

# **Central Provident Fund (Amendment) Bill**

**Bill No. 28/2007.**

*Read the first time on 16th July 2007.*

A BILL

*intituled*

An Act to amend the Central Provident Fund Act (Chapter 36 of the 2001 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

### Short title and commencement

1. This Act may be cited as the Central Provident Fund (Amendment) Act 2007 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

### 5 Amendment of section 2

2. Section 2(1) of the Central Provident Fund Act (referred to in this Act as the principal Act) is amended —

(a) by deleting the words “section 15(6)” in the definition of “minimum sum” and substituting the words “section 15(6)(a)”;  
10 and

(b) by deleting the definition of “retirement account” and substituting the following definition:

15 ““retirement account” means a retirement account maintained for the purposes of sections 15(2A)(a), (6C), (7B)(a) and (8A)(a) and 18(1)(c);”.

### Amendment of section 5

3. Section 5 of the principal Act is amended by inserting, immediately after subsection (6), the following subsection:

20 “(7) In this section —  
“document” means a document in any medium and includes a document containing information in digital or electronic form;  
“record” means a record in any medium and includes a record containing information in digital or electronic form.”.

### New section 5C

25 4. The principal Act is amended by inserting, immediately after section 5B, the following section:

#### “Symbol or representation of Board

30 5C.—(1) The Board shall have the exclusive right to the use of such symbol or representation as the Board may select or devise and thereafter display or exhibit such symbol or representation in connection with its activities or affairs.

(2) Any person who uses a symbol or representation identical with that of the Board, or which so resembles the Board's symbol or representation as to deceive or cause confusion, or to be likely to deceive or to cause confusion, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 6 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$250 for every day or part thereof during which the offence continues after conviction."

### 10 **Amendment of section 13**

**5.**—(1) Section 13(1) of the principal Act is amended —

(a) by deleting the words "22 and 45" in paragraph (a) and substituting the words "18C, 22, 27B, 32 and 45";

(b) by inserting, immediately after "16A" in paragraph (b), ", 27B";

15 (c) by inserting, immediately after "17" in paragraph (c), ", 18A, 18C, 27B"; and

(d) by inserting, immediately after the words "section 77(1)(n)" in paragraph (c), the words "or (oa)".

20 (2) Section 13(1) of the principal Act in force immediately before the commencement of this subsection is amended by inserting, immediately after "17," in paragraph (c), "18,".

### **Amendment of section 13B**

**6.** Section 13B of the principal Act is amended —

(a) by deleting the word "and" at the end of subsection (3)(a)(i);

25 (b) by inserting, immediately after sub-paragraph (ii) of subsection (3)(a), the following sub-paragraph:

“(iii) subject to subsections (4) and (5), any amount paid in that year by that person's spouse or sibling into that person's special account under section 18(3)(b); and”;

30 (c) by deleting the word "and" at the end of subsection (3)(b)(i);

(d) by inserting, immediately after sub-paragraph (i) of subsection (3)(b), the following sub-paragraph:

“(ia) any amount paid in that year by that person into the special account of his spouse or sibling under section 18(3)(b);”;

5 (e) by deleting the full-stop at the end of sub-paragraph (ii) of subsection (3)(b) and substituting the word “; and”, and by inserting immediately thereafter the following sub-paragraph:

10 “(iii) any contribution made in that year by that person or any other person under section 27B, 27C, 27D, 27E or 27F or under any regulations referred to in section 27G or 27H.”; and

(f) by inserting, immediately after subsection (3), the following subsections:

15 “(4) Where, in any year, the total of the amounts under subsection (3)(a)(i) and (ii) to be included for the purpose of computing the sum referred to in subsection (2) exceeds that sum —

(a) the amount referred to in subsection (3)(a)(iii) shall not be included for that purpose; and

20 (b) the Board may refund the whole or any part of the amount referred to in subsection (3)(a)(iii) to the person or persons who contributed to that amount, in the proportion in which each such person contributed to that amount.

25 (5) Where, in any year, the total of the amounts under subsection (3)(a)(i) and (ii) to be included for the purpose of computing the sum referred to in subsection (2) does not exceed that sum, but the total of the amounts under subsection (3)(a)(i), (ii) and (iii) exceeds that sum —

30 (a) there shall be included for that purpose only such part of the amount referred to in subsection (3)(a)(iii) which is equal in quantum to the difference between that sum and the total of the amounts referred to in subsection (3)(a)(i) and (ii); and

35 (b) the Board may refund the whole or any part of the remainder of the amount referred to in subsection (3)(a)(iii) to the person or persons who contributed to

that amount, in the proportion in which each such person contributed to that amount.”.

### **Amendment of section 15**

**7.—(1)** Section 15 of the principal Act is amended —

5 (a) by deleting subsection (5) and substituting the following subsection:

10 “(5) After the death of a member of the Fund, a person nominated by that member in accordance with section 25(1) shall be entitled to withdraw, from the balance standing to the credit of that member in the Fund after deducting —

(a) any sum withdrawn, or to be withdrawn, under section 16A;

(b) any sum credited, or to be credited, to the account of another person under section 19(2); and

15 (c) any sum transferred or paid, or to be transferred or paid, to another person under section 27B,

such portion of that balance as is set out in the memorandum executed in accordance with section 25(1).”;

20 (b) by deleting subsection (6B) and substituting the following subsection:

“(6B) Any memorandum executed under subsection (6A) by 2 members of the Fund who are parties to a marriage —

25 (a) shall not be revocable during the subsistence of the marriage unless the Board is satisfied that either or both of the members are —

(i) physically or mentally incapacitated —

(A) from ever continuing in any employment;  
or

30 (B) in such other manner as the Minister may approve;

(ii) of unsound mind;

(iii) suffering from a medical condition leading to a severely impaired life expectancy; or

(iv) suffering from a terminal illness or disease; and

(b) shall, where the marriage has been dissolved (otherwise than by death) or has been annulled, be revoked upon the Board being notified of the dissolution or annulment of the marriage.”;

(c) by inserting, immediately after the words “any immovable property sold” in subsections (10) and (10A), the words “by an approved developer,”;

(d) by inserting, immediately after the words “purchase of an immovable property” in subsection (11), the words “from an approved developer,”; and

(e) by inserting, immediately after the definition of “approved” in subsection (16), the following definition:

““approved developer” means an approved developer under Part IVB of the Housing and Development Act (Cap. 129);”.

(2) Section 15(5) of the principal Act in force immediately before the commencement of this subsection is amended by inserting, immediately after “19(2)” in paragraph (b), the words “or 19A(2)”.

## **Amendment of section 18**

**8.** Section 18 of the principal Act is amended —

(a) by deleting subsection (1) and substituting the following subsections:

“(1) The Board may, for any of the purposes mentioned in section 15(6C), and subject to any regulations made under section 77(1)(o) and such terms and conditions as the Board may impose, permit —

(a) a member whose parent, grandparent, spouse or sibling has attained the age of 55 years to transfer such portion of the sum standing to his credit in the Fund as may be prescribed to the retirement account of the parent, grandparent, spouse or sibling, as the case may be;

(b) any person whose parent, grandparent, spouse or sibling has attained the age of 55 years to pay money into the retirement account of the parent, grandparent, spouse or sibling, as the case may be; or

5 (c) any person to voluntarily maintain, in a retirement account with the Board —

(i) a minimum sum; or

10 (ii) any other sum that the Board may allow, being a sum not exceeding such sum as may for the time being be specified by the Minister by notification in the *Gazette* under section 18B(3)(b).

15 (1A) All moneys transferred to or paid into a retirement account under subsection (1)(a) or (b) shall be applied in accordance with any regulations made under section 77(1)(o) and such terms and conditions as the Board may impose.”;

(b) by deleting paragraphs (a) and (b) of subsection (2) and substituting the following paragraphs:

20 “(a) a member to transfer such portion of the sum standing to his credit in the Fund as the Board may determine to the retirement account of his parent, grandparent, spouse or sibling; or

(b) any person to pay money into the retirement account of his parent, grandparent, spouse or sibling.”;

25 (c) by inserting, immediately after subsection (2), the following subsections:

“(3) The Board may, subject to any regulations made under section 77(1)(oa) and such terms and conditions as it may impose, permit —

30 (a) a member whose spouse or sibling has not attained the age of 55 years to transfer such portion of the sum standing to his credit in the Fund as may be prescribed to the special account of the spouse or sibling; or

(b) any person whose spouse or sibling has not attained the age of 55 years to pay money into the special account of the spouse or sibling.

