

Questions & Answers**Q1 Are MNCs in Singapore considered permissible donors?**

An MNC in Singapore may be considered a permissible donor if the MNC is incorporated in Singapore, has its activities mainly in Singapore and the majority of its directors and members are Singapore citizens. If any of its members is a company, that company must also be incorporated in Singapore, the majority of whose directors and members are Singapore citizens and so on. If in doubt, you are advised to verify with the company since it will have the most current register of members.

Q2 Are trade unions, societies, charities, mutual benefit organisations, businesses and professional firms considered permissible donors?

Sole proprietors, partnerships and professional firms have no separate legal identities from their owners. That is to say, the profits and losses of the business are the profits and losses of the individual owners. If they wish to make donations, they can do so but only as individuals as long as they are Singaporean Citizens who are at least 21 years old.

Trade unions, societies, charities and mutual benefit organisations are set up for specific purposes. These organisations are not permissible donors. In any case, most are prohibited from making political donations under their respective Acts or constitutions.

Q3 If majority of the shareholders of a company are Singaporeans but their nominees are foreigners, is such a company a permissible donor under the Act?

Yes, such a company is a permissible donor under the Political Donations Act.

Q4 Can a political association or candidate accept the donation from a foreigner who has channelled his donation through a permissible source?

Under the Act, a political association or candidate cannot accept a donation that comes from a foreigner, even if it is channelled through a permissible source. Any donation accepted from impermissible sources can be forfeited by the Court. Any person who knowingly facilitates the channelling of impermissible donations by means of concealment may also be charged for an offence.

Q5 How do we determine the market value of a donation in kind?

You can seek professional advice from any qualified valuer as to its market value. In a case of any alleged false declaration, the market value determined by the qualified valuer would be useful evidence in court.

Q6 What happens if you do not submit on time or fail to submit your Donation Report and Declaration Form?

It is an offence under the Act not to submit on time or to fail to submit the Donation Report and Declaration Form. This offence may be compounded. The Registrar of Political Donations may offer a composition sum of up to \$500 for such an offence. However, if convicted, the responsible officers of a political association¹ or the candidate and his election agents, each can be liable to a fine not exceeding S\$2,000. In the case of a continuing offence, each can be liable to a further fine not exceeding S\$500 for every day or part thereof during which the offence continues after conviction.

Q7 Besides failure to submit Donation Report and Declaration Form, and failure to submit Donation Report and Declaration Form on time, what are the other offences under the Act?**(a) False Declaration**

It is an offence to accept any impermissible donation or excessive anonymous donations and to knowingly declare otherwise. Any person convicted for making a false declaration shall be liable to a fine not exceeding S\$5,000 or an imprisonment term not exceeding 6 months, or both. Repeat offenders can be liable to a higher fine not exceeding S\$20,000 or a longer imprisonment term not exceeding 3 years, or both.

If charged with making a false declaration, the onus is on the defendant to prove that he did not know or could not have reasonably known that the donation came from an impermissible source. It is therefore important for political associations and candidates and their election agents to put in place suitable and adequate procedures to monitor accepting donations made to them.

(b) Evasion of restrictions on donations

It is an offence for any person who knowingly participates in an arrangement or withholds or supplies information so as to evade the restrictions on impermissible donations. If convicted, the person can be liable to a fine not exceeding S\$3,000 or an imprisonment term not exceeding 12 months or both.

¹ The responsible officers of a political association are the President, the Secretary and the Treasurer or persons holding analogous positions.

Q8 Where can the forms for the Donation Report (i.e. Forms 1, 3, 6 & 9), Declaration (Forms 2, 4, 7, 8 & 10) and Surrendering of Donations (Form 11) be obtained?

All the forms are obtainable from the Registry of Political Donations at the following address:

Elections Department
11 Prinsep Link
Singapore 187949

Q9 If the Act comes into operation, say on 1 Mar 2000 and the political association closes its financial year 2000 on 31 Dec 2000, what is the reporting period for its Donation Report and Declaration Form?

The Act does not apply to donations accepted before the commencement of the Act. The reporting period for its first Donation Report and Declaration Form would be from 1 Mar 2000 to 31 Dec 2000, assuming that the financial year of the political association is from 1 Jan to 31 Dec. The reporting period for its subsequent annual Donation Reports and Declaration Forms would be its every financial year, e.g. 1 Jan xxxx to 31 Dec xxxx. Should the writ of election be issued less than 12 months after the operative date of the Act, the relevant reporting period will start from the operative date of the Act.