

18 May 2022

Dear Sir/Madam

**Circular 01/2022 to Baby Bonus Approved Person/Approved Institution on Key Amendments to Approved Person/Approved Institution Terms and Conditions**

This circular updates all Approved Persons (“AP”)/ Approved Institutions (“AI”) about the key amendments to AP/AI Terms and Conditions (“AP/AI T&Cs”), in accordance with the amended Child Development Co-Savings Act and the Child Development Co-Savings Regulations.

**Key amendments to the AP/AI T&Cs**

2 The key amendments to the AP/AI T&Cs, which took effect from 17 Feb 2022, are summarised in the table below.

Para no.	Amended provisions in the AP/AI T&Cs	Details
7.3	Unauthorised withdrawals from CDA	<p>Where an Approved Person utilises any moneys from the member’s CDA for unauthorised purposes, MSF may –</p> <p>(a) require the Approved Person to refund the amount so utilised to the member’s CDA, or if there is no longer a CDA, to such other account for the member’s benefit as the Director may determine; and</p> <p>(b) where the Approved Person had deposited moneys into the member’s CDA for the purposes of facilitating such utilisation for unauthorised purposes, recover as a civil debt from the Approved Person any Government co-matching contributions made relating to such deposited moneys.</p>
9.1	Suspension of approval as Approved Person	<p>The Minister may suspend the approval granted to any Approved Person for a period not exceeding 6 months if the Minister has reasonable grounds to suspect that –</p> <p>(a) the Approved Person has made any false or misleading statement or provided such document which he knows to be false or misleading in the application for approval as Approved Person;</p> <p>(b) the Approved Person has breached any of the provisions of the Regulations or any of these terms and conditions; or</p> <p>(c) the Approved Person is being investigated for, or charged with, an offence of criminal misappropriation, criminal breach of trust, cheating, theft or extortion or any other offence involving fraud or dishonesty (whether in Singapore or elsewhere).</p> <p>The Minister may appoint another person as an Approved Person in respect of that Approved Institution during the period of suspension, subject to any terms and conditions that the Minister may impose.</p>

11	Requirement for Approved Person to appoint auditor	<p>11.1 The Director may, by written notice to an Approved Person, require the Approved Person to appoint an auditor to conduct an audit of the Approved Person's compliance with the Act, Regulations, and the Approved Person/Approved Institution Terms and Conditions of appointment or approval applicable to that person.</p> <p>11.2 The written notice under paragraph 11.1 may provide for –</p> <p>(a) the requirements for the audit (including any documents and information to be made available for the audit);</p> <p>(b) the time by which the audit must be completed; and</p> <p>(c) the requirement for the findings of the audit to be provided to the Director by a time specified in that notice.</p>
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3 In accordance with paragraph 14.2 of the AP/AI T&Cs, every AP is bound by any amendment which may be made to the AP/AI T&Cs from time to time. Please review the full AP/AI T&Cs via the following link: <https://www.babybonus.msf.gov.sg/AI>], under the News & Events section.

#### **Other Matters**

4 We would also like to highlight the following matters for compliance by all AP/AI:

- a) CDA moneys are strictly to be withdrawn **only** for approved purposes as stated within the AP/AI T&Cs. If you and/or the AI have been utilising any moneys in the CDA for unauthorised purposes, **you must stop the practices immediately and keep the MSF informed**. You may contact us, if you would like to ascertain whether an intended CDA withdrawal is allowed under the Relevant Legislation and Conditions.
- b) 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 the word '**refund**' as part of the transaction details to facilitate MSF's review.

5 All AP/AI are reminded to review the Relevant Legislation and Conditions thoroughly, so as to carry out your responsibilities. 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. Please email us at [MSF\\_Babybonus@msf.gov.sg](mailto:MSF_Babybonus@msf.gov.sg) should you require any clarification.

Yours faithfully

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