(4) Subject to subsection (6) —

5 (a) any moneys transferred by a member to his spouse's or sibling's special account under subsection (3)(a); and

(b) any interest that would have accrued thereto,

10 shall be transferred by the Board to the spouse's or sibling's retirement account when the spouse or sibling attains the age of 55 years.

(5) Subject to subsection (6) and section 13B(4) and (5) —

(a) any moneys paid by any person into his spouse's or sibling's special account under subsection (3)(b); and

15 (b) any interest that would have accrued thereto,

shall be transferred by the Board to the spouse's or sibling's retirement account when the spouse or sibling attains the age of 55 years.

20 (6) The total amount to be transferred by the Board under subsections (4) and (5) shall not exceed the minimum sum applicable to the spouse or sibling.

25 (7) All moneys transferred to or paid into a special account under subsection (3) shall be applied in accordance with any regulations made under section 77(1)(oa) and such terms and conditions as the Board may impose.”; and

(d) by deleting the section heading and substituting the following section heading:

30 **“Transfer or payment of moneys to parent's, grandparent's, spouse's or sibling's retirement account, or to spouse's or sibling's special account, and voluntary maintenance of sum in retirement account”.**

### Repeal and re-enactment of section 18A

9. Section 18A of the principal Act is repealed and the following section substituted therefor:

5           **“Transfer of member’s moneys in ordinary account or special  
account to retirement account**

10           **18A.**—(1) The Board may, subject to such terms and conditions as it may impose, permit a member who has less than the prescribed amount standing to his credit in his retirement account to transfer a sum standing to his credit in his ordinary account or special account, or in both accounts, to his retirement account, being a sum not exceeding the difference between —

- (a) the prescribed amount; and
- (b) the sum standing to his credit in his retirement account.

15           (2) In this section, “prescribed amount” means such sum as may for the time being be specified by the Minister by notification in the *Gazette* under section 18B(3)(b).”.

### Amendment of section 18B

10. Section 18B of the principal Act is amended by deleting subsection (1) and substituting the following subsection:

20           “(1) Subject to subsection (2), a member who has less than the prescribed amount standing to his credit in his special account may apply to the Board to transfer to his special account a sum standing to his credit in his ordinary account, being a sum not exceeding the difference between —

- 25           (a) the prescribed amount; and
- (b) the aggregate of —
  - (i) the amount standing to his credit in his special account; and
  - 30           (ii) any amount withdrawn from his special account for the making of investments under any scheme in accordance with any regulations made under section 77(1)(n).”.

## Repeal and re-enactment of section 19

11. Section 19 of the principal Act is repealed and the following section substituted therefor:

5 **“Provisions relating to moneys transferred or paid to parent’s, grandparent’s, spouse’s or sibling’s retirement account on death**

19.—(1) Any moneys —

(a) transferred by a member to his parent’s, grandparent’s, spouse’s or sibling’s retirement account under section 18(1)(a) or (2)(a); or

10 (b) paid by any person into his parent’s, grandparent’s, spouse’s or sibling’s retirement account under section 18(1)(b) or (2)(b),

shall be deemed to be contributions for the purposes of this Act, and shall not form part of the moneys payable out of the Fund on the death of the parent, grandparent, spouse or sibling, as the case may be.

15 (2) Subject to subsections (3) and (4), on the death of the parent, grandparent, spouse or sibling, the moneys transferred or paid under section 18(1) or (2), or the balance thereof, shall be credited to the account from which it was transferred or to the account of the person who made the payment, as the case may be.

20 (3) Where any moneys transferred or paid by a member to the retirement account of his parent, grandparent, spouse or sibling under section 18(1) or (2) are transferred or paid to any person under section 27B —

(a) subsection (2) shall not apply to those moneys; and

25 (b) the person to whom those moneys have been transferred or paid under section 27B shall be entitled to retain those moneys on the death of the parent, grandparent, spouse or sibling, as the case may be.

30 (4) Where the Board has received notice, in accordance with any regulations made under section 77(1), that any moneys transferred or paid by a member to the retirement account of his parent, grandparent, spouse or sibling under section 18(1) or (2) are to be transferred or paid to any person under section 27B, and the Board

has not, at the time of receipt of the notice, credited those moneys to the account of the member under subsection (2) —

- (a) subsection (2) shall not apply to those moneys; and
- (b) the person to whom those moneys are to be transferred or paid under section 27B shall be entitled to those moneys.”.

### **New section 19A**

12. The principal Act is amended by inserting, immediately before section 20, the following section:

#### **“Provisions relating to moneys transferred or paid to spouse’s or sibling’s special account on death**

**19A.—**(1) Any moneys —

- (a) transferred by a member to his spouse’s or sibling’s special account under section 18(3)(a); or
- (b) paid by any person into his spouse’s or sibling’s special account under section 18(3)(b),

shall be deemed to be contributions for the purposes of this Act, and shall not form part of the moneys payable out of the Fund on the death of the spouse or sibling, as the case may be.

(2) Subject to subsections (3) and (4), on the death of the spouse or sibling, the moneys transferred or paid under section 18(3), or the balance thereof, shall be credited to the account from which it was transferred or to the account of the person who made the payment, as the case may be.

(3) Where any moneys transferred or paid by a member to the special account of his spouse or sibling under section 18(3) are transferred or paid to any person under section 27B —

- (a) subsection (2) shall not apply to those moneys; and
- (b) the person to whom those moneys have been transferred or paid under section 27B shall be entitled to retain those moneys on the death of the spouse or sibling, as the case may be.

(4) Where the Board has received notice, in accordance with any regulations made under section 77(1), that any moneys transferred or

paid by a member to the special account of his spouse or sibling under section 18(3) are to be transferred or paid to any person under section 27B, and the Board has not, at the time of receipt of the notice, credited those moneys to the account of the member under subsection (2) —

- (a) subsection (2) shall not apply to those moneys; and
- (b) the person to whom those moneys are to be transferred or paid under section 27B shall be entitled to those moneys.”.

#### **Amendment of section 21**

10 **13.** Section 21 of the principal Act is amended by deleting subsection (10) and substituting the following subsection:

“(10) A charge under subsection (1) shall continue in force until —

- (a) all moneys secured by the charge —
  - (i) have been repaid to the Fund; or
  - 15 (ii) are no longer required by any regulations made under section 77(1) to be repaid to the Fund; or
- (b) the Board is satisfied of the occurrence of any of the events mentioned in section 15(15)(e),

20 in which event the member or any other person having an interest in the immovable property shall be entitled to have the charge cancelled.”.

#### **Amendment of section 21A**

**14.** Section 21A of the principal Act is amended by deleting subsection (9) and substituting the following subsection:

25 “(9) A charge under subsection (1) shall continue in force until —

- (a) all moneys secured by the charge —
  - (i) have been repaid to the Fund; or
  - (ii) are no longer required by any regulations made under section 77(1) to be repaid to the Fund; or
- 30 (b) the Board is satisfied of the occurrence of any of the events mentioned in section 15(15)(e),

in which event the member or any other person having an interest in the immovable property shall be entitled to have the charge cancelled.”.

#### **Amendment of section 21B**

5 **15.** Section 21B(11) of the principal Act is amended by deleting paragraph (a) and substituting the following paragraph:

“(a) all moneys secured by the charge —

(i) have been repaid to the Fund; or

10 (ii) are no longer required by any regulations made under section 77(1) to be repaid to the Fund; or”.

#### **Amendment of section 24**

**16.** Section 24 of the principal Act is amended —

15 (a) by inserting, immediately after the words “subject to” in subsection (1), the words “sections 27B, 27C, 27D, 27E, 27F, 27G and 27H and”;

(b) by inserting, immediately after the words “other law” in subsection (2), the words “but subject to sections 27G and 27H and any regulations made under section 77(1)”;

20 (c) by inserting, immediately after the words “Subject to” in subsection (3A), the words “subsection (3B) and”; and

(d) by inserting, immediately after subsection (3A), the following subsection:

25 “(3B) Where any money is payable to the spouse or former spouse of a member of the Fund under section 27B(1), (2) or (3) on the death of the member, subsection (3A) shall not apply to that money.”.

#### **Amendment of section 25**

30 **17.** Section 25(1) of the principal Act is amended by deleting the words “prescribed manner” and substituting the words “manner prescribed by the Board”.

