

Political Donations Act 2000 Handbook

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Please note that the Handbook is printed in volume and copies already purchased will not reflect any changes made by the Legislature after the publication date.

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Purpose

This handbook represents the Registry of Political Donations' interpretation of the Political Donations Act 2000.

It is designed primarily to help political associations, candidates and their election agents comply with the provisions of the Act and its Regulations.

While this handbook is officially approved by the Registrar of Political Donations, it does not take precedence over the legislation and should be read in conjunction with the Act. This handbook is not intended to provide an exhaustive or authoritative discussion of the Act.

Any political association, candidate, election agent and any other person who is subject to the Act and who intends to accept or act in relation to any specific donation is advised to seek the opinion of independent legal counsel.

The Registrar offers only the assurance that reliance on this handbook will be an important factor in deliberating whether to initiate enforcement action under the Act.

Any questions on this handbook should be directed to the Registry of Political Donations in writing. Candidates and their election agents, often requiring more technical information than the general public, are asked to identify themselves as such when communicating with the Registry.

Political Donations Act 2000 - Rationale

The Political Donations Act 2000 came into operation on 15 February 2001.

Money buys influence. Therefore the Act seeks to prevent foreigners from interfering in Singapore's domestic politics through funding. It prohibits political associations, candidates and their election agents from accepting donations other than from permissible sources and restricts the receipt of anonymous donations.

"It is no more legitimate for foreigners to pay money to support a political association or candidate than it is for them to support the association's cause or to vote for the candidate.....Politics in Singapore should be for Singaporeans only."

Mr Wong Kan Seng
Minister for Home Affairs
2nd Reading Speech
Political Donations Bill 2000
22nd May 2000

The Act is not meant to prohibit political parties from making donations to its members who are contesting in parliamentary elections.

Registry of Political Donations

The Registry of Political Donations administers the Political Donations Act 2000 and its Regulations.

The Registrar of Political Donations is empowered under the Act to require political associations, candidates and their election agents to submit additional information and documents, for the purpose of monitoring compliance with the prohibitions and restrictions in the Act regarding donations to political associations, candidates and their election agents.

The Registry is located within the Elections Department.

Who are covered under the Act

The Act covers the following groups of people:

- (1) political associations, which include -
 - (a) all political parties registered under the Societies Act; and
 - (b) any organisation whose objects or activities relate wholly or mainly to politics in Singapore and is *Gazetted* as a political association under the Act;
- (2) any person who is or desires to be a candidate of any presidential or parliamentary election and his election agents; and
- (3) donors who have made multiple small donations with an aggregate value of S\$10,000 or more to a political association in a calendar year.

Permissible Donors

A permissible donor is

- (1) any individual who is a Singapore citizen and is not less than 21 years of age;
- (2) a Singapore-controlled company¹ which carries on business wholly or mainly in Singapore; or
- (3) in relation to a candidate, any political party he is standing for at an election.

Donations other than those from permissible donors are considered impermissible donations.

E.g.

These persons are not permissible donors:

- (i) *Permanent Residents;*
- (ii) *Singapore citizens who are below 21 years of age; and*
- (iii) *Unincorporated associations which include businesses, societies, trade unions, mutual benefit organisations, professional firms, charities, co-operatives, corporation soles and incorporated trusts.*

¹ “Singapore-controlled company” means a company incorporated in Singapore, the majority of whose directors and members are citizens of Singapore, or in the case of any member being another company, that other company must be incorporated in Singapore with the majority of its directors and members who are Singapore Citizens, and where that other company has a member who is a company and so on, each of those member companies must be companies incorporated in Singapore and the majority of whose directors and members are citizens of Singapore.

Anonymous Donations

A donation is considered anonymous under the Act only if the recipient is unable to ascertain the identity of the person giving the donation e.g \$20 in cash received anonymously by mail. Donations from donors who request recipients not to reveal their identities are not considered anonymous.

The total amount of anonymous donations a political association or a candidate and his election agent or (as the case may be) principal election agent is allowed to accept must be less than S\$5,000 within the following respective periods:

- (1) In the case of a political association, within any financial year of the political association.

E.g.

A political association may accept anonymous donations of aggregate value up to S\$4,999.99 in each of its financial year.

E.g.

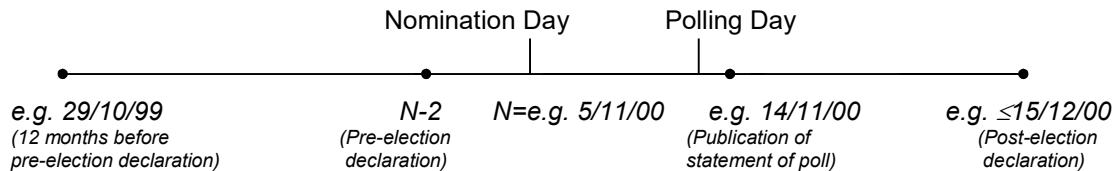
If a political association receives a single anonymous donation of S\$5,000 or more in the form of a cheque, the political association cannot accept the donation. The political association should return the cheque to the bank within 30 days of receipt of the donation.

