

17 Apr 2024

Dear Sir / Madam,

Baby Bonus Approved Institutions

This is to inform all Approved Persons (“AP”) of Baby Bonus Approved Institutions (“AI”) of their roles and responsibilities in accordance with the Child Development Co-Savings Act, the Child Development Co-Savings Regulations and the AP/AI Terms and Conditions (collectively, the “Relevant Legislation and Conditions”) which include but are not limited to the following:

- a. **Withdrawals of funds** from the Child Development Account (“CDA”) for **non-approved expenses** are **strictly not allowed**;
- b. **Proper record keeping of CDA transactions** for a period of 3 years starting on the date on which any payment out of the CDA is made **must be ensured**; and
- c. **Changes in the AP, particulars, organisation or management of AI must be updated** via MSF’s AI Portal **within 7 working days of such change**.

Recent Examples of Withdrawals of CDA Funds for Non-Approved Expenses

2 We have encountered instances of AIs making the following withdrawals of CDA funds in breach of the Relevant Legislation and Conditions, which are **strictly not allowed**.

S/N	Types of withdrawals of CDA funds for non-approved expenses (non-exhaustive)
1	CDA used to pay for optical-related products or allowable products at pharmacies which were not consumed by the CDA member or his/her sibling, e.g., for parents’ spectacles or blood pressure monitors for family members instead. <i>√ The CDA can only be used for the benefit of the CDA member and his/her sibling.</i>
2	Encashment of CDA funds for optical-related products or services when there is no actual purchase. <i>√ The CDA funds cannot be encashed by the AI.</i>
3	CDA used to pay for optical-related products or services for the CDA member or his/her sibling at another outlet. <i>√ Payment must be made at the outlet itself in which the product or service was purchased.</i>

Action to be Taken for Withdrawals of CDA Funds for Non-Approved Expenses

3 We emphasise that CDA moneys are strictly to be withdrawn **only** for approved purposes as stated within the AP/AI Terms and Conditions. If you and/or the AI have been engaging in any of the unauthorised practices stated above, **you must stop such practices immediately and keep the Ministry informed**. You may contact us, if you would like to

ascertain whether an intended CDA withdrawal is allowed under the Relevant Legislation and Conditions.

4 MSF will continue to perform routine checks on CDA transactions and will not hesitate to take actions against an AP/AI, including suspending or revoking the approval granted to the AP, if there is any potential breach of the Relevant Legislation and Conditions.

Proper record-keeping

5 Every AP must ensure that the CDA transaction records and/or supporting documents shall be maintained in a format which can be retrieved for checks/verification, **for a period of 3 years** starting on the date on which any payment out of the CDA or any refund to the CDA is made. You may refer to paragraph 6.10 of the AP/AI Terms and Conditions for the list of information to be maintained.

Changes in the particulars, organisation or management of AIs

6 Every AP must notify MSF of any change in his or the AI's particulars, and changes in AP, through MSF's AI Portal within 7 working days of such change. The newly appointed AP shall accept the AP/AI Terms and Conditions within 7 working days from MSF's approval.

Other Matters

7 Please review the Relevant Legislation and Conditions thoroughly, so as to carry out your responsibilities. You may access the AP/AI Terms and Conditions via the following link: [<https://www.babybonus.msf.gov.sg/ai/Pages/News-And-Events.aspx>], under the News & Events section.

Yours faithfully

Frances Goh (Ms)
Deputy Director
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Ministry of Social and Family Development