### **New Part IIIA**

18. The principal Act is amended by inserting, immediately after section 27, the following Part:

#### **“PART IIIA**

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#### **DIVISION OF FUND-RELATED ASSETS IN MATRIMONIAL PROCEEDINGS**

#### **Interpretation of this Part**

**27A.** In this Part and section 77(1)(*ra*) —

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“approved annuity” means an annuity approved by the Board for the purposes of section 15;

“approved bank” means a bank approved by the Board for the purposes of section 15;

15

“designated account” means such account maintained, or to be maintained, by the Board as may be prescribed by any regulations made under section 77(1);

“HDB flat” has the same meaning as in section 21B(14);

“order of court” means —

20

(*a*) an order made under section 112 of the Women’s Charter (Cap. 353) in proceedings for divorce, judicial separation or nullity of marriage under Part X of the Women’s Charter; or

25

(*b*) an order made under section 52(3)(*d*), (7) or (9) of the Administration of Muslim Law Act (Cap. 3) in proceedings for divorce or nullity of marriage under Part III of that Act;

“public authority” has the same meaning as in section 21(12);

“spouse” includes a former spouse.

#### **Order of court for transfer or payment of money standing to credit of member**

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**27B.**—(1) Subject to subsections (2), (3) and (5), where, under an order of court, the spouse of a member of the Fund has been awarded

any amount to be paid out from the money standing to the credit of the member in the Fund, including any money which is payable or repayable to the Fund to the credit of the member —

5 (a) if the spouse is a citizen or permanent resident of Singapore, the Board shall, as directed by the order of court —

(i) transfer the amount to one or more designated accounts maintained, or to be maintained, for the spouse in respect of the money standing to the credit of the spouse in the Fund, such transfer —

10 (A) to take place as soon as practicable after the Board has received a copy of the order of court; and

15 (B) to be in accordance with any regulations made under section 77(1) and subject to such terms and conditions as the Board may determine; or

(ii) pay the amount to the spouse, such payment to take place —

20 (A) after the member has died or become entitled to withdraw the sum standing to the credit of the member under section 15(2) or 27, whichever is the earliest in time; and

(B) upon an application by the spouse for the withdrawal of the amount; or

25 (b) if the spouse is not a citizen or permanent resident of Singapore, the Board shall pay the amount to the spouse, such payment to take place —

30 (i) after the member has died or become entitled to withdraw the sum standing to the credit of the member under section 15(2) or 27, whichever is the earliest in time; and

(ii) upon an application by the spouse for the withdrawal of the amount.

(2) Subject to subsection (5), where the amount standing to the credit of a member in the Fund at the time of the transfer under

subsection (1)(a)(i) or payment under subsection (1)(b), after deducting —

(a) any amount which the Board is entitled to recover on behalf of the Government under section 14(3); and

5 (b) any amount which the Board is entitled to receive or recover on behalf of the Government under section 14A(5) or (6),

is less than the amount awarded under the order of court, the Board shall transfer or pay, as the case may be, the first-mentioned amount instead of the amount awarded under the order of court.

10 (3) Subject to subsection (5), where the amount standing to the credit of a member in the Fund at the time of the payment under subsection (1)(a)(ii), after deducting —

(a) any amount which the Board is entitled to recover on behalf of the Government under section 14(3);

15 (b) any amount which the Board is entitled to receive or recover on behalf of the Government under section 14A(5) or (6);

(c) the amounts which the member is required to set aside under sections 15 and 16; and

20 (d) any amount which the member may be required to set aside under any condition referred to in section 27(2)(b) or (3),

is less than the amount awarded under the order of court, the Board shall pay the first-mentioned amount instead of the amount awarded under the order of court.

25 (4) A transfer or payment of money by the Board under subsection (2) or (3) —

(a) shall be a good and valid discharge of the Board's obligations under the order of court; but

30 (b) shall not affect any recourse which the spouse may have against the member for the balance of the amount awarded under the order of court.

(5) Where the order of court requires any amount to be paid or repaid to the Fund to the credit of the member before the Board makes any transfer or payment of money under subsection (1), (2) or (3), the Board shall not make the transfer or payment unless —

- (a) that amount has been paid or repaid to the Fund; and
- (b) the Board has been notified, in such manner as may be prescribed by any regulations made under section 77(1), of the payment or repayment of that amount.

5 (6) The Board shall make a transfer or payment of money standing to the credit of a member of the Fund under subsection (1)(a)(i) or (b) or (2) —

- (a) notwithstanding sections 24, 25 and 26 and every restriction on withdrawal from the Fund under section 15, 16 or 27 or  
10 any regulations made under section 77(1); and

- (b) in priority to —

- (i) every withdrawal or transfer of money standing to the credit of the member referred to in section 13(7), 15B, 16A, 17, 18, 18A, 18B, 18C, 20, 21, 21A, 21B or 22 or  
15 any regulations made under section 23 or 77(1); and

- (ii) every deduction which the Board is entitled to make under section 32, 45 or 54 or any regulations made under section 77(1).

20 (7) The Board shall make a payment of money standing to the credit of a member of the Fund under subsection (1)(a)(ii) or (3) —

- (a) notwithstanding sections 24, 25 and 26 and every restriction on withdrawal from the Fund under any regulations made under section 77(1); and

- (b) in priority to —

- (i) every withdrawal or transfer of money standing to the credit of the member referred to in section 13(7), 15B, 16A, 17, 18, 18A, 18B, 18C, 20, 21, 21A, 21B or 22 or  
25 any regulations made under section 23 or 77(1); and

- (ii) every deduction which the Board is entitled to make  
30 under section 32, 45 or 54 or any regulations made under section 77(1).

35 (8) The money transferred under subsection (1)(a)(i) or (2) and any interest thereon may be withdrawn in accordance with this Act for such purposes and in such manner as may be prescribed by any regulations made under section 77(1).

**Order of court for transfer or sale of immovable property in relation to which charge has been created under section 15(9) or (9A)**

27C.—(1) Where —

- 5           (a) a member of the Fund has withdrawn the minimum sum or part thereof from his account with an approved bank or his retirement account, or has surrendered his approved annuity, under section 15(9) or (9A);
- 10           (b) a charge has been created under section 15(9) or (9A) on an immovable property wholly owned by the member or jointly owned by the member and one or more other persons, as the case may be, to secure the payment to the Board of the minimum sum which the member is required to set aside;
- 15           (c) an order of court is made requiring the transfer (other than by way of sale) of the member's estate or interest in the immovable property to his spouse; and
- (d) the spouse is a citizen or permanent resident of Singapore, then, subject to any regulations made under section 77(1), the following provisions shall apply:
- 20           (i) if the order of court requires any person to pay to the Board any amount towards covering the deficiency in the minimum sum which the member is required to set aside, that person shall pay to the Board that amount;
- 25           (ii) the member shall pay to the Board a further amount sufficient to cover the deficiency in the minimum sum which the member is required to set aside;
- (iii) if —
- (A) the immovable property is subsequently sold or otherwise disposed of; and
- 30           (B) at the time of the sale or disposal —
- (BA) the spouse has not attained the age of 55 years; or

(BB) where the spouse has attained that age, there is a deficiency in the minimum sum which the spouse is required to set aside,

5 the spouse shall pay to the Fund such amount as may be determined by the Board in accordance with any regulations made under section 77(1), and the Board shall credit that amount to one or more designated accounts maintained, or to be maintained, for the spouse;

10 (iv) notwithstanding section 15(15)(e), upon the transfer of the member's estate or interest in the immovable property to the spouse, and upon payment in accordance with paragraph (i), if applicable —

15 (A) the charge referred to in paragraph (b) shall cease to secure the payment to the Board of the minimum sum which the member is required to set aside; and

20 (B) the member, the spouse or any other person having an interest in the immovable property shall be entitled to have that charge cancelled, in so far as it secures the payment to the Board of the minimum sum which the member is required to set aside;

(v) if, at the time of the transfer of the member's estate or interest in the immovable property to the spouse —

(A) the spouse has not attained the age of 55 years; or

25 (B) where the spouse has attained that age, there is a deficiency in the minimum sum which the spouse is required to set aside,

30 there shall be a charge on the spouse's estate or interest in the immovable property to secure the payment referred to in paragraph (iii), such charge to subsist only until such time as the spouse has set aside the minimum sum which the spouse is required to set aside;

(vi) sections 15(15)(b) to (e) and 21(12) shall apply, with the necessary modifications, to the charge under paragraph (v), and for the purposes of such application —

