

Permissible Donors

A permissible donor is

- (1) any individual who is a citizen of Singapore and is not less than 21 years of age;
- (2) a Singapore-controlled company¹ which carries on business wholly or mainly in Singapore; or
- (3) in relation to a candidate, any political party he is standing for at an election.

Donations other than those from permissible donors are considered impermissible donations.

E.g.

These persons are not permissible donors:

- (i) *Permanent Residents;*
- (ii) *Singapore citizens who are below 21 years of age; and*
- (iii) *Unincorporated associations which include businesses, societies, trade unions, mutual benefit organisations, professional firms, charities, co-operatives, corporation soles and incorporated trusts.*

¹ “Singapore-controlled company” means a company incorporated in Singapore, the majority of whose directors and members are citizens of Singapore, or in the case of any member being another company, that other company must be incorporated in Singapore with the majority of its directors and members who are Singapore Citizens, and where that other company has a member who is a company and so on, each of those member companies must be companies incorporated in Singapore and the majority of whose directors and members are citizens of Singapore.

Anonymous Donations

A donation is considered anonymous under the Act only if the recipient is unable to ascertain the identity of the person giving the donation e.g \$20 in cash received anonymously by mail. Donations from donors who request recipients not to reveal their identities are not considered anonymous.

The total amount of anonymous donations a political association or a candidate and his election agent or (as the case may be) principal election agent is allowed to accept must be less than S\$5,000 within the following respective periods:

- (1) In the case of a political association, within any financial year of the political association.

E.g.

A political association may accept anonymous donations of aggregate value up to S\$4,999.99 in each of its financial year.

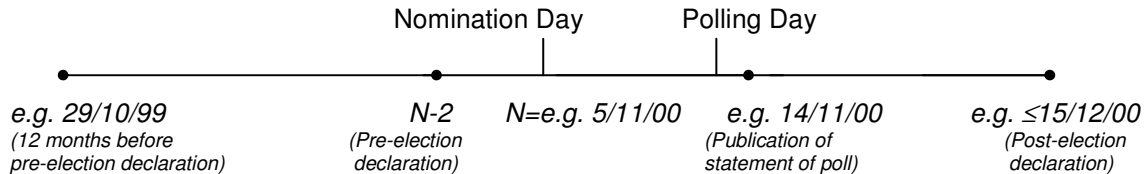
E.g.

If a political association receives a single anonymous donation of S\$5,000 or more in the form of a cheque, the political association cannot accept the donation. The political association should return the cheque to the bank within 30 days of receipt of the donation.

- (2) In the case of a candidate and his election agent or (as the case may be) principal election agent, within the period beginning on the date 12 months before the pre-election declaration (which is filed just before Nomination Day) and ending on the date of the post-election declaration (which must be filed after Polling Day).

E.g.

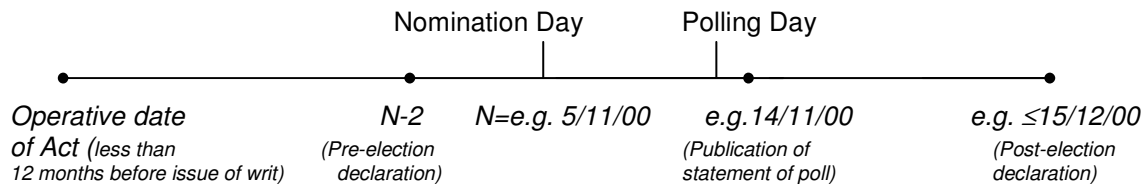
N=Nomination Day



For example, in the above scenario, the reporting period is from 29 Oct 1999 to 15 Dec 2000, which means that a candidate and his election agent or (as the case may be) his principal election agent may not accept anonymous donations of aggregate value \$5000 and above, during the reporting period.

E.g.

N=Nomination Day



The Act does not apply to donations accepted before the commencement of the Act. A different reporting period applies if a writ of election is issued within 12 months after the Political Donations Act 2000 comes into force. The reporting period for the pre-election Declaration begins on the operative date of the Act, instead of 12 months before the date of the Declaration.

A political association or a candidate and his election agent or (as the case may be) principal election agent must not accept anonymous donations if this will exceed the limit. Each anonymous donation is to be treated as a whole and is not to be segmented into a few smaller donations.

E.g.

If you have already accepted a total anonymous donation of S\$4,000 and subsequently receive an anonymous donation of S\$3,000, you cannot keep part of the S\$3,000 to make up your total anonymous donation to S\$4,999.99. You must within 30 days of receiving the donation, return the entire amount of S\$3,000 to the person who transmitted it (other than the donor) or the financial institution or as a last resort, surrender the \$3,000, to the Registrar of Political Donations.

Meaning of Donations

Donations include goods and services, money², property, subscription fees, affiliation fees or property and loan facilities provided on less than commercial terms.

E.g.

If a person buys a ticket to a fundraising event by a political association, the price paid is a donation.

E.g.

The printing service of a printing company offered free of charge to a political association is considered as a donation from the company to the political association. The political association should ensure that the company is a permissible donor before accepting the service. It should keep record of the donation and reflect the donation in its subsequent Donation Report to the Registrar of Political Donations if the value of the donation is S\$10,000 or more.

Not all donations to a candidate or an aspiring candidate are regulated. Only donations made for the purposes of promoting the person's election at a presidential election or parliamentary election will be governed by the Act.

The following categories are not considered as donations under the Act:

- (1) airtime during lawful political broadcast.
- (2) postage-free election communications authorised by written law.
- (3) voluntary manpower and services provided by individuals.
- (4) interest accruing on deposits of donations, which are pending attempts to return to the donor or any other person acting on his behalf.

E.g.

If an individual offers his professional service e.g. free accounting service, to a political association, his service can be considered voluntary and not a donation to the political association. There is no need for the political association to report to the Registrar of Political Donations the service rendered by the individual.

However, if the accountant gets his employees to provide the service to the political association, the service rendered by his employees to the political association is considered a donation from the accountant to the political association. The value of the donation is the cost that the political association would otherwise have to pay to get the same service on a commercial basis.

²Including funds raised during fund-raising events and activities such as sale of articles like calendars and note-pads, variety shows, dinners, golf tournaments and lucky draws.

If the individual is self-employed or takes leave from his employer to provide his service to the political association, as long as he volunteers his services in his own time, it would not be regarded as a donation.

Value of donations

The value of any donation that is provided or given at no cost is the market value of the donation in question.

The value of any donation in kind is –

- (a) the price paid for the donation; or
- (b) the difference between the price paid and the market value of the donation, if the price paid is lower than market value.

The lowest price charged for an equivalent amount of goods or services at the time the donation is received by the recipient is the market value of the goods or services in question.

E.g.

If a printer provides campaign banners at no charge, the market value would be what the printer would normally charge, including GST, for those signs.

The price paid or market value of goods and services includes GST where applicable.

The benefit derived from a loan given on preferential interest rates is a donation. The value of that benefit is the difference between the interest calculated based on the commercial interest rate and the interest calculated based on the preferential interest rate on the loan.

Reporting of Donations

The following groups of people are required to submit a Donation Report and a Declaration Form to the Registrar of Political Donations:

- (1) political parties;
- (2) organisations *Gazetted* as political associations under the Act;
- (3) candidates of any presidential or parliamentary elections and their election agents; and
- (4) donors who have made multiple small donations with an aggregate value of S\$10,000 or more to a political association in a calendar year.

The timely submission of the Donation Report and Declaration Form is mandatory.

Failure to comply with the submission requirements and making a false declaration are offences under the Act.