is available [on IRAS’ website](#).

Because of this greater tax benefit, the application process to become an IPC is more rigorous than it is for a mere charity, even though it shares some similarities.

With respect to its governing board, instead of the requirement that two members be Singaporean, an organisation's governing board must be at least half Singaporean and at least half independent.

With respect to its purposes and objects, instead of being required to be beneficial wholly or substantially to the community in Singapore, the organisation must be *exclusively* beneficial to the community in Singapore and, furthermore, not confined to sectional interests or groups of persons based on race, belief or religion.

However, as with charity registration, these requirements can be waived under certain circumstances by the relevant government official.

Further requirements include, among other things, that the governing board members be accountable for management of donations received and that the organisation's external auditor be approved by the Commissioner.

All grants of IPC status are provisional, lasting only two years at first, subject to an extension for an additional five.

IPCs are also subject to rules related to the issuance of tax deduction receipts and the retention of donor record.

For more information on IPC qualification, please see the [Charities Portal](#) for an overview and [Charities \(Institutions of a Public Character\) Regulations](#) for the detailed regulations.