- (A) any reference to the charge under section 15(9) or (9A) shall be read as a reference to the charge under paragraph (v); and
- (B) any reference to the member shall be read as a reference to the spouse; and
- 5
- (vii) the charge under paragraph (v) —
- (A) shall be subject to all prior statutory rights and charges of any public authority over the immovable property; and
- 10
- (B) notwithstanding anything in the Land Titles Act (Cap. 157) or the Registration of Deeds Act (Cap. 269) —
- (BA) shall not be subject to any encumbrance registered or notified on or after the date of the notification of the charge referred to in paragraph (b); and
- 15
- (BB) shall rank equally with the charge referred to in paragraph (b), had it continued or if it continues to be in force, in the order of priority of interests in the immovable property.
- 20
- (2) Except in a case to which subsection (1) applies, where —
- (a) a member of the Fund has withdrawn the minimum sum or part thereof from his account with an approved bank or his retirement account, or has surrendered his approved annuity, under section 15(9) or (9A);
- 25
- (b) a charge has been created under section 15(9) or (9A) on an immovable property wholly owned by the member or jointly owned by the member and one or more other persons, as the case may be, to secure the payment to the Board of the minimum sum which the member is required to set aside; and
- 30
- (c) an order of court is made requiring the transfer or sale of the member's estate or interest in the immovable property to any person,
- 35

the charge shall continue in force until —

- (i) an amount sufficient to cover the deficiency in the minimum sum which the member is required to set aside —
  - (A) has been paid to the Board; or
  - (B) is no longer required by any regulations made under section 77(1) to be paid to the Board; or
- (ii) the Board is satisfied of the occurrence of any of the events mentioned in section 15(15)(e),

in which event the member, the person referred to in paragraph (c) or any other person having an interest in the immovable property shall be entitled to have the charge cancelled.

**Order of court for transfer or sale of immovable property in relation to which undertaking has been given under section 15(10) or (10A)**

**27D.**—(1) Where —

- (a) a member of the Fund has withdrawn the minimum sum or part thereof from his account with an approved bank or his retirement account, or has surrendered his approved annuity, under section 15(10) or (10A);
- (b) the member wholly owns, or the member and one or more other persons jointly own, an immovable property;
- (c) the member has given an undertaking under section 15(10), or the member and the other person or persons have given an undertaking under section 15(10) or (10A), as the case may be, to refund to the Board an amount equal to the minimum sum or part thereof which the member is required to set aside in the event the immovable property is sold or otherwise disposed of;
- (d) an order of court is made requiring the transfer (other than by way of sale) of the member's estate or interest in the immovable property to his spouse; and
- (e) the spouse is a citizen or permanent resident of Singapore,

then, subject to any regulations made under section 77(1), the following provisions shall apply:

- (i) if the order of court requires any person to pay to the Board any amount towards covering the deficiency in the minimum sum which the member is required to set aside, that person shall pay to the Board that amount;
- 5 (ii) the member shall pay to the Board a further amount sufficient to cover the deficiency in the minimum sum which the member is required to set aside;
- (iii) if —
- (A) the immovable property is subsequently sold or  
10 otherwise disposed of; and
- (B) at the time of the sale or disposal —
- (BA) the spouse has not attained the age of 55 years; or
- (BB) where the spouse has attained that age,  
15 there is a deficiency in the minimum sum which the spouse is required to set aside,
- the spouse shall pay to the Fund such amount as may be determined by the Board in accordance with any regulations made under section 77(1), and the Board shall credit that  
20 amount to one or more designated accounts maintained, or to be maintained, for the spouse;
- (iv) upon the transfer of the member's estate or interest in the immovable property to the spouse, and upon payment in accordance with paragraph (i), if applicable, the Board shall  
25 not enforce the undertaking under section 15(10) or (10A) against any person who has given that undertaking, in so far as it secures the refund to the Board of the minimum sum or part thereof which the member is required to set aside;
- (v) if, at the time of the transfer of the member's estate or  
30 interest in the immovable property to the spouse —
- (A) the spouse has not attained the age of 55 years; or
- (B) where the spouse has attained that age, there is a deficiency in the minimum sum which the spouse is required to set aside,

the spouse shall give an undertaking to pay to the Board, in the event the property is sold or otherwise disposed of, the amount referred to in paragraph (iii); and

5 (vi) the Board shall not enforce any undertaking under paragraph (v) if the Board is satisfied of the occurrence of any of the following events:

(A) the death of the spouse;

(B) the spouse is suffering from a terminal illness or disease;

10 (C) the spouse has complied with the requirements of section 15(2A), (6), (7B) or (8A);

(D) the minimum sum set aside by the spouse under section 15(6) has been exhausted on account of withdrawals made by the spouse under section 15(7);  
or

15 (E) the spouse satisfies any of the grounds for withdrawals under section 15(2)(b) or (c).

(2) Except in a case to which subsection (1) applies, where —

20 (a) a member of the Fund has withdrawn the minimum sum or part thereof from his account with an approved bank or his retirement account, or has surrendered his approved annuity, under section 15(10) or (10A);

(b) the member wholly owns, or the member and one or more other persons jointly own, an immovable property;

25 (c) the member has given an undertaking under section 15(10), or the member and the other person or persons have given an undertaking under section 15(10) or (10A), as the case may be, to refund to the Board an amount equal to the minimum sum or part thereof which the member is required  
30 to set aside in the event the immovable property is sold or otherwise disposed of; and

(d) an order of court is made requiring the transfer or sale of the member's estate or interest in the immovable property to any person,

the Board shall be entitled to enforce that undertaking against every person who has given that undertaking, in so far as it secures the refund to the Board of the minimum sum or part thereof which the member is required to set aside, until —

- 5           (i) the minimum sum or part thereof which the member is required to set aside —
- (A) has been refunded to the Board; or
- (B) is no longer required by any regulations made under section 77(1) to be refunded to the Board; or
- 10          (ii) the Board is satisfied of the occurrence of any of the events mentioned in section 15(15)(e),

in which event the Board shall not enforce that undertaking.

**Order of court for transfer or sale of immovable property in relation to which charge under section 21(1) or 21A(1) exists**

15          **27E.**—(1) Where —

- (a) a member of the Fund has withdrawn any money standing to his credit in the Fund for all or any of the purposes referred to in section 21(1) or 21A(1);
- 20          (b) the immovable property in relation to which the money was withdrawn is purchased or owned by the member, whether solely or as a co-purchaser, joint-tenant or tenant-in-common, as the case may be, with one or more other persons;
- 25          (c) an order of court is made requiring the transfer (other than by way of sale) of the member's estate or interest in the immovable property to his spouse; and
- (d) the spouse is a citizen or permanent resident of Singapore,

then, subject to any regulations made under section 77(1), the following provisions shall apply:

- 30          (i) the member or, if the order of court requires any person to do so, that person shall pay to the Fund to the credit of the member —
- (A) any amount which the Board is entitled to recover on behalf of the Government under section 14(3);

- (B) any amount which the Board is entitled to receive or recover on behalf of the Government under section 14A(5) or (6); and
- (C) such other amount, if any, as the order of court may require to be paid to the Fund to the credit of the member;
- (ii) if the immovable property is subsequently sold or otherwise disposed of, the spouse shall pay to the Fund such amount as may be determined by the Board in accordance with any regulations made under section 77(1), and the Board shall credit that amount to one or more designated accounts maintained, or to be maintained, for the spouse;
- (iii) notwithstanding sections 21(10) and 21A(9), upon the transfer of the member's estate or interest in the immovable property to his spouse and upon payment in accordance with paragraph (i), if applicable —
- (A) any charge under section 21(1) or 21A(1) on any estate or interest in the immovable property shall cease to secure the repayment of the money withdrawn from the Fund by the member (including the interest that would have accrued thereto if the withdrawal had not been made) and the payment of the minimum sum into the member's retirement account; and
- (B) the member, the spouse or any other person having an interest in the immovable property shall be entitled to have that charge cancelled, in so far as it secures the repayment of the money withdrawn from the Fund by the member (including the interest that would have accrued thereto if the withdrawal had not been made) and the payment of the minimum sum into the member's retirement account;
- (iv) there shall be a charge on the spouse's estate or interest in the immovable property to secure —
- (A) the payment referred to in paragraph (ii); and

- (B) the payment of the minimum sum into the spouse's retirement account;
- (v) section 21(1A), (2), (4), (5) and (7) to (12) or sections 21(12) and 21A(1A) to (4) and (6) to (9), as the case may be, shall apply, with the necessary modifications, to the charge under paragraph (iv), and for the purposes of such application —
- (A) any reference to the charge under section 21(1) or 21A(1) shall be read as a reference to the charge under paragraph (iv); and
- (B) any reference to the member shall be read as a reference to the spouse; and
- (vi) the charge under paragraph (iv) —
- (A) shall be in addition to any charge under section 21(1) or 21A(1) on any estate or interest in the immovable property to secure the repayment of any money withdrawn from the Fund (for all or any of the purposes referred to in section 21(1) or 21A(1)) by any person other than the member (including the interest that would have accrued thereto if the withdrawal had not been made) and the payment of the minimum sum into that person's retirement account;
- (B) shall be subject to all statutory rights and charges of any public authority over the immovable property; and
- (C) notwithstanding anything in the Land Titles Act (Cap. 157) or the Registration of Deeds Act (Cap. 269), in the absence of any agreement as to priority —
- (CA) shall not be subject to any encumbrance registered or notified on or after the date of acceptance by the Registrar of the instrument to register or notify the charge referred to in paragraph (iii); and

(CB) shall rank equally with the charge referred to in paragraph (iii), had it continued or if it continues to be in force, in the order of priority of interests in the immovable property.

