

**CHILDREN DEVELOPMENT  
CO-SAVINGS ACT  
(CHAPTER 38A)**

**CHILDREN DEVELOPMENT CO-SAVINGS  
REGULATIONS**

**Rg 2**

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**CHILDREN DEVELOPMENT CO-SAVINGS ACT  
(CHAPTER 38A, SECTIONS 3 AND 7)**

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REGULATIONS**

**ARRANGEMENT OF REGULATIONS**

**Regulation**

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[26th April 2001]

**Citation**

**1.** These Regulations may be cited as the Children Development Co-Savings Regulations.

**Definitions**

- 2.** In these Regulations, unless the context otherwise requires —
- “child care centre” means any premises at which 5 or more children who are below the age of 7 years are habitually received for the purposes of care and supervision during part of the day or for longer periods;

“Director” means the Director of Family Services of the Ministry of Community Development and Sports;

“managing agent” means a person appointed by the Minister as a managing agent under regulation 4;

“member” means a member of the Scheme;

“Scheme” means the Children Development Co-Savings Scheme established under regulation 3;

“service agreement” means the agreement entered into between the Government and the managing agent in relation to the operation and administration of the Scheme;

“sibling” means the natural sibling, step-sibling or adopted sibling of a member;

“special education school” means a school which provides special education to pupils with mental or physical disabilities.

### **Establishment of Scheme**

**3.** For the purposes of Part II of the Act, there shall be established a scheme to be called the Children Development Co-Savings Scheme.

### **Managing agent**

**4.—(1)** The Minister may appoint a managing agent to operate and administer the Scheme for and on behalf of the Minister on such terms and conditions as may be specified in the service agreement.

(2) The managing agent shall have such powers and perform such duties as may be imposed by these Regulations or as may be specified in the service agreement.

(3) The managing agent shall, on the instruction of the Director, open and maintain for every member of the Scheme a bank account (referred to in these Regulations as the Children Development Account) —

(a) into which shall be credited —

(i) the co-investment sum contributed by the parent of the member or any person on behalf of the parent under regulation 6 (1);

- (ii) the co-payment sum contributed by the Government under regulation 6 (2); and
  - (iii) interest to be paid by the managing agent on the amount standing to the credit of the member's Children Development Account at such rate per annum and at such intervals as the managing agent may determine; and
- (b) out of which shall be met all withdrawals authorised under regulation 9.
- (4) The managing agent may, with the approval of the Minister and by instrument in writing, delegate all or any of its powers and duties referred to in paragraph (2) to any person.
- (5) Any power conferred on or duty imposed on the managing agent or delegated by the managing agent to another person shall be subject to the authority and directions of the Minister.

### **Membership of Scheme**

#### **5.—(1) Every child —**

- (a) who is a citizen of Singapore at the time of his birth or who attains such citizenship within 6 years of his birth;
- (b) who is born alive on or after 1st April 2001;
- (c) who is the second or third child born alive to his mother; and
- (d) whose mother —
  - (i) is lawfully married to his natural father at the time of his birth; or
  - (ii) becomes lawfully married to his natural father after he is conceived but before his birth, whether or not such marriage remains subsisting at the time of his birth,

shall be eligible to become a member of the Scheme.

#### **(2) The Director shall, by notice in writing —**

- (a) inform the parent of every eligible child of the child's eligibility for membership of the Scheme; and
- (b) invite the parent to participate in the Scheme by applying for the child to become a member of the Scheme.

(3) The parent of every eligible child who wishes to participate in the Scheme shall, within one month from the date of receipt of the notice referred to in paragraph (2) —

- (a) make an application for the child to become a member of the Scheme in such form as the Director may provide;
- (b) nominate a trustee of the Children Development Account to be opened for the eligible child; and
- (c) together with the trustee (if the trustee is not a parent of the eligible child), undertake to comply with such terms and conditions as the Director may impose with respect to the membership of the Scheme.

(4) By virtue of this regulation every eligible child whose parent complies with paragraph (3) shall become, a member of the Scheme.

(5) All contributions paid by the Government under regulation 6 (2) and all withdrawals authorised under regulation 9 shall be subject to these Regulations and the terms and conditions referred to in paragraph (3) (c).

(6) The Director may, by notice in writing, amend any of the terms and conditions referred to in paragraph (3) (c).