- (2) In the case of a candidate and his election agent or (as the case may be) principal election agent, within the period beginning on the date 12 months before the pre-election declaration (which is filed just before Nomination Day) and ending on the date of the post-election declaration (which must be filed after Polling Day).

Key Features of the Act

E.g.

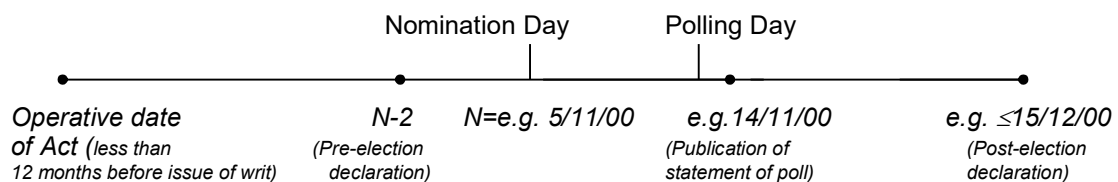
N=Nomination Day



For example, in the above scenario, the reporting period is from 29 Oct 1999 to 15 Dec 2000, which means that a candidate and his election agent or (as the case may be) his principal election agent may not accept anonymous donations of aggregate value \$5000 and above, during the reporting period.

E.g.

N=Nomination Day



The Act does not apply to donations accepted before the commencement of the Act. A different reporting period applies if a writ of election is issued within 12 months after the Political Donations Act 2000 comes into force. The reporting period for the pre-election Declaration begins on the operative date of the Act, instead of 12 months before the date of the Declaration.

A political association or a candidate and his election agent or (as the case may be) principal election agent must not accept anonymous donations if this will exceed the limit. Each anonymous donation is to be treated as a whole and is not to be segmented into a few smaller donations.

E.g.

If you have already accepted a total anonymous donation of S\$4,000 and subsequently receive an anonymous donation of S\$3,000, you cannot keep part of the S\$3,000 to make up your total anonymous donation to S\$4,999.99. You must within 30 days of receiving the donation, return the entire amount of S\$3,000 to the person who transmitted it (other than the donor) or the financial institution or as a last resort, surrender the \$3,000, to the Registrar of Political Donations.

Meaning of Donations

Donations include goods and services, money², property, subscription fees, affiliation fees or property and loan facilities provided on less than commercial terms.

E.g.

If a person buys a ticket to a fundraising event by a political association, the price paid is a donation.

E.g.

The printing service of a printing company offered free of charge to a political association is considered as a donation from the company to the political association. The political association should ensure that the company is a permissible donor before accepting the service. It should keep record of the donation and reflect the donation in its subsequent Donation Report to the Registrar of Political Donations if the value of the donation is S\$10,000 or more.

Not all donations to a candidate or an aspiring candidate are regulated. Only donations made for the purposes of promoting the person's election at a presidential election or parliamentary election will be governed by the Act.

The following categories are not considered as donations under the Act:

- (1) airtime during lawful political broadcast.
- (2) postage-free election communications authorised by written law.
- (3) voluntary manpower and services provided by individuals.
- (4) interest accruing on deposits of donations, which are pending attempts to return to the donor or any other person acting on his behalf.

E.g.

If an individual offers his professional service e.g. free accounting service, to a political association, his service can be considered voluntary and not a donation to the political association. There is no need for the political association to report to the Registrar of Political Donations the service rendered by the individual.

However, if the accountant gets his employees to provide the service to the political association, the service rendered by his employees to the political association is considered a donation from the accountant to the political association. The value of the donation is the cost that the political association would otherwise have to pay to get the same service on a commercial basis.

²Including funds raised during fund-raising events and activities such as sale of articles like calendars and note-pads, variety shows, dinners, golf tournaments and lucky draws.

If the individual is self-employed or takes leave from his employer to provide his service to the political association, as long as he volunteers his services in his own time, it would not be regarded as a donation.

Value of donations

The value of any donation that is provided or given at no cost is the market value of the donation in question.

The value of any donation in kind is –

- (a) the price paid for the donation; or
- (b) the difference between the price paid and the market value of the donation, if the price paid is lower than market value.

The lowest price charged for an equivalent amount of goods or services at the time the donation is received by the recipient is the market value of the goods or services in question.

E.g.

If a printer provides campaign banners at no charge, the market value would be what the printer would normally charge, including GST, for those signs.

The price paid or market value of goods and services includes GST where applicable.

The benefit derived from a loan given on preferential interest rates is a donation. The value of that benefit is the difference between the interest calculated based on the commercial interest rate and the interest calculated based on the preferential interest rate on the loan.