5

(2) Except in a case to which subsection (1) applies, where —

(a) a member of the Fund has withdrawn any money standing to his credit in the Fund for all or any of the purposes referred to in section 21(1) or 21A(1);

10

(b) the immovable property in relation to which the money was withdrawn is purchased or owned by the member, whether solely or as a co-purchaser, joint-tenant or tenant-in-common, as the case may be, with one or more other persons; and

15

(c) an order of court is made requiring the transfer or sale of the member's estate or interest in the immovable property to any person,

any charge under section 21(1) or 21A(1) on any estate or interest in the immovable property shall continue in force until —

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(i) all moneys secured by the charge —

(A) have been repaid to the Fund; or

(B) are no longer required by any regulations made under section 77(1) to be repaid to the Fund; or

25

(ii) the Board is satisfied of the occurrence of any of the events mentioned in section 15(15)(e),

in which event the member, the person referred to in paragraph (c) or any other person having an interest in the immovable property shall be entitled to have the charge cancelled.

**Order of court for transfer or sale of HDB flat in relation to which charge has been constituted under section 21B(1)**

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**27F.**—(1) Where —

(a) a member of the Fund has withdrawn any money standing to his credit in the Fund for all or any of the purposes referred to in section 21B(1);

(b) the HDB flat in relation to which the money was withdrawn is owned by the member, whether solely or jointly with one or more other persons;

5 (c) an order of court is made requiring the transfer (other than by way of sale) of the member's interest in the HDB flat to his spouse; and

(d) the spouse is a citizen or permanent resident of Singapore, then, subject to any regulations made under section 77(1), the following provisions shall apply:

10 (i) the member or, if the order of court requires any person to do so, that person shall pay to the Fund to the credit of the member —

(A) any amount which the Board is entitled to recover on behalf of the Government under section 14(3);

15 (B) any amount which the Board is entitled to receive or recover on behalf of the Government under section 14A(5) or (6); and

(C) such other amount, if any, as the order of court may require to be paid to the Fund to the credit of the member;

20

(ii) if the HDB flat is subsequently sold or otherwise disposed of, the spouse shall pay to the Fund such amount as may be determined by the Board in accordance with any regulations made under section 77(1), and the Board shall credit that amount to one or more designated accounts maintained, or to be maintained, for the spouse;

25

(iii) notwithstanding section 21B(11), upon the transfer of the member's interest in the HDB flat to his spouse and upon payment in accordance with paragraph (i), if applicable, any charge constituted on the HDB flat under section 21B(1) shall cease to secure —

30

(A) the repayment of the money withdrawn from the Fund by the member, including the interest that would have accrued thereto if the withdrawal had not been made; and

35

- (B) the payment of the minimum sum into the member's retirement account,
- and, if those are the only moneys secured by that charge, shall cease to be in force;
- 5 (iv) there shall be a charge constituted on the HDB flat to secure —
- (A) the payment referred to in paragraph (ii); and
- (B) the payment of the minimum sum into the spouse's retirement account;
- 10 (v) sections 21(12) and 21B(2), (3)(a), (b) and (d), (4) to (11) and (14) shall apply, with the necessary modifications, to the charge under paragraph (iv), and for the purposes of such application —
- (A) any reference to the charge under section 21B(1)
- 15 shall be read as a reference to the charge under paragraph (iv);
- (B) any reference to the member shall be read as a reference to the spouse; and
- (C) any reference to an encumbrance specified in section
- 20 21B(3)(c) shall be read as a reference to an encumbrance referred to in paragraph (vii);
- (vi) the charge under paragraph (iv) shall be in addition to the charge referred to in paragraph (iii), if the charge referred to in paragraph (iii) continues to be in force; and
- 25 (vii) notwithstanding anything in the Land Titles Act (Cap. 157) or the Registration of Deeds Act (Cap. 269), in the absence of any agreement as to priority, the charge under paragraph (iv) —
- (A) shall not be subject to any encumbrance registered or
- 30 notified on or after the date of the constitution of the charge referred to in paragraph (iii); and
- (B) shall rank equally with the charge referred to in paragraph (iii), had it continued or if it continues to be in force, in the order of priority of interests in the
- 35 HDB flat.

(2) Except in a case to which subsection (1) applies, where —

- (a) a member of the Fund has withdrawn any money standing to his credit in the Fund for all or any of the purposes referred to in section 21B(1);
- 5 (b) the HDB flat in relation to which the money was withdrawn is owned by the member, whether solely or jointly with one or more other persons; and
- (c) an order of court is made requiring the transfer or sale of the member's interest in the HDB flat to any person,

10 any charge constituted on the HDB flat under section 21B(1) shall continue in force until —

- (i) all moneys secured by the charge —
  - (A) have been repaid to the Fund; or
  - (B) are no longer required by any regulations made under section 77(1) to be repaid to the Fund; or
- 15 (ii) the Board is satisfied of the occurrence of any of the events mentioned in section 15(15)(e).

### **Order of court for transfer of investments**

**27G.**—(1) Where —

- 20 (a) a member of the Fund has made any investment under any scheme in accordance with any regulations made under section 77(1)(n) (referred to in this section as the relevant regulations) which, but for section 24, would have been transferable to another person;
- 25 (b) an order of court is made requiring the transfer of the member's interest in the investment to his spouse; and
- (c) the spouse is a citizen or permanent resident of Singapore,

then, subject to subsection (2) and any regulations made under section 77(1), the following provisions shall apply:

- 30 (i) the obligation to effect the transfer of the member's interest in the investment to the spouse shall lie with the member and not the Board;

(ii) upon the transfer of the member's interest in the investment to the spouse —

(A) the spouse shall be deemed to have made the investment under the scheme and to have assumed the member's obligations under the relevant regulations in relation to the investment; and

(B) the member shall cease to be liable to perform any obligation under the relevant regulations in relation to the investment; and

(iii) if the investment is subsequently sold or otherwise disposed of, the proceeds from the sale or disposal shall be dealt with in such manner as may be prescribed by any regulations made under section 77(1).

(2) A member's interest in an investment shall not be transferred to his spouse under subsection (1) unless and until the spouse meets such criteria and has complied with such requirements as may be prescribed in any regulations made under section 77(1).

