

28 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 AIs

2 We have encountered instances of 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	Administrative fee
2	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
3	Encashment of CDA funds, for services and products which are not provided to the CDA member or his/her siblings
4	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.

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3 We emphasize that CDA moneys are strictly to be withdrawn **only** for approved purposes as stated within the AP/AI Terms and Conditions.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 checks 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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