Reporting of Donations

The following groups of people are required to submit a Donation Report and a Declaration Form to the Registrar of Political Donations:

- (1) political parties;
- (2) organisations *Gazetted* as political associations under the Act;
- (3) candidates of any presidential or parliamentary elections and their election agents; and
- (4) donors who have made multiple small donations with an aggregate value of S\$10,000 or more to a political association in a calendar year.

The timely submission of the Donation Report and Declaration Form is mandatory.

Failure to comply with the submission requirements and making a false declaration are offences under the Act.

Rules for Accepting Donations and Recording Requirements

Political Associations

When a political association receives a donation, it should take note of the following:

- (1) Check that the donation comes from a permissible donor before accepting the donation
 - (a) If the donation comes from an individual, the political association should ensure that the individual is a Singapore Citizen who is at least 21 years old, e.g. request the individual to show his IC to confirm his identity.
 - (b) If the donation comes from a company, the political association should ensure that the company is a Singapore-controlled company³ which carries on business wholly or mainly in Singapore. If in doubt, the political association is advised to verify with the company since it will have the most current register of members.
- (2) The political association should retain donations received in a separate account pending verification of the donor's status.
- (3) The association should issue a receipt to the donor upon accepting the donation and keep a record of the details of the donation and the donor's particulars.
- (4) For donations in kind, the political association may want a licensed valuer to appraise the donations.
- (5) If the donor has made multiple small donations amounting to S\$10,000 or more within a calendar year, inform the donor to submit a Donation Report and Declaration Form to the Registrar of Political Donations.
- (6) In the case of an anonymous donation, before accepting the donation, the political association should check whether by accepting that donation in the financial year, its total anonymous donations accepted by the political association during the financial year would not be S\$5,000 or more. If by accepting the donation, the political association will exceed the limit, the whole donation must be returned within 30 days of receipt. The political association can return the entire donation to the person who transmitted it (other than the donor) or the financial institution or if that is not possible, surrender to the Registrar of Political Donations as a last resort using prescribed **Form 11**.

³ "Singapore-controlled company" means a company incorporated in Singapore, the majority of whose directors and members are citizens of Singapore, or in the case of any member being another company, that other company must be incorporated in Singapore with the majority of its directors and members who are Singapore Citizens, and where that other company has a member who is a company and so on, each of those member companies must be companies incorporated in Singapore and the majority of whose directors and members are citizens of Singapore.

- (7) If the donor is not a permissible donor, the donation must be returned within 30 days of receipt. The political association can return it to the donor or the person who is acting on behalf of the donor or if that is not possible, surrender to the Registrar of Political Donations as a last resort using prescribed **Form 11**.

Any donation accepted from an impermissible source can be forfeited by the Court.

- (8) It is advisable for a political association to keep a record of any prohibited donation and how each instance is resolved.
- (9) As political associations are required to file a Donation Report and Declaration Form covering all its branches, the above procedures must be observed by all branches and by their members who receive donations on behalf of the association. This is particularly important for anonymous donations where there is a limit (see point 6).