### **Order of court for sale of investments**

**27H.** Where —

(a) a member of the Fund has made any investment under any scheme in accordance with any regulations made under section 77(1)(n) (referred to in this section as the relevant regulations); and

(b) an order of court is made requiring the sale of the member's interest in the investment,

then, subject to any regulations made under section 77(1), the following provisions shall apply:

(i) the obligation to effect the sale of the member's interest in the investment shall lie with the member and not the Board;

(ii) upon the sale of the member's interest in the investment, the proceeds from the sale shall be dealt with in accordance with the relevant regulations; and

(iii) if, under any order of court, the member's spouse is awarded the proceeds from the sale of the member's interest in the

investment or any part thereof, or any other amount to be paid out from the money standing to the credit of the member in the Fund after the proceeds have been repaid to the Fund to the credit of the member —

- 5 (A) section 27B shall apply to the proceeds or part thereof or other amount, and the proceeds or part thereof shall be regarded as money repayable to the Fund to the credit of the member for the purposes of section 27B(1) and (5);
- 10 (B) where under the relevant regulations the proceeds are not immediately repayable to the Fund to the credit of the member, the obligation to initiate the repayment of the proceeds or part thereof to the Fund to the credit of the member shall lie with the member and not the Board;
- 15 (C) when the proceeds or part thereof have been repaid to the Fund, the member shall notify the Board of the repayment for the purposes of section 27B(5); and
- 20 (D) the Board shall be under no obligation to ascertain whether, or to ensure that —
- (DA) the member has complied with the order of court requiring the sale of the member's interest in the investment;
- 25 (DB) the proceeds or part thereof awarded to the member's spouse, or required to be repaid to the Fund to the credit of the member, have been repaid to the Fund; or
- (DC) the contents of any notification of repayment given by the member for the purposes of section 27B(5) are true and correct.
- 30

### **Miscellaneous matters**

- 35 **27I.**—(1) Any obligation of a member of the Fund to set aside any amount under section 15 or 16, or under any condition referred to in section 27(2)(b) or (3), shall not be affected by —

- (a) any transfer or payment of any money standing to the credit of the member under section 27B(1), (2) or (3);
- (b) any transfer (other than by way of sale) of the member's estate or interest in any immovable property under section 27C(1), 27D(1) or 27E(1);
- (c) any transfer (other than by way of sale) of the member's interest in any HDB flat under section 27F(1);
- (d) any transfer of the member's interest in any investment under section 27G; or
- (e) any sale of the member's interest in any investment under section 27H.
- (2) Where an order of court requires the Board to do anything —
- (a) the Board shall not be liable to give effect to that requirement unless the order of court has been served on the Board in such manner as may be prescribed by any regulations made under section 77(1); and
- (b) the Board shall not be liable for any act or omission of the Board contrary to that requirement which was committed on or before the date of such service.
- (3) Where an order of court requires the Board to do anything in contravention of this Act, the Board shall not be liable to give effect to that requirement.”.

### **Amendment of section 32**

- 19.** Section 32(3) of the principal Act is amended by deleting the words “all other deductions which the Board is authorised to make under this Act” and substituting the words “the deductions which the Board is authorised to make under all other provisions of this Act except section 27B”.

### **New section 58A**

- 20.** The principal Act is amended by inserting, immediately after section 58, the following section:

**“Offences relating to investments**

**58A.**—(1) No person shall, directly or indirectly, in connection with the making of any investment under any scheme in accordance with any regulations made under section 77(1)(n) or the sale or disposal of any such investment —

- (a) employ any device, scheme or artifice to defraud; or
- (b) engage in any act, practice or course of business which operates as a fraud or deception, or is likely to operate as a fraud or deception, upon any person.

(2) Any person who contravenes subsection (1) shall be guilty of an offence.”.

**Amendment of section 61B**

**21.** Section 61B of the principal Act is amended —

(a) by inserting, immediately after subsection (1), the following subsection:

“(1A) Where —

- (a) a member of the Fund has withdrawn any amount from his ordinary account or special account in connection with any investment made under any scheme in accordance with any regulations made under section 77(1)(n);
- (b) the member is convicted of an offence under this Act or any other written law in connection with that investment; and
- (c) the Board has required that member to refund or transfer to his ordinary account or special account such amount as may be prescribed by those regulations,

the court before which the conviction is had may, in addition to the fine prescribed under this Act or penalty prescribed under that law, order that member to refund or transfer to his ordinary account or special account, as the case may be, in accordance with such directions as the Board may give, the amount certified by an officer appointed by the Board in that behalf to

be due from that member, under paragraph (c), at the date of the refund or transfer.”;

(b) by inserting, immediately after the words “paid under subsection (1)” in subsections (2) and (3), the words “, or refunded or transferred under subsection (1A),”;

(c) by inserting, immediately after the words “amount to be paid” in subsection (3), the words “, refunded or transferred”; and

(d) by inserting, immediately after the word “contributions” in the section heading, the word “, etc.,”.

#### 10 **Amendment of section 65**

22. Section 65 of the principal Act is amended by inserting, immediately after the words “the Fund”, the words “, including any sum required by the Board or ordered by a court to be paid, repaid, refunded or transferred to any account maintained for a member of the Fund in respect of the moneys standing to the credit of the member in the Fund,”.

#### **Amendment of section 66A**

23. Section 66A of the principal Act is amended —

(a) by renumbering the section as subsection (1) of that section, and by inserting immediately thereafter the following subsection:

20 “(2) Where the Board has required a member of the Fund to refund or transfer to his ordinary account or special account such amount as may be prescribed by any regulations made under section 77(1)(n), a certificate purporting to be issued by the Board certifying the amount due from the member at any date shall, in any proceedings relating to the recovery of that amount, be prima facie evidence that the amount so stated is due and payable by the member named in the certificate at that date.”; and

(b) by deleting the words “on non-payment of contributions” in the section heading.

#### **Amendment of section 68**

24. Section 68 of the principal Act is amended —

- (a) by inserting, immediately after the words “an employer” in subsections (1)(a), (2)(a) and (3)(a), the words “or a member”;
- (b) by inserting, immediately after the words “the employer” in subsections (1)(a) and (2)(a), the words “or member”;
- 5 (c) by inserting, immediately after subsection (4), the following subsections:
- “(5) In any distribution of —
- (a) any proceeds referred to in subsection (1), (2) or (4);  
or
- 10 style="padding-left: 80px;">(b) any amount sought to be attached under a garnishee order referred to in subsection (3),
- any sum due to the Fund under section 7 or 61B(1) shall be paid in priority to any sum due to the Fund under section 61B(1A).
- 15 style="padding-left: 40px;">(6) For the purposes of this section, any reference to an amount or a sum due to the Fund shall be construed as including a reference to an amount or a sum required by the Board or ordered by a court to be paid, repaid, refunded or transferred to any account maintained for a member of the
- 20 style="padding-left: 40px;">Fund in respect of the moneys standing to the credit of the member in the Fund.”; and
- (d) by inserting, immediately after the word “employee’s” in the section heading, the words “or member’s”.

### **Amendment of section 77**

- 25 **25.** Section 77 of the principal Act is amended —
- (a) by deleting paragraph (o) of subsection (1) and substituting the following paragraph:
- “(o) for the purposes of sections 15(6) and 18(1) and (1A) and, in particular, to prescribe —
- 30 style="padding-left: 80px;">(i) the minimum sum referred to in section 15(6)(a), including different minimum sums for different classes of members;
- (ii) the method of computing the minimum sum; and

(iii) the amount of the minimum sum which may be withdrawn, and the manner in which the minimum sum may be withdrawn, after a member has attained the age of 60 years or such other age as may be prescribed;”;

5

(b) by inserting, immediately before paragraph (p) of subsection (1), the following paragraph:

“(oa) for the purposes of section 18(3) and (7) and, in particular, to prescribe —

10

(i) the method of computing the amount of moneys which may be transferred to or paid into a special account under section 18(3); and

15

(ii) the purposes for which any moneys transferred to or paid into a special account under section 18(3) which may be applied, the amount which may be applied for each such purpose, and the manner in which any such amount may be withdrawn;”;

(c) by deleting the word “and” at the end of subsection (1)(r);

(d) by inserting, immediately after paragraph (r) of subsection (1), the following paragraph:

20

“(ra) for the purposes of Part IIIA and, in particular, to prescribe —

25

(i) the procedure and requirements for and manner of effecting, and any other matter relating to, the transfer of money standing to the credit of a member to any designated account of his spouse;

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(ii) the procedure and requirements for and manner of effecting, and any other matter relating to, the payment of money standing to the credit of a member to his spouse;

(iii) any matter relating to the transfer (other than by way of sale) of a member’s estate or interest in any immovable property or HDB flat to his spouse pursuant to an order of court;

- (iv) any matter relating to the transfer of a member's interest in any investment to his spouse under section 27G; and
  - (v) any matter relating to the sale of a member's interest in any investment under section 27H; and";
- 5
- (e) by deleting "(6B)" in subsection (2)(c) and substituting "(6B)(a)"; and
  - (f) by inserting, immediately after "(15)(e)(ii)," in subsection (2)(c), "27D(vi)(B),".
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### EXPLANATORY STATEMENT

This Bill seeks to amend the Central Provident Fund Act (Cap. 36) for the following main purposes:

- (a) to give the Central Provident Fund Board (the Board) the exclusive right to use its symbol or representation (clause 4);
- (b) to provide for the revocation of a memorandum executed under section 15(6A) where the marriage between the members who executed the memorandum has been dissolved, otherwise than by death, or annulled (clause 7(1)(b));
- (c) to extend the ambit of section 15(10), (10A) and (11) to any immovable property sold by an approved developer under Part IVB of the Housing and Development Act (Cap. 129) (clause 7(1)(c), (d) and (e));
- (d) to enable, in certain circumstances —
  - (i) a member of the Central Provident Fund (the Fund) to transfer a portion of the sum standing to his credit in the Fund to the retirement account of his grandparent or sibling; and
  - (ii) any person to pay money into the retirement account of his sibling,
 and to provide for the application of the moneys transferred by a member of the Fund to, or paid by any person into, the retirement account of his parent, grandparent, spouse or sibling (clause 8(a) and (b));
- (e) to enable, in certain circumstances —
  - (i) a member of the Fund to transfer a portion of the sum standing to his credit in the Fund to the special account of his spouse or sibling; and
  - (ii) any person to pay money into the special account of his spouse or sibling,

and to provide for the application of the moneys so transferred or paid (clause 8(c));

- (f) to enable a member of the Fund to transfer a sum standing to his credit in his ordinary account or special account, or in both accounts, to his retirement account, in certain circumstances (clause 9);
- (g) to reflect the manner in which the maximum sum which a member may apply to the Board to transfer from his ordinary account to his special account under section 18B(1) has been computed (clause 10);
- (h) to provide that where any moneys have been transferred or paid by a member of the Fund to the retirement account of his parent, grandparent, spouse or sibling —
  - (i) those moneys will be deemed to be contributions for the purposes of the Act, and will not form part of the moneys payable out of the Fund on the death of the parent, grandparent, spouse or sibling; and
  - (ii) any balance of those moneys remaining on the death of the parent, grandparent, spouse or sibling (excluding any amount that has already been transferred or paid, or that the Board has received notice (in accordance with any regulations made under section 77(1)) is to be transferred or paid, to any person under new section 27B) will be credited to the account of the member (clause 11);
- (i) to provide that where any moneys have been transferred or paid by a member of the Fund to the special account of his spouse or sibling —
  - (i) those moneys will be deemed to be contributions for the purposes of the Act, and will not form part of the moneys payable out of the Fund on the death of the spouse or sibling; and
  - (ii) any balance of those moneys remaining on the death of the spouse or sibling (excluding any amount that has already been transferred or paid, or that the Board has received notice (in accordance with any regulations made under section 77(1)) is to be transferred or paid, to any person under new section 27B) will be credited to the account of the member (clause 12);
- (j) to make provision for certain types of relief which may be ordered when certain types of Fund-related assets are divided during matrimonial proceedings under the Women's Charter (Cap. 353) or under the Administration of Muslim Law Act (Cap. 3) (clause 18);
- (k) to make it an offence for any person to employ any device, scheme or artifice to defraud, or to engage in any act, practice or course of business which operates as a fraud or deception, or is likely to operate as a fraud or deception, upon any person, in connection with the making of any investment under any scheme in accordance with any regulations made under section 77(1)(n) or the sale or disposal of any such investment (clause 20);

- (l) to provide for additional means for the recovery of any amount due from a member of the Fund who has withdrawn any amount from his ordinary account or special account in connection with any investment made under any scheme in accordance with any regulations made under section 77(1)(n), and who is convicted of an offence in connection with that investment (clause 21);
- (m) to provide for a certificate issued by the Board as to the amount to be refunded or transferred by a member of the Fund to his ordinary account or special account to be prima facie evidence of those facts (clause 23); and
- (n) to provide for priority to be given to any amount due to the Fund, including any amount required by the Board or ordered by a court to be paid, repaid, refunded or transferred to a member's account with the Fund, where the member's property is sought to be attached by creditors of the member (clause 24).

Clause 1 relates to the short title and commencement.

Clause 2 amends section 2(1) to make technical changes to the definitions of "minimum sum" and "retirement account".

Clause 3 amends section 5 to introduce new definitions for the terms "document" and "record" used in that section. These definitions clarify that any reference in section 5 to a document or record is a reference to a document or record in any medium, and includes a document or record containing information in digital or electronic form.

Clause 4 inserts a new section 5C to give the Board the exclusive right to use its symbol or representation, and to make it an offence for any person to use a symbol or representation which is identical with that of the Board or which so resembles that of the Board as to deceive, cause confusion or be likely to deceive or cause confusion.

Clause 5 makes technical amendments to section 13(1)(a), (b) and (c), so as to identify all provisions in the Act under which withdrawals may be made from the ordinary account, medisave account and special account of a member of the Fund.

Clause 6(a) and (c) makes technical amendments to section 13B(3) that are consequential to the amendments made by clause 6(b), (d) and (e).

Clause 6(b) amends section 13B(3)(a) to provide that with certain exceptions, any amount paid by the spouse or sibling of a member of the Fund into the member's special account under the new section 18(3)(b) (inserted by clause 8(c)) is to be included when computing the maximum amount which the member may contribute voluntarily under section 13B(1).

Clause 6(d) amends section 13B(3)(b) to provide that any amount paid by a member of the Fund into the special account of his spouse or sibling under the new section 18(3)(b) (inserted by clause 8(c)) is to be excluded when computing the maximum amount which the member may contribute voluntarily under section 13B(1).

Clause 6(e) amends section 13B(3)(b) to provide that any contribution made by a member of the Fund or any other person under the new section 27B, 27C, 27D, 27E or 27F (inserted by clause 18) or under any regulations referred to in the new section 27G

or 27H (inserted by clause 18) is to be excluded when computing the maximum amount which the member may contribute voluntarily under section 13B(1).

Clause 6(f) amends section 13B by inserting new subsections (4) and (5) —

- (a) to specify the circumstances when an amount paid by the spouse or sibling of a member of the Fund into the member's special account under the new section 18(3)(b) (inserted by clause 8(c)), or a certain part of that amount, is not to be included when computing the maximum amount which the member may contribute voluntarily under section 13B(1); and
- (b) to enable the Board to refund, in certain circumstances, the whole or any part of any amount paid by the spouse or sibling of a member of the Fund into the member's special account under the new section 18(3)(b) (inserted by clause 8(c)).

Clause 7(1)(a) deletes and substitutes section 15(5) to provide that the amount in the Fund from which a person nominated by a member of the Fund in accordance with section 25(1) is entitled to withdraw, after the death of the member, will exclude, in addition to any sum withdrawn, or to be withdrawn, under section 16A (as provided under the present law) —

- (a) any sum credited, or to be credited, to the account of another person under the new section 19(2) (inserted by clause 11); and
- (b) any sum transferred or paid, or to be transferred or paid, to another person under the new section 27B (inserted by clause 18).

Clause 7(1)(b) deletes and substitutes section 15(6B) to provide for the automatic revocation of a memorandum executed under section 15(6A) by 2 members of the Fund married to each other when the Board is notified that the marriage has been dissolved (otherwise than by death) or has been annulled. The memorandum remains irrevocable generally during the subsistence of the marriage, which is the present law.

Clause 7(1)(c), (d) and (e) amends section 15(10), (10A), (11) and (16) to extend the ambit of section 15(10), (10A) and (11) to any immovable property sold by an approved developer under Part IVB of the Housing and Development Act (Cap. 129).

After section 15(5) has been deleted and substituted (by clause 7(1)(a)), clause 7(2) will amend the new section 15(5) to provide that the amount in the Fund from which a person nominated by a member of the Fund in accordance with section 25(1) is entitled to withdraw, after the death of the member, will also exclude any sum credited, or to be credited, to the account of another person under the new section 19A(2) (inserted by clause 12).

Clause 8(a) deletes and substitutes section 18(1) —

- (a) to enable a member of the Fund to transfer a portion of the sum standing to his credit in the Fund to the retirement account of his grandparent or sibling who has attained the age of 55 years for any of the purposes mentioned in section 15(6C);

- (b) to clarify that a member of the Fund may transfer a portion of the sum standing to his credit in the Fund to the retirement account of his parent or spouse for any of the purposes mentioned in section 15(6C) (which is the present law) only if the parent or spouse has attained the age of 55 years;
- (c) to enable any person to pay money into the retirement account of his sibling who has attained the age of 55 years for any of the purposes mentioned in section 15(6C);
- (d) to clarify that a person may pay money into the retirement account of his parent, grandparent or spouse for any of the purposes mentioned in section 15(6C) (which is the present law) only if the parent, grandparent or spouse has attained the age of 55 years; and
- (e) to provide for any person to voluntarily maintain, in a retirement account with the Board, a minimum sum or any other sum that the Board may allow.