(7) If any parent of a member or the trustee of the member's Children Development Account breaches or fails to comply with any provision of these Regulations or any of the terms and conditions of membership referred to in paragraph (3) (c), the Director may, without prejudice to any penalty prescribed under the Act or any other remedy the Government may have in respect of such breach or non-compliance, do all or any of the following:

- (a) suspend or terminate the Children Development Account of the member;
- (b) cease all further contributions payable to the member under regulation 6 (2);
- (c) revoke the member's membership of the Scheme.

### **Contributions payable to members**

**6.—**(1) Any parent of a member, or any person on behalf of the parent, may, at any time after a Children Development Account is opened for the member, deposit one or more co-investment sums into the Account.

(2) Subject to paragraph (3), the Government shall contribute in respect of each member, a co-payment sum equivalent to the co-investment sum contributed by the parent of the member or any person on behalf of the parent under paragraph (1).

(3) The co-payment contribution by the Government under paragraph (2) —

(a) shall be payable —

(i) for the first year of the member's birth, or in the case of a member who attains citizenship after the first year of his birth, for the year in which he attains citizenship; and

(ii) for each subsequent year until the member attains the age of 6 years;

(b) shall be of an amount equal to the co-investment sum deposited into the member's Children Development Account by his parent or any person on behalf of the parent during the periods referred to in the second column of the Schedule;

(c) shall be subject to a maximum of —

(i) \$1,000 per year in the case of a member who is a second child; and

(ii) \$2,000 per year in the case of a member who is a third child; and

(d) shall be paid into the member's Children Development Account within the periods referred to in the third column of the Schedule.

### **Death of member**

**7.** Notwithstanding regulation 6, if a member dies at any time before attaining the age of 6 years, the Government shall cease all further co-payment contributions to which the deceased member would otherwise have been entitled under regulation 6 (2).

### **Change Transfer of custody, care and control, etc.**

**8.—(1)** Where —

(a) the custody, care and control or care and control of the member is granted under an order of court or by agreement

between the parents of the member to a parent or person other than the person who is the trustee of the Children Development Account; or

- (b) the member is legally adopted by any person other than the trustee of the Children Development Account,

the trustee shall, if he has knowledge of the occurrence of such event, notify the Director of such event —

- (i) within one month from the date on which the custody order or adoption order is made;
- (ii) within one month from the date on which an agreement is reached between the parents as to the person who will be granted custody, care and control or care and control of the member; or
- (iii) where he acquires knowledge of such event after the expiry of the period referred to in sub-paragraph (i) or (ii), within one week from the date he acquires such knowledge.

(2) Any trustee of a Children Development Account who, without reasonable excuse, fails to comply with paragraph (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$2,000.

### **Withdrawals from Children Development Account**

**9.—**(1) Any moneys standing to the credit of a member in the Children Development Account may be withdrawn by the trustee of that Account at any time to defray the whole or part of the expenses incurred by the member or his sibling in respect of any educational or developmental courses provided to the member or his sibling by an approved institution referred to in regulation 11 (5).

(2) All withdrawals made from the Children Development Account by the trustee under paragraph (1) shall —

- (a) be made by inter-bank GIRO, unless the Director otherwise permits; and
- (b) if required by the Director, be supported by such evidence as the Director may specify.

(3) Where the trustee of a member's Children Development Account wishes to withdraw the moneys standing to the credit of the

member in the Account for a purpose other than that specified in paragraph (1) or for any other reason, he shall seek the approval of the Director for withdrawal of the moneys from the Account.

(4) The Director may, before approving the withdrawal referred to in paragraph (3), require the trustee to provide such information or documents as he considers necessary to support the trustee's request for the withdrawal.

(5) The Director may approve the withdrawal of the whole or such part of the moneys standing to the credit of a member's Children Development Account for a purpose other than that specified in paragraph (1) or for any other reason if he is satisfied that the circumstances of the case warrants such withdrawal.

(6) A withdrawal approved by the Director under paragraph (5) shall be effected by such means and in such manner as the Director may determine.

(7) Any trustee who, without the approval of the Director under paragraph (5), makes a withdrawal from the Children Development Account for any purpose other than that specified in paragraph (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$20,000.