Rules for Accepting Donations and Recording Requirements

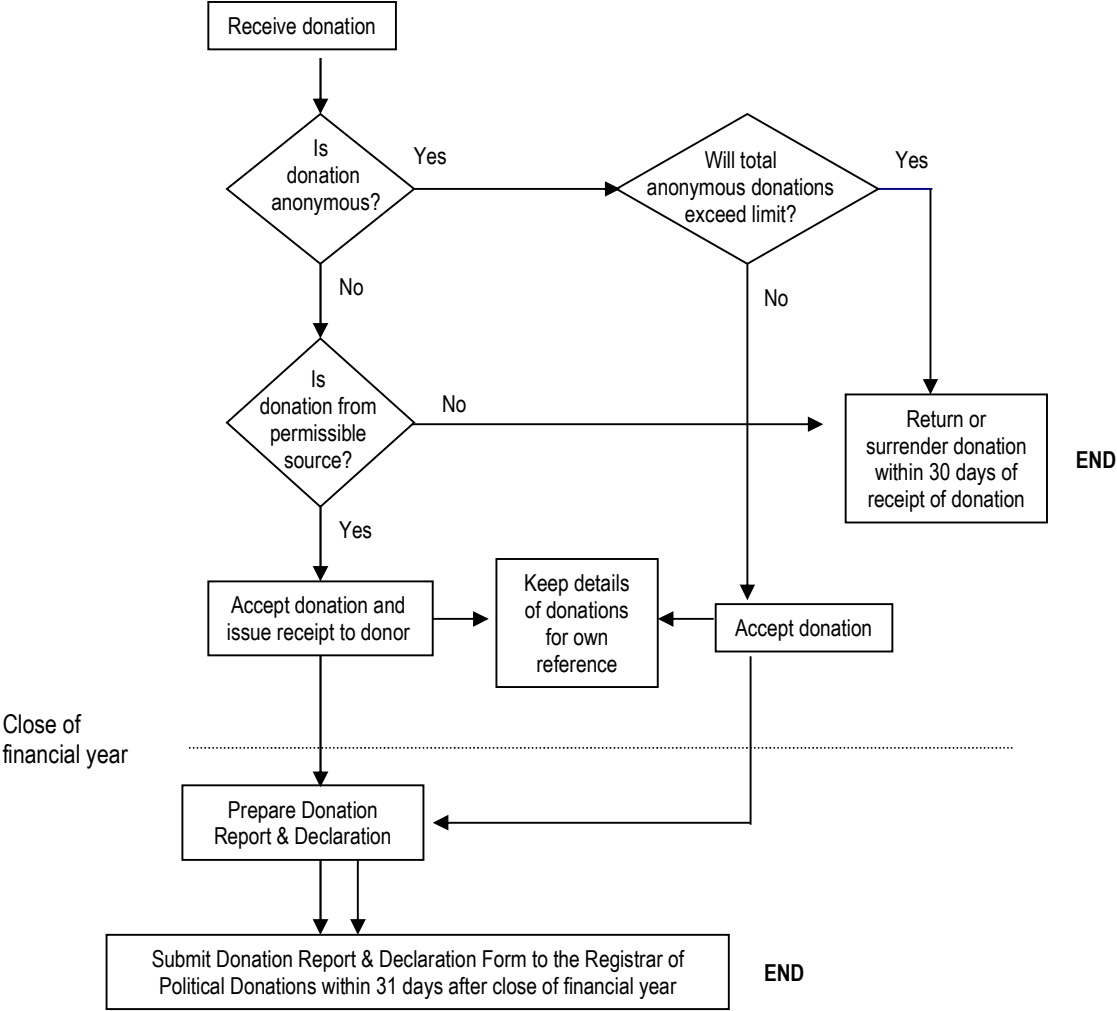
Political Associations (Cont'd)

All political associations are required to submit a yearly Donation Report and Declaration Form to the Registrar of Political Donations. The forms must be submitted in duplicate (in person or by post) and reach the Registrar of Political Donations within 31 days after the close of its financial year. Incomplete documents will be returned and treated as non-submission. When submitting the Donation Report and Declaration Form to the Registrar of Political Donations, the political association should take note of the following:

- (1) Use prescribed **Form 1** and **Form 2**.
- (2) The reporting period shall be the last financial year of the political association.
- (3) The Donation Report must contain details of any single donation of value S\$10,000 or more and any series of donations from the same permissible donor adding up to S\$10,000 or more accepted during the said reporting period, and the following:
 - the name and address of the donor;
 - the value of the donation;
 - the date the donation was received;
 - the circumstances in which the donation was received e.g. whether it was made to a political association branch or a member.
- (4) The political association must also declare that all the donations it accepted that must be reported have been recorded in the Donation Report, that they come from permissible sources and, that it has not accepted anonymous donations amounting to S\$5,000 or more in the financial year in question.
- (5) **Form 1** and **Form 2** must be duly completed and signed by the President, the Secretary and the Treasurer or those holding analogous positions. These are the officers who will be held responsible for any non-compliance.

Failure to comply with the submission requirements and making a false declaration are offences under the Act.

Quick Reference to Submission of Donation Report and Declaration Form by Political Associations



After 31 days

Rules for Accepting Donations and Recording Requirements

Candidates and Their Election Agents

The Political Donations Act 2000 prohibits aspiring candidates from accepting donations other than from permissible donors 12 months before the submission of the pre-election Donation Report and Declaration Form⁴, which must be submitted 2 clear days before Nomination Day at the latest. Having been nominated as a candidate, the Act continues to prohibit the candidate and his election agent from accepting impermissible donations till after Polling Day.

If you intend to be a candidate at any presidential or parliamentary election, and do succeed being nominated as a candidate, you and your election agent(s) are advised to ensure donations accepted are not prohibited by the Act. Aspiring candidates are advised to note the following even though the date of election may not be known at the time of donation.

When you or your election agent receive a donation for the purposes of promoting your candidacy at a presidential or parliamentary election, take note of the following:

- (1) Check that the donation comes from a permissible donor before accepting the donation
 - (a) If the donation comes from an individual, you should ensure that the individual is a Singapore Citizen who is at least 21 years old, e.g. request the individual to show his IC to confirm his identity.
 - (b) If the donation comes from a company, you should ensure that the company is a Singapore-controlled company⁵ which carries on business wholly or mainly in Singapore. If in doubt, you are advised to verify with the company since it will have the most current register of members.
- (2) You should retain donations received in a separate bank account pending verification of the donor's status.
- (3) If you are accepting the donation, you should issue a receipt to the donor upon accepting the donation and keep a record of the details of the donation, and the donor's particulars.
- (4) For donations in kind, you may want a licensed valuer to appraise the donation.
- (5) In the case of an anonymous donation, you or your election agent should check whether by accepting that donation, the total anonymous donations you have accepted within the period beginning on the date 12 months before the pre-election declaration and (in the case of post-election) ending on the date of the post-election declaration, would not

⁴ The Act does not apply to donations accepted before the commencement of the Act. If a writ of election is issued within 12 months after the Political Donations Act 2000 comes into force, the reporting period begins on the operative date of the Act instead.

