

## **Guidance Note on Rule 6(vii) (Charity and Small Business)**

The definition of a 'Charity' and 'Small Business' can be found under Rule 2 of the Terms of Reference.

### **Charities**

1. For Charities, the organisation must be at the time of claim filing registered under the Charities Act and cannot be a 'large charity' under the Charities (Large Charities) Regulations. A "large charity" means a charity with gross annual receipts in each financial year of not less than \$10 million in the 2 financial years immediately preceding the current financial year of the charity where "gross annual receipts" shall include all income, grants, donations, sponsorships and all other receipts of any kind.
2. During registration, Charities should submit proof of their registration under the Charities Act and evidence of gross annual receipts in the 2 financial years immediately preceding the current financial year of the charity.

### **Small Businesses**

3. For Small Businesses, the organisation must be a business entity registered and operating in Singapore. The registration should be with the Accounting and Corporate Regulatory Authority ("ACRA") or other Singapore regulatory licensing authorities. The organisation must have a group annual sales turnover of SGD1 million or less in each financial year of the 2 financial years immediately preceding the current financial year of the business entity ("Turnover requirement").
4. A 'business entity' can include companies, partnerships, limited partnerships, limited liability partnerships, private companies limited by shares, exempt private companies, public companies limited by shares, and public companies limited by guarantee, subject to the Turnover requirement.
5. When assessing whether a Small Business is part of a corporate group, we will adopt the definition that a 'corporate group' is made up of the Small Business, any holding companies owning > 50% of the applicant, and any subsidiaries that the Small Business owns > 50% of.
6. During registration, Small Businesses should submit proof of their registration with ACRA or other Singapore regulatory licensing authorities along with proof of annual sales turnover. For proof of annual sales turnover, we will consider the business entity's financial statements (audited statements/management accounts including a profit and loss and balance sheet, both signed off by an authorised person, with his/her name and designation clearly stated on the documents) and ACRA Bizfile. Where the entity belongs to a group, we will also require the ultimate group financial statements, ACRA Bizfile of the holding companies and/or subsidiaries, and corporate group structure.