

27 October 2021

Dear Sir / Madam,

Circular 01/2021 to Baby Bonus Approved Persons/Approved Institutions on Unauthorised Withdrawals of Moneys from Child Development Account and Child Development Account Refunds

This is a reminder to all Approved Persons (“AP”)/ Approved Institutions (“AI”) of the following provisions under 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”):

- a. Unauthorised withdrawals of moneys from the Child Development Account (“CDA”) are **strictly not allowed**; and
- b. Refunds for payments made out of a CDA must be credited back into the CDA.

Recent Examples of Unauthorised Withdrawals by Preschool AIs

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

S/N	Types of unauthorised withdrawals of CDA moneys (non-exhaustive)
1	School bag, face shield and headgear Note: These items are not classified as “uniforms and attire”, under the approved list of indirect education expenses for payment through the CDA (Appendix 1 of the AP/AI Terms and Conditions). “Uniforms and attire” are distinctive clothings (i.e. carrying the school name, logo, design, or colours) which are required to be worn by the child when attending the school.
2	Stationery supplies and accessories such as pencils, brushes, files and folders Note: These items are not classified as “materials/books”, under the approved list of indirect education expenses for payment through the CDA.
3	Class photo and concert fee
4	Enrichment fee
5	Administrative fee such as late payment charges
6	Accepting payment from the CDA, for services and products which are provided to the CDA member or his/her siblings by an outlet which is not registered as an AP/AI
7	Encashment of CDA funds, for services and products which are not provided to the CDA member or his/her siblings
8	Repayment of loan

Note: A few AP had offered loans to CDA trustees by way of depositing a sum of money into the CDA, which then received the Government's co-matching. The AP subsequently withdrew money from the CDA as repayment of the loans, which is strictly not allowed.
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Action to be Taken for Unauthorised Withdrawals

3 We emphasize that CDA moneys are strictly to be withdrawn **only** for approved purposes as stated within the AP/AI Terms and Conditions.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 audits on CDA transactions and will not hesitate to take actions against an AP/AI if there is any potential breach of the Relevant Legislation and Conditions.

CDA Refunds

5 Refunds for payments made out of a CDA must be credited back into the CDA. Such refunds are **not** eligible for Government co-matching. You are reminded to credit such refunds into the CDA via (i) **Interbank GIRO** using your Corporate Bank Account registered with MSF, or (ii) the Approved Institution Portal, using the 'Refund to CDA' service. Please also include '**refund**' as part of the transaction description to facilitate MSF's review.

Other Matters

6 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>], under the News & Events section. Please email us at MSF_Babybonus@msf.gov.sg should you require any clarification.

7 Please also note that the Baby Bonus hotline number has been changed to 1800-111-2222. Please update your public communications materials on the CDA, as relevant. Thank you.

Yours faithfully

Erene Zheng
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Baby Bonus and Leave Branch
Ministry of Social and Family Development

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