⁵ "Singapore-controlled company" means a company incorporated in Singapore, the majority of whose directors and members are citizens of Singapore, or in the case of any member being another company, that other company must be incorporated in Singapore with the majority of its directors and members who are Singapore Citizens, and where that other company has a member who is a company and so on, each of those member companies must be companies incorporated in Singapore and the majority of whose directors and members are citizens of Singapore.

be S\$5,000 or more. If by accepting the donation, you will exceed the limit, the whole donation must be returned within 30 days of receipt of the donation. You can return the entire donation to the person who transmitted it (other than the donor) or to the financial institution or, as a last resort, surrender it to the Registrar of Political Donations using prescribed **Form 11**.

- (6) Election agents of presidential candidates must not accept anonymous donations. Only the principal election agent can do so.
- (7) If the donor is not a permissible donor, you must return it within 30 days of receipt of the donation. You can return the donation to the donor or the person who is acting on behalf of the donor or, as a last resort, surrender to the Registrar of Political Donations using prescribed **Form 11**.

Any donation accepted from an impermissible source can be forfeited by the Court.

- (8) It is advisable that you keep a record of any prohibited donation and how each instance is resolved.
- (9) If you are a presidential election candidate, and have appointed more than 1 election agent, the agents must also observe the above procedures with regard to the donations they accept on your behalf.

Rules for Accepting Donations and Recording Requirements

Candidates and Their Election Agents (Cont'd)

In order to be a candidate at a presidential or parliamentary election, you must produce a Political Donation Certificate in **Form 5** from the Registrar of Political Donations in addition to your nomination papers and other relevant certificates (if applicable) on Nomination Day to the Returning Officer.

To apply for the Political Donation Certificate, the aspiring candidate should take note of the following:

- (1) Submit a pre-election Donation Report and Declaration Form to the Registrar using prescribed **Form 3** and **Form 4**. After a writ of election is issued, these forms will be made available at the office of the Registrar of Political Donations at Elections Department
- (2) The reporting period shall be the last 12 months preceding the date of declaration (that date inclusive)⁶
- (3) The Donation Report must contain details of any single donation of value S\$10,000 or more and any series of donations from the same permissible donor adding up to S\$10,000 or more, accepted during the said reporting period, and the following:
 - the name and address of the donor;
 - the value of the donation;
 - the date the donation was received;
 - the circumstances in which the donation was received
- (4) You must also declare that all the donations accepted that must be reported have been recorded in the Donation Report and come from permissible sources and that you have not accepted anonymous donations amounting to S\$5,000 or more, during the said reporting period.
- (5) **Form 3** and **Form 4** must be duly completed and submitted in duplicate to the Registrar of Political Donations any time after the date of the notice of writ but at least 2 clear days before Nomination Day.
- (6) Please submit **Form 3** and **Form 4** in person. Alternatively, you may use the letter of authorisation provided by the Registrar of Political Donations to authorise a Singapore Citizen who is at least 21 years of age to submit the forms on your behalf. Your representative must produce the letter of authorisation and his/her NRIC to prove his/her identity.
- (7) You can expect to hear of the outcome of your application no later than the eve of Nomination Day. The Registrar of Political Donations will issue a Political Donation Certificate (**Form 5**) to you not later than the eve of the Nomination Day if all your documents are in order.

⁶ The Act does not apply to donations accepted before the commencement of the Act. If a writ of election is issued within 12 months after the Political Donations Act 2000 comes into force, the reporting period begins on the operative date of the Act instead.

Rules for Accepting Donations and Recording Requirements

- (8) Please collect the Political Donation Certificate in person. Alternatively, you may use the letter of authorisation provided by the Registrar of Political Donations to authorise a Singapore Citizen who is at least 21 years of age to collect the Political Donation Certificate on your behalf. Your representative must produce the letter of authorisation and his/her NRIC to prove his/her identity.
- (9) Applications for or collection of the Political Donation Certificate by post will not be entertained.

Making a false pre-Election Declaration is an offence under the Act.

