

14 October 2015



## **MEDIA RELEASE**

### **MSF REVOKES STATUS OF APPROVED PERSON FOR SWEETLANDS CHILDCARE CENTRES**

The Ministry of Social and Family Development (MSF) has served notice to revoke the status of Approved Person (AP)<sup>1</sup> of all the 11 Sweetlands Childcare centres today. We will revoke the AP status of Mdm Chan Chew Shia and Mr Ho Boon Hong on 21 October 2015.

2 On 29 July 2015, the Ministry served notices of intention to revoke the status of AP, Mdm Chan Chew Shia and Mr Ho Boon Hong, of Sweetlands Childcare centres. This was in view of a recent MSF audit which revealed (among other things) that the APs of Sweetlands centres have made unauthorised withdrawals from the Child Development Accounts (CDAs) of several children. We have earlier referred the matter to the Commercial Affairs Department of the Singapore Police Force.

3 The APs were earlier given 28 days<sup>2</sup> to provide satisfactory reasons to the Ministry on why their status of AP should not be revoked. They have since submitted their reasons for the unauthorised withdrawals. MSF had assessed and given due consideration to the reasons provided, and concluded that we have reasonable grounds to suspect that the APs have breached the Child Development Co-Savings Regulations. In view of this, we will proceed to revoke the status of AP.

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<sup>1</sup> An Approved Person is the authorised person of a Baby Bonus Approved Institution (AI) to make deduction from the Child Development Accounts (CDAs) for the payment of fees.

<sup>2</sup> The APs were originally given 14 days to provide the reasons. We had extended another 14 days for them to do so.

4 With the revocation of the status of AP, children enrolled with the centres after 20 October 2015 will not be able to use their CDAs to pay for the child care fees. Sweetlands Childcare centres are required to apply for a suitable person as a new AP. This is to ensure proper governance in the administration of CDA withdrawals before parents of newly enrolled children can start to use CDAs for fees payment. Meanwhile, the Ministry has appointed a temporary AP (a Ministry staff) as of 21 October 2015 to facilitate the CDA withdrawals for the children who are already enrolled in the centre on or before 20 October 2015 so as to minimise disruptions as well as to ensure that the CDA withdrawals are valid. These are put in place to safeguard the children's CDA.

5 The revocation of the status of AP will not affect the child care licenses of the Sweetlands Childcare centres. This means that all centres will continue to operate, as there are no issues in terms of the safety or well-being of the children; and eligible parents can still receive child care subsidies.

### **Background on Case**

The 11 Sweetlands Childcare centres are licensed and run by private operators. 10 of the 11 Sweetlands centres are run by Mdm Chan Chew Shia, the remaining centre is run by Mr Ho Boon Hong, Mdm Chan's husband. Singapore Citizen children attending the centres qualify for government child care subsidies. As the Sweetlands centres are still AIs under the Baby Bonus Scheme, the centres are allowed to deduct monies from the CDAs of children for the payment of child care and related fees.

## **Enquiries**

For enquiries on the Baby Bonus Scheme:

Email: [msf\\_babybonus@msf.gov.sg](mailto:msf_babybonus@msf.gov.sg)

Website: <http://www.babybonus.msf.gov.sg/parent>

For enquiries on the Child Care Subsidy Scheme:

Email: [contact@ecda.gov.sg](mailto:contact@ecda.gov.sg)

Website: <http://www.childcarelink.gov.sg>

### **Annexes:**

Annex A – Information on the CDA

Annex B – Frequently Asked Questions

## Annex A

### **INFORMATION ON THE CHILD DEVELOPMENT ACCOUNT (CDA)**

The CDA is part of the Baby Bonus Scheme, which aims to help families lighten the financial costs of raising children.

2 The CDA encourages parents to save for their children's development and healthcare needs. Government provides dollar-for-dollar matching contribution on the parents' savings up to specified caps. Table 1 shows the matching caps. Parents can use the CDA money to pay for products/services for all their children at Approved Institutions (AIs) listed in Table 2.

**Table 1: CDA Government Co-Matching Caps**

<b>Birth Order of Child</b>	<b>Maximum Matching Government Contribution</b>
1 and 2	Up to \$6,000
3 and 4	Up to \$12,000
5 and above	Up to \$18,000

**Table 2: CDA Payments at Approved Institutions**

- Child Care Centres licensed by Early Childhood Development Agency (ECDA)
- Kindergartens registered with ECDA or Council for Private Education (CPE)
- Special education schools registered with the Ministry of Education (MOE)
- Early Intervention programmes registered with MSF
- Healthcare institutions registered with Ministry of Health (MOH)
- Pharmacies registered with the Health Sciences Authority (HSA)
- Optical shops registered with the Accounting and Corporate Regulatory Authority (ACRA)
- Assistive Technology Device providers registered with SG Enable, MOH or ACRA
- MediShield or Medisave-approved private integrated insurance plans.

## FREQUENTLY ASKED QUESTIONS

### 1. What do I need to do if my child is enrolled in a Sweetlands centre?

Your child can remain in the Sweetlands Childcare centres<sup>3</sup>, as they will continue to operate. You can also continue to pay school fees using CDA monies and enjoy Government child care subsidies, if your child was eligible for these before the APs' status was revoked.

As part of supervision and monitoring of child care centres, ECDA officers will also conduct more regular visits to centres to ensure that quality and care standards are maintained.

### 2. How do I check whether the centre has been deducting the correct amount from my child's CDA?

All centres are required to provide a receipt to parents with details on the full amount of fees charged and the corresponding line items of the subsidies received, discounts applicable, financial assistance (if applicable) and the net fee payable. You can verify the payment against the monthly bank statement to ensure that the correct amount is deducted from the CDA.