### **Transfer of moneys to Edusave account**

**10.**—(1) Subject to paragraphs (2), (3) and (4), the Children Development Account of a member shall be closed and any moneys standing to the credit of the member in the Account shall be transferred to his Edusave account —

- (a) where the member is born on 1st January in the year 2002 or any subsequent year, in the year he attains the age of 6 years if —
  - (i) he has an Edusave account in that year; and
  - (ii) all the co-payment contributions to which he is entitled under regulation 6 (2) have been credited into his Children Development Account by that year; and
- (b) where the member is born on any other date, in the year he attains the age of 7 years if —
  - (i) he has an Edusave account in that year; and



- (ii) all co-payment contributions to which he is entitled under regulation 6 (2) have been credited into his Children Development Account by that year.

(2) If —

- (a) the member referred to in paragraph (1) (a) does not have an Edusave account by the year he attains the age of 6 years; or
- (b) all the co-payment contributions to which he is entitled under regulation 6 (2) have not been credited into his Children Development Account by that year,

his Account shall remain open until the year he attains the age of 7 years.

(3) If —

- (a) the member referred to in paragraph (1) (a) or (b) does not have an Edusave account by the year he attains the age of 7 years; or
- (b) all the co-payment contributions to which he is entitled under regulation 6 (2) have not been credited into his Children Development Account by that year,

his Account shall remain open until the year he attains the age of 8 years.

(4) If the member referred to in paragraph (1) (a) or (b) does not have an Edusave Account by the year he attains the age of 8 years, his Children Development Account shall nonetheless be closed in that year and any moneys standing to the credit of the member in his Account shall be transferred to a bank account nominated by the trustee.

(5) Any moneys transferred to the bank account nominated by the trustee shall be used for the benefit of the member or his sibling.

### **Approved persons**

**11.—**(1) Any person who —

(a) operates —

- (i) a child care centre which is licensed under section 4 of the Child Care Centres Act (Cap. 37A); or

(ii) a kindergarten or special education school which is registered under section 23 of the Education Act (Cap. 87); and

(b) wishes to offer educational or developmental courses provided by such child care centre, kindergarten or special education school to a member or his sibling,

may apply to the Minister for approval as an approved person in respect of that child care centre, kindergarten or special education school for the purposes of the Scheme.

(2) An application by the person referred to in paragraph (1) shall be made by —

- (a) where the person is an individual, that individual;
- (b) where the person is a partnership —
  - (i) all the partners;
  - (ii) any partner applying on behalf of the partnership; or
  - (iii) any other person who satisfies the Minister that he is authorised to make the application on behalf of the partnership;
- (c) where the person is a body corporate, a director, the secretary or other principal officer of the body corporate, or any other person who satisfies the Minister that he is authorised to make the application on behalf of the body corporate; or
- (d) where the person is an unincorporated body or association of persons, any person who satisfies the Minister that he is authorised to make the application on behalf of the unincorporated body or association of persons.

(3) Every application under paragraph (1) shall be made in such form as the Minister may provide and shall be accompanied by —

- (a) particulars of the bank account into which payment out of a member's Children Development Account for any educational or developmental courses provided to a member or his sibling is to be credited in such form as the Minister may provide; and
- (b) such other information or documents as may be required by the Minister.

(4) The Minister may, on the application made by a person under paragraph (1) —

- (a) refuse to approve the person as an approved person; or
- (b) approve the person as an approved person, subject to such terms and conditions as the Minister may impose.

(5) A child care centre, kindergarten or special education school in respect of which approval has been granted to a person under paragraph (4) (b) shall be known as an approved institution.

(6) The Minister shall, on approval of a person as an approved person, issue —

- (a) a letter of approval to the approved person; and
- (b) a label identifying the child care centre, kindergarten or special education school in respect of which approval has been granted to the approved person as an approved institution.

(7) An approved person shall —

- (a) display the letter of approval and the label referred to in paragraph (6) in a conspicuous place at the approved institution;
- (b) verify that —
  - (i) the person making withdrawals from a member's Children Development Account for the payment of educational or developmental courses provided by the approved institution is the trustee of the Account; and
  - (ii) the child in respect of whom payment is made is the member or the member's sibling;
- (c) where he is liable to make any refund of payment which has been made out of a member's Children Development Account for any educational or developmental courses which have not been provided to the member or his sibling, make such refund directly into the Account within one month from the date on which an agreement is reached between the trustee of the Account and the approved person as to the amount to be refunded;
- (d) notify the Minister of any change in the particulars provided in his application under paragraph (1) within 7 days of such change; and

(e) comply with such other terms and conditions as may be imposed by the Minister under paragraph (4) (b).