Rules for Accepting Donations and Recording Requirements

Candidates and Their Election Agents (Cont'd)

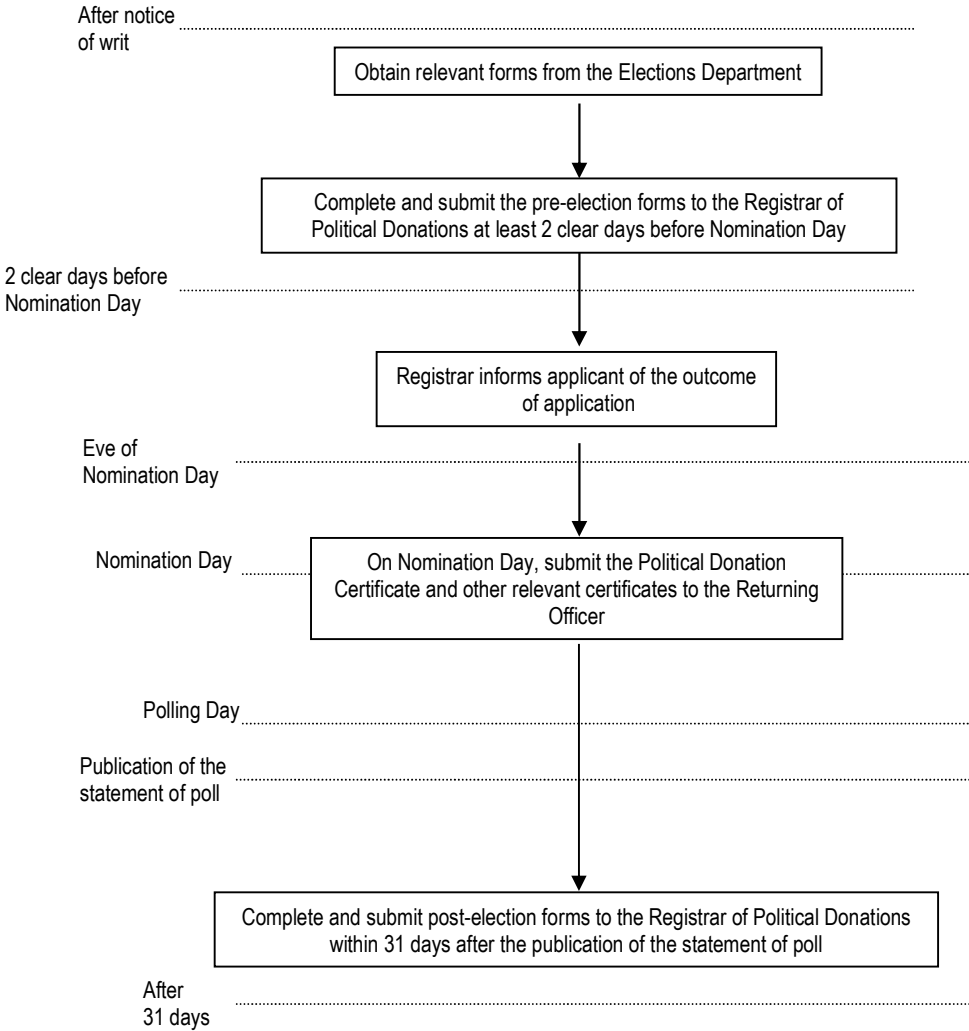
All candidates and their election agents are required to submit a post-election Donation Report and Declaration Form to the Registrar of Political Donations. The forms must be submitted in duplicate (in person or by post) and reach the Registrar within 31 days after the date of publication of the statement of the poll. Incomplete documents will be returned and treated as non-submission. When submitting this Donation Report and Declaration Form to the Registrar of Political Donations, the candidates and their election agents should take note of the following:

- (1) Use prescribed **Form 6** and **Form 7**, and if applicable **Form 8**. In the case of a presidential election, the candidate and his principal election agent will have to submit a joint Donation Report and Declaration Form using prescribed **Form 6** and **Form 7**. If the presidential candidate has appointed other election agents in addition to his principal election agent, each of the other agents must submit a Declaration Form using prescribed **Form 8**.
- (2) The reporting period begins on the date of the candidate's pre-election declaration (**Form 4**) and ends on the date of his post-election Declaration.
- (3) The Donation Report must contain details of any single donation of value S\$10,000 or more and any series of donations from the same permissible donor adding up to S\$10,000 or more accepted during the relevant reporting period⁷, and the following:
 - the name and address of the donor;
 - the value of the donation;
 - the date the donation was received;
 - the circumstances in which the donation was received e.g. whether it was made to an election agent or a candidate.
- (4) If you are a candidate at a parliamentary election, you and your election agent must also declare in a post-election Declaration that all the donations accepted during the relevant reporting period that must be reported have been recorded in the Donation Report and come from permissible sources. In addition, the Declarant must state that no anonymous donations amounting to S\$5,000 or more have been accepted within the period beginning on the date 12 months before the pre-election declaration (which is filed just before Nomination Day) and ending on the date of the post-election declaration (which must be filed after Polling Day).
- (5) If you are a candidate at a presidential election, you and your principal election agent must also declare that all the donations accepted during the relevant reporting period by yourselves and all other election agents that must be reported have been recorded in the Donation Report. All your other election agents must each submit a Declaration of similar effect using the prescribed **Form 8**. Each election agent (other than the principal election agent) must declare in **Form 8** that he has not accepted any anonymous donations.