### 3. How can I obtain the CDA bank statement?

The Bank will provide you with a monthly bank statement giving details of your CDA transactions, balance and interest earned. You may wish to keep the monthly bank statements for ease of reference (e.g. verify that transactions are valid and amounts are deducted correctly). Alternatively, you may also check the CDA transaction history through internet banking or phone banking, if you had applied for these. If you do not have the bank statement, you may wish to contact the Bank.

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<sup>3</sup>a. Sweetlands Childcare Yishun 458 Pte Ltd  
 b. Sweetlands Childcare Clementi 607 Pte Ltd  
 c. Sweetlands Childcare Farrer Rd 6 Pte Ltd  
 d. Sweetlands Childcare JE 316 Pte Ltd  
 e. Sweetlands Childcare JW 484 Pte Ltd  
 f. Sweetlands Childcare Punggol 612 Pte Ltd  
 g. Sweetlands Childcare Woodlands 608 Pte Ltd  
 h. Sweetlands Childcare Woodlands 643 Pte Ltd  
 i. Sweetlands Childcare Woodlands 886C Pte Ltd  
 j. Sweetlands Childcare Woodlands @ACE the Place Pte Ltd  
 k. Sweetlands Childcare Woodlands 896B Pte Ltd

**4. How would the Ministry help affected parents after the status of AP of the 11 Sweetlands centres is revoked?**

MSF has already appointed a temporary AP (a Ministry staff) to manage CDA withdrawals after the APs' status is revoked. Parents can be assured that the temporary AP is qualified to take on the role.

MSF has put in place some guidelines for the Sweetlands centres to propose new AP(s). We will review the proposed APs carefully, before deciding whether to appoint them.

**5. Can I still enrol my child in one of the Sweetlands centres, after the status of AP is revoked?**

You can still enrol your child in any Sweetlands centre, as long as it remains licensed by the ECDA.

**6. I wish to enrol my child in a Sweetlands Childcare centre. Will I be able to use CDA to pay for the child care fees?**

During the period when the temporary AP is appointed, children who are newly enrolled at any Sweetlands centre will not be able to pay for their fees using CDA monies. This is in view that the APs have breached the Regulations and had their APs status revoked.

The temporary AP is not intended to play the role of a full-fledged AP. He/she is put in place to minimise disruption to children already enrolled at Sweetlands centres, from the point of revocation of AP status to the point when the new AP is appointed. The onus is on Sweetlands to nominate a suitable AP.

When the new AP is approved, you can start to use CDA monies to pay for school fees.

**7. Should the Ministry close Sweetlands centres, given the breaches of Child Development Co-savings Regulations?**

There are no issues with the Sweetlands centres in respect of safety and well-being of the children. Hence, the centres can continue to operate.

The Child Care Centres Act and Regulations empowers ECDA to revoke or suspend the centre's licence if the centre director's character and fitness is in question. ECDA

will be taking such actions if any of the centre's directors is convicted of an offence that makes the centre's directors unfit to operate a child care centre.

**8. How does the Ministry ensure that the CDA withdrawals and child care subsidies claims are made properly by the temporary AP and new APs to be appointed?**

The Ministry staff whom we are appointing as the temporary AP is qualified and able to manage the CDA withdrawals and child care subsidies claims.

We will also review the AP application submitted by Sweetlands centres carefully to ensure that he/ she is qualified to take on the role. The Ministry and ECDA will continue to monitor CDA withdrawals and child care subsidies claims made by Sweetlands centres closely after the AP appointment, until such time when we can be assured that the CDA withdrawals and child care subsidies claims are properly made.

**9. If I want to withdraw my child from Sweetlands centres, how can ECDA help?**

The revocation of Sweetlands' APs' status is due to the unauthorised withdrawals made from the children's CDAs. There are no issues with the centres in respect of safety and well-being of the children, who can continue to stay in the centre. You can still continue to pay fees using CDAs in the Sweetlands centres.

However, if you would like to withdraw your child from the centre, you may access the Child Care Link website and use the Registration Management System to search for available vacancies and register their interest in centres near their residence. The website address is as follows:

[https://www.childcarelink.gov.sg/ccls/home/CCLS\\_HomeParentsWLReg.jsp](https://www.childcarelink.gov.sg/ccls/home/CCLS_HomeParentsWLReg.jsp)

**10. What are the current safeguards against such unauthorised withdrawals?**

The Ministry conducts checks on Approved Institutions (AIs) to ensure that CDA monies withdrawn are authorised by parents and for approved uses. We also monitor CDA withdrawals and verify irregularities in withdrawals made by the AIs. Parents can also check their monthly CDA bank statement to verify CDA withdrawals. If they detect any irregularity in the CDA withdrawals, they can seek clarification with the AI concerned or raise the matter to MSF. We will look into their feedback.

**11. Would there be other cases of unauthorised CDA withdrawals at other AIs?**

From the checks conducted on AIs, we have not found any unauthorised CDA withdrawals other than those of the Sweetlands Childcare centres. MSF will investigate accordingly if there is feedback on the irregularities of CDA usage.

**12. Will MSF be checking to see whether such abuse have also taken place in other childcare centres?**

There are checks conducted on AIs and measures such as checking directly with parents to ensure proper administration of CDA and child care subsidies.

**13. What is the punishment for AIs who have breached the Regulations?**

Any person convicted of the breach of Child Development Co-savings Regulations may face a fine not exceeding \$20,000.