(8) No approved person shall display the letter of approval or the label referred to in paragraph (6) at any child care centre, kindergarten or special education school which is not an approved institution.

(9) The Minister may, without prejudice to any other penalty prescribed under the Act or any other remedy the Government may have under the Act in respect of any breach or non-compliance of these Regulations or any terms and conditions subject to which approval of an approved person is granted, revoke the approval granted in respect of any approved institution if —

(a) the approved person has made any false or misleading statement or furnished any document which he knows to be false or misleading in his application under paragraph (1);

(b) the approved person is dead, bankrupt, wound-up or dissolved, as the case may be;

(c) the approved institution is no longer in operation or licensed under the Child Care Centres Act (Cap. 37A) or registered under the Education Act (Cap. 87), as the case may be;

(d) the approved person breaches any provision of these Regulations or any of the terms and conditions subject to which approval is granted; or

(e) the Minister considers that it is no longer in the public interest for the approved person to continue to participate in the Scheme.

(10) The Minister shall cause to be published in the *Gazette* in the months of January, April, July and October of each year, a list of approved persons and approved institutions as at the last day of the preceding month.

(11) Any approved person who contravenes paragraph (7) (a) or (b) shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an offence under paragraph (7) (a), to a fine not exceeding \$1,000; and

(b) in the case of an offence under paragraph (7) (b), to a fine not exceeding \$5,000.

**Prohibition against unauthorised withdrawals of moneys**

**12.—**(1) No approved person shall —

- (a) accept any payment out of or collude with any trustee of a Children Development Account to make withdrawals from the Account for any purpose other than that specified in regulation 9 (1);
- (b) cause or make withdrawals from a Children Development Account without the approval or authorisation of the trustee of that Account; or
- (c) cause or make withdrawals from a Children Development Account after he has ceased to be an approved person.

(2) Any person who contravenes paragraph (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$20,000.

**Retention of records**

**13.—**(1) Every approved person shall maintain records in such form as the Director may determine of —

- (a) the account number of the Children Development Account out of which payment for educational or developmental courses provided by the approved institution to a member or his sibling is made;
- (b) the particulars of the member or sibling in respect of whom the payment is made;
- (c) the amount paid out of the Children Development Account;
- (d) the purpose of the payment; and
- (e) the date of the payment.

(2) The records referred to in paragraph (1) shall —

- (a) be kept for a period of 3 years from the date of the withdrawal of the member or his sibling from the approved institution; and
- (b) be kept confidential and not be inspected by any person other than —
  - (i) a person authorised by the Director;

- (ii) an employee of the approved person who has been authorised in writing by the approved person to inspect such records;
- (iii) the trustee of the Children Development Account or, where the parent of the member is not the trustee, the parent; and
- (iv) any other person empowered or authorised to inspect such records under any written law for the time being in force.

### **Duty of officers of approved person**

**14.—**(1) Where an approved person is a body corporate or an unincorporated body or association of persons, every director, manager, secretary or other similar officer of the body corporate or unincorporated body or association of persons shall exercise reasonable diligence to ensure that the approved person complies with these Regulations and the terms and conditions imposed under regulation 11 (4) (b).

(2) Any person who contravenes paragraph (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000.

### **THE SCHEDULE**

Regulation 6 (3)

#### **PERIODS WITHIN WHICH CO-INVESTMENT AND CO-PAYMENT SUMS ARE PAID**

<i>First column</i>	<i>Second column</i>	<i>Third column</i>
<i>Year for which payment is made</i>	<i>Period during which co-investment sum is paid by parents</i>	<i>Period within which co-payment sum is to be paid by Government</i>
1st	Period A — being 6 months from the first day of the month in which the Children Development Account is opened	2 months from the expiry of period A
2nd	Period B — being 12 months from the expiry of period A	2 months from the expiry of period B
3rd	Period C — being 12 months from the expiry of period B	2 months from the expiry of period C

THE SCHEDULE — *continued*

<i>First column</i>	<i>Second column</i>	<i>Third column</i>
<i>Year for which payment is made</i>	<i>Period during which co-investment sum is paid by parents</i>	<i>Period within which co-payment sum is to be paid by Government</i>
4th	Period D — being 12 months from the expiry of period C	2 months from the expiry of period D
5th	Period E — being 12 months from the expiry of period D	2 months from the expiry of period E
6th	Period F — being 12 months from the expiry of period E	2 months from the expiry of period F.

[G.N. Nos. S 233/2001; S 442/2002]

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