Failure to comply with the submission requirements and making a false post-election declaration are offences under the Act.

⁷ Donations accepted and already reported in Form 3 (Pre-election Donation Report) need not be reported again.

Quick Reference to Application for the Political Donation Certificate and Submission of Donation Report and Declaration Form by Candidates and their Election Agents



Rules for Making Donations and Recording Requirements

Donors

Any person who wishes to make donations to a political association or candidate should take note of the following:

- (1) You are advised to check that you are a permissible donor under the Act if you would like your donation to be accepted. Political associations, candidates and election agents are prohibited from accepting donations from impermissible donors.
- (2) If you are interested to make donations to any candidate, you should hand your donations to the authorised election agent(s) of the candidate. Election agents are appointed by the candidates on or after the Nomination Day of an election. You should check for a letter of appointment.
- (3) If you are making a donation on behalf of another person, you should inform the recipient and provide him with the particulars of the donor. If only part of the donation is from you, you should inform the recipient and provide the recipient with your particulars as well as that of the other donor.

Under the Act, it is an offence for any person to knowingly participate in an arrangement or to withhold information, or supply information, so as to evade the restrictions on donations.

- (4) If you have made multiple small donations with an aggregate value of S\$10,000 or more to a political association in a calendar year, you are required to submit a Donation Report and a Declaration Form to the Registrar of Political Donations.

E.g.

If a donor has made multiple donations of S\$3,000, S\$4,000, S\$2,000 and S\$1,000 to the same political party in a calendar year, he must submit a Donation Report and Declaration Form to the Registrar of Political Donations because the total value of his donations is S\$10,000.

E.g.

If a donor has made multiple donations of S\$3,000, S\$4,000, S\$2,000 and S\$12,000 to the same political party in a calendar year, he must submit a Donation Report and Declaration Form to the Registrar of Political Donations because the total value is S\$21,000.

E.g.

If a donor has made multiple donations of S\$3,000, S\$2,000 and S\$4,000 to the same political party in a calendar year, there is no requirement for him to submit a Donation Report and Declaration Form to the Registrar of Political Donations as the total value of his donations is less than S\$10,000.

Rules for Making Donations Recording Requirements

E.g.

If a donor has made multiple donations of S\$10,000, S\$12,000 and S\$15,000 to the same political party in a calendar year, he need not submit a Donation Report and Declaration Form to the Registrar since each and every donation is at least S\$10,000 and would have been required to be recorded by the recipient in the Donation Report.

E.g.

If a donor has made multiple donations of S\$3,000, S\$4,000 and S\$2,000 (total = S\$9,000) to the same political party A, and S\$2,000 and S\$3,000 (total = S\$5,000) to a political party B, there is no requirement for him to submit a Donation Report and Declaration Form to the Registrar of Political Donations since the total donations to each political party is less than S\$10,000.

E.g.

If Mr X and Mr Y make a joint donation of S\$8,000 to the same political party, it will be taken that the party has received S\$4,000 each from Mr X and Mr Y unless otherwise indicated. Should Mr X alone subsequently donate another sum of S\$8,000 to the same party within the same calendar year, Mr X will be deemed to have made a total donation of S\$12,000 to that political party. Mr X must submit a Donation Report and Declaration Form to the Registrar of Political Donations as he has made multiple donations aggregating S\$10,000 or more in the calendar year.

- (5) When submitting the Donation Report and Declaration Form to the Registrar of Political Donations, the donor should take note of the following:
- (a) Use prescribed **Form 9** and **Form 10**
 - (b) Your Donation Report must contain the details of each donation you have made to the same political association(s) in the calendar year. You must also declare that you have made no other small donations to the same political association(s) other than those recorded in the Donation Report.
 - (c) **Form 9** and **Form 10** must be duly completed and submitted in duplicate (in person or by post) and reach the Registrar of Political Donations not later than 31st January of the year following that in which the donations were made.

Failure to comply with the submission requirements and making a false declaration are offences under the Act.

Surrender of Donations

Anonymous donations and donations from impermissible donors that cannot be returned, as a last resort, must be surrendered to the Registrar of Political Donations. If you are unsure whether a donation is from a permissible source and you are unable to determine this, you should return the donation to the person (other than the donor) who transmitted it or the bank if it is a cheque, within 30 days of receipt. If you are unable to return the donation to the donor for whatever reason, you must surrender the donation to the Registrar of Political Donations within 30 days of receipt of the donation.

