

MSF 132 – 007 – 103D-1

28 Jun 2013

To: All Approved Persons  
of Baby Bonus Approved Institutions

Dear Sir/Madam

### **CHILD DEVELOPMENT ACCOUNT REFUNDS VIA CHEQUE**

This is to inform you that with effect from 1 Oct 2013, Approved Institutions (AI) making refunds to the Child Development Account (CDA) will have to do so via interbank GIRO. The use of cheques for such refunds will not be allowed.

2. Currently, refunds for payments made out from a CDA must be credited directly into the CDA. The refunds can be made via interbank GIRO or cheque within one month from the date agreed by both the Trustee and the Approved Institution (AI). In addition, the AI must complete the Form BBAI7 and keep the Ministry of Social and Family Development (MSF) informed of the refund.
3. The cheque refund process is time-consuming and tedious for both the AI and the ministry. The AI will have to issue the cheque to the trustee of the CDA and arrange to bank it into the respective CDA. For MSF, effort is required to manually sieve out such transactions to prevent co-matching of these deposits by the Government<sup>1</sup>.
4. For operational efficiency, we would require AIs to use interbank GIRO for CDA refunds. Such refunds must be made from the corporate bank account that is registered on our records. Consequently, the AIs do not need to complete Form BBAI7 or/and to keep MSF informed of such refunds.
5. Please log on to [www.babybonus.gov.sg](http://www.babybonus.gov.sg) for the amended Terms and Conditions and Frequently Asked Questions on or after 1 Oct 2013. You may also contact the Baby Bonus hotline at 1800-253 7707 if you have queries on the change to the refund process.

Yours faithfully

LINDA TAY (MS)  
ASSISTANT DIRECTOR (OPERATIONS & PARTNERSHIP)  
BABY BONUS BRANCH  
for PERMANENT SECRETARY  
MINISTRY OF SOCIAL AND FAMILY DEVELOPMENT

<sup>1</sup> The Government will co-match parents' contributions to their children's CDAs dollar-for-dollar subject to a cap depending on the birth order of the child. As refunds to the CDAs are not contributions per se, these will not be eligible for Government co-matching.