

MSF 132-007-103D-2

11 February 2020

All Approved Persons
of Baby Bonus Approved Healthcare Institutions

Dear Sir/Madam,

REMINDER ON UNAUTHORISED WITHDRAWALS OF MONEYS FROM CHILD DEVELOPMENT ACCOUNT (FOR HEALTHCARE APPROVED INSTITUTIONS)

This is a reminder that unauthorised withdrawals of moneys from the Child Development Account (“CDA”) are **not** permitted under the Child Development Co-Savings Act, the Child Development Co-Savings Regulations and the Approved Person/Approved Institution (“AP/AI”) Terms and Conditions (collectively, the “Relevant Legislation and Conditions”).

2 APs are **not** permitted to accept any payment out of or collude with a trustee of a CDA to make withdrawals from the CDA for any purpose other than to pay for approved expenses that are for the benefit of the CDA member or the member’s sibling(s).

Examples of Unauthorised Withdrawals by APs

3 We have encountered instances of APs of some AIs making unauthorised withdrawals of CDA moneys in breach of the Relevant Legislation and Conditions, as follows.

i. Payment of medical services for beneficiaries who are not a CDA member or a CDA member’s sibling(s)

4 CDA moneys **cannot** be used to pay for beneficiaries who are not a CDA member or a member’s sibling(s).

5 If a CDA NETS transaction is incurred for the CDA member’s sibling and is above \$500, the AP/AI must verify and record the relationship between the member and the member’s sibling.

ii. Payment of Administrative Fees

6 CDA moneys **cannot** be used to pay for any administrative fees which may be incurred from the collection of the authorised expense, as we have highlighted in our earlier circular of July 2018. These include, but are not limited to:

- a. Charges for dispensing medicine without consultation with the medical practitioner;
- b. Penalty charges and bank charges for failed direct debits from the CDA.

iii. Payment of Miscellaneous Fees

7 CDA moneys **cannot** be used for miscellaneous fees. These include, but are not limited to:

- a. Clinic Membership Fee;
- b. Health Books or Resource Materials.

Action to be Taken for Unauthorised Withdrawals

8 We emphasise that the CDA moneys are strictly to be withdrawn **only** for the purposes listed in paragraph 6.1(b) of Approved Persons/Institutions Terms and Conditions, for AIs which are healthcare-related institutions. If the AI have been engaging in any of the unauthorised withdrawals stated above, **you must stop such practices immediately and inform MSF**. You may contact us if you would like to ascertain whether an intended CDA withdrawal is allowed.

9 **MSF takes a serious view** of any breach of the Relevant Legislation and Conditions and we wish to remind all APs and the AIs to review and abide by them. MSF will continue to perform routine audits on CDA transactions and may take actions against you and/or the AI should we discover any potential breach.

10 You may access the **updated** AP/AI Terms and Conditions via the following link: [<http://www.babybonus.msf.gov.sg/AI>], under Useful Links. Please email us at MSF_Babybonus@msf.gov.sg should you require any clarification.

Yours faithfully

(Ms) Erene Zheng
Senior Assistant Director
Baby Bonus Operational Policy and Planning
Ministry of Social and Family Development