When a political association or a candidate or his election agent surrenders a donation to the Registrar, it should take note of the following:

- (1) Use prescribed **Form 11**
- (2) **Form 11** must be duly completed and signed:
 - (a) by the Treasurer of the political association if the donation is surrendered by a political association; or
 - (b) by his election agent if the donation was for the candidate.
- (3) The donation must be surrendered to the Registrar of Political Donations within 30 days of receipt of the donation. In the case of donations to political associations, the donations must be surrendered by the treasurer or an authorised representative. The representative must be a Singapore citizen who is at least 21 years old and carries a letter of authorisation stating his name and NRIC number and the name and NRIC number of the treasurer of the political association. The letter must be signed by the treasurer of the political association. In the case of donations to candidates, the donations must be surrendered by the election agent or (as the case may be) principal election agent.
- (4) The Registrar of Political Donations may specify the manner in which a donation should be surrendered. For example, for a bulky property, the Registrar may require the donation to be surrendered at a specific location.

Questions & Answers

Q1 Are MNCs in Singapore considered permissible donors?

An MNC in Singapore may be considered a permissible donor if the MNC is incorporated in Singapore, has its activities mainly in Singapore and the majority of its directors and members are Singapore citizens. If any of its members is a company, that company must also be incorporated in Singapore, the majority of whose directors and members are Singapore citizens and so on. If in doubt, you are advised to verify with the company since it will have the most current register of members.

Q2 Are trade unions, societies, charities, mutual benefit organisations, businesses and professional firms considered permissible donors?

Sole proprietors, partnerships and professional firms have no separate legal identities from their owners. That is to say, the profits and losses of the business are the profits and losses of the individual owners. If they wish to make donations, they can do so but only as individuals as long as they are Singaporean Citizens who are at least 21 years old.

Trade unions, societies, charities and mutual benefit organisations are set up for specific purposes. These organisations are not permissible donors. In any case, most are prohibited from making political donations under their respective Acts or constitutions.

Q3 If majority of the shareholders of a company are Singaporeans but their nominees are foreigners, is such a company a permissible donor under the Act?

Yes, such a company is a permissible donor under the Political Donations Act.

Q4 Can a political association or candidate accept the donation from a foreigner who has channelled his donation through a permissible source?

Under the Act, a political association or candidate cannot accept a donation that comes from a foreigner, even if it is channelled through a permissible source. Any donation accepted from impermissible sources can be forfeited by the Court. Any person who knowingly facilitates the channelling of impermissible donations by means of concealment may also be charged for an offence.

Q5 How do we determine the market value of a donation in kind?

You can seek professional advice from any qualified valuer as to its market value. In a case of any alleged false declaration, the market value determined by the qualified valuer would be useful evidence in court.

Q6 What happens if you do not submit on time or fail to submit your Donation Report and Declaration Form?

It is an offence under the Act not to submit on time or to fail to submit the Donation Report and Declaration Form. This offence may be compounded. The Registrar of Political Donations may offer a composition sum of up to \$500 for such an offence. However, if convicted, the responsible officers of a political association⁸ or the candidate and his election agents, each can be liable to a fine not exceeding S\$2,000. In the case of a continuing offence, each can be liable to a further fine not exceeding S\$500 for every day or part thereof during which the offence continues after conviction.

Q7 Besides failure to submit Donation Report and Declaration Form, and failure to submit Donation Report and Declaration Form on time, what are the other offences under the Act?

(a) False Declaration

It is an offence to accept any impermissible donation or excessive anonymous donations and to knowingly declare otherwise. Any person convicted for making a false declaration shall be liable to a fine not exceeding S\$5,000 or an imprisonment term not exceeding 6 months, or both. Repeat offenders can be liable to a higher fine not exceeding S\$20,000 or a longer imprisonment term not exceeding 3 years, or both.

If charged with making a false declaration, the onus is on the defendant to prove that he did not know or could not have reasonably known that the donation came from an impermissible source. It is therefore important for political associations and candidates and their election agents to put in place suitable and adequate procedures to monitor accepting donations made to them.

(b) Evasion of restrictions on donations

It is an offence for any person who knowingly participates in an arrangement or withholds or supplies information so as to evade the restrictions on impermissible donations. If convicted, the person can be liable to a fine not exceeding S\$3,000 or an imprisonment term not exceeding 12 months or both.

⁸ The responsible officers of a political association are the President, the Secretary and the Treasurer or persons holding analogous positions.

Q8 If the Act comes into operation, say on 1 Mar 2000 and the political association closes its financial year 2000 on 31 Dec 2000, what is the reporting period for its Donation Report and Declaration Form?

The Act does not apply to donations accepted before the commencement of the Act. The reporting period for its first Donation Report and Declaration Form would be from 1 Mar 2000 to 31 Dec 2000, assuming that the financial year of the political association is from 1 Jan to 31 Dec. The reporting period for its subsequent annual Donation Reports and Declaration Forms would be its every financial year, e.g. 1 Jan xxxx to 31 Dec xxxx. Should the writ of election be issued less than 12 months after the operative date of the Act, the relevant reporting period will start from the operative date of the Act.