Clause 8(a) also inserts new section 18(1A) to provide for the application of the moneys transferred or paid into a retirement account under section 18(1)(a) and (b).

Clause 8(b) amends section 18(2) —

- (a) to enable a member of the Fund to transfer a portion of the sum standing to his credit in the Fund to the retirement account of his grandparent or sibling, in addition to the retirement account of his parent or spouse (as provided under the present law), for any of the purposes mentioned in section 15(2A)(a), (7B)(a) and (8A)(a); and
- (b) to enable any person to pay money into the retirement account of his sibling, in addition to the retirement account of his parent, grandparent or spouse (as provided under the present law), for any of the purposes mentioned in section 15(2A)(a), (7B)(a) and (8A)(a).

Clause 8(c) amends section 18 by inserting new subsections (3) to (7) —

- (a) to enable a member of the Fund to transfer a portion of the sum standing to his credit in the Fund to the special account of his spouse or sibling who has not attained the age of 55 years;
- (b) to enable any person to pay money into the special account of his spouse or sibling who has not attained the age of 55 years; and
- (c) to provide for the application of the moneys so transferred or paid into a special account.

Clause 8(d) makes an amendment to the section heading of section 18 that is consequential to the insertion of new section 18(3) to (7) (by clause 8(c)).

Clause 9 repeals and re-enacts section 18A to enable a member of the Fund to transfer a sum standing to his credit in his ordinary account or special account, or in both accounts, to his retirement account, if certain requirements are satisfied.

Clause 10 deletes and substitutes section 18B(1) to reflect the manner in which the maximum sum which a member may apply to the Board to transfer from his ordinary

account to his special account has been computed. Under the amended section 18B(1), that maximum sum is the difference between —

- (a) the prescribed amount under section 18B; and
- (b) the aggregate of —
  - (i) the amount standing to the member's credit in his special account; and
  - (ii) any amount withdrawn from his special account for the making of investments.

Clause 11 repeals and re-enacts section 19 to provide that —

- (a) any moneys transferred or paid by a member of the Fund to the retirement account of his parent, grandparent, spouse or sibling under section 18(1) or (2) will be deemed to be contributions for the purposes of the Act, and will not form part of the moneys payable out of the Fund on the death of the parent, grandparent, spouse or sibling;
- (b) generally, on the death of the parent, grandparent, spouse or sibling, the moneys transferred or paid, or the balance thereof, will be credited to the account of the member;
- (c) where any such moneys are transferred or paid to any person under the new section 27B (inserted by clause 18) —
  - (i) that person will be entitled to retain those moneys on the death of the parent, grandparent, spouse or sibling; and
  - (ii) those moneys need not be credited to the account of the member; and
- (d) where the Board has received notice, in accordance with any regulations made under section 77(1), that any such moneys are to be transferred or paid to any person under the new section 27B (inserted by clause 18), and those moneys have not been credited to the account of the member at the time of receipt of the notice —
  - (i) that person will be entitled to those moneys; and
  - (ii) those moneys need not be credited to the account of the member.

Clause 12 inserts a new section 19A to provide that —

- (a) any moneys transferred or paid by a member of the Fund to the special account of his spouse or sibling under section 18(3) will be deemed to be contributions for the purposes of the Act, and will not form part of the moneys payable out of the Fund on the death of the spouse or sibling;
- (b) generally, on the death of the spouse or sibling, the moneys transferred or paid, or the balance thereof, will be credited to the account of the member;
- (c) where any such moneys are transferred or paid to any person under the new section 27B (inserted by clause 18) —

- (i) that person will be entitled to retain those moneys on the death of the spouse or sibling; and
  - (ii) those moneys need not be credited to the account of the member; and
- (d) where the Board has received notice, in accordance with any regulations made under section 77(1), that any such moneys are to be transferred or paid to any person under the new section 27B (inserted by clause 18), and those moneys have not been credited to the account of the member at the time of receipt of the notice —
- (i) that person will be entitled to those moneys; and
  - (ii) those moneys need not be credited to the account of the member.

Clauses 13, 14 and 15 make similar technical amendments to sections 21(10), 21A(9) and 21B(11), respectively, with a view to aligning those provisions.

Clause 16 amends section 24 —

- (a) to make section 24(1) subject to new sections 27B, 27C, 27D, 27E, 27F, 27G and 27H (inserted by clause 18);
- (b) to make section 24(2) subject to new sections 27G and 27H (inserted by clause 18) and any regulations made under section 77(1); and
- (c) to provide that section 24(3A) will not apply to any money payable to the spouse or former spouse of a member of the Fund under section 27B(1), (2) or (3) on the death of the member.

Clause 17 amends section 25(1) to clarify that the manner of execution of a memorandum under section 25(1) is to be prescribed by the Board under section 77(2), and not by the Minister under section 77(1).

Clause 18 inserts a new Part IIIA (comprising new sections 27A to 27I). The new Part IIIA makes provision for certain types of relief which may be ordered when any of the following types of assets are divided during matrimonial proceedings under the Women's Charter (Cap. 353) or under the Administration of Muslim Law Act (Cap. 3):

- (a) money standing to the credit of a member in the Fund;
- (b) any immovable property in relation to which a charge has been created under section 15(9) or (9A), or an undertaking has been given under section 15(10) or (10A), in lieu of setting aside the minimum sum;
- (c) any immovable property in relation to which a charge under section 21(1) or 21A(1) exists, or any HDB flat (as defined in section 21B(14)) in relation to which a charge has been constituted under section 21B(1), to secure the repayment of money withdrawn from the Fund (including the interest that would have accrued if the withdrawal had not been made) and to secure the payment of the minimum sum;
- (d) any investment made by a member under any scheme in accordance with any regulations made under section 77(1)(n).

The new section 27A defines certain terms used in the new Part IIIA and the new section 77(1)(ra) (inserted by clause 25(d)).

The new section 27B makes provision for —

- (a) the transfer of money standing to the credit of a member in the Fund to one or more designated accounts maintained, or to be maintained, for his spouse in respect of the money standing to the credit of the spouse in the Fund; or
- (b) the payment of money standing to the credit of a member in the Fund to his spouse after he has died or become entitled to withdraw the sum standing to his credit under section 15(2) or 27,

pursuant to an order of court.

The new section 27C makes provision for the transfer or sale, pursuant to an order of court, of a member's estate or interest in an immovable property (being an immovable property in relation to which a charge has been created under section 15(9) or (9A)) to his spouse or any other person.

The new section 27D makes provision for the transfer or sale, pursuant to an order of court, of a member's estate or interest in an immovable property (being an immovable property in relation to which an undertaking has been given under section 15(10) or (10A)) to his spouse or any other person.

The new section 27E makes provision for the transfer or sale, pursuant to an order of court, of a member's estate or interest in an immovable property (being an immovable property in relation to which a charge under section 21(1) or 21A(1) exists) to his spouse or any other person.

The new section 27F makes provision for the transfer or sale, pursuant to an order of court, of a member's interest in an HDB flat (being an HDB flat in relation to which a charge has been constituted under section 21B(1)) to his spouse or any other person.

The new section 27G makes provision for the transfer, pursuant to an order of court, of an investment made by a member under any scheme in accordance with any regulations made under section 77(1)(n) to his spouse, if certain requirements are satisfied.

The new section 27H makes provision for —

- (a) the sale, pursuant to an order of court, of an investment made by a member under any scheme in accordance with any regulations made under section 77(1)(n); and
- (b) if, under any order of court, the member's spouse is awarded the proceeds from the sale or any part thereof, or any other amount to be paid out from the money standing to the credit of the member in the Fund after the proceeds have been repaid to the Fund to the credit of the member, the matters which will follow as a consequence of the award.

The new section 27I provides for miscellaneous matters under the new Part IIIA. In particular, it —

- (a) clarifies that a member's obligation to set aside any amount under section 15 or 16, or under any condition referred to in section 27(2)(b) or (3), will not be affected by certain enumerated acts; and
- (b) excuses the Board from liability to give effect to a requirement under an order of court in certain circumstances.

Clause 19 amends section 32(3) to provide that the deduction under section 32(2) will have priority over the deductions which the Board is authorised to make under all other provisions of the Act except the new section 27B (inserted by clause 18).

Clause 20 inserts a new section 58A which makes it an offence for any person to employ any device, scheme or artifice to defraud, or to engage in any act, practice or course of business which operates as a fraud or deception, or is likely to operate as a fraud or deception, upon any person, in connection with the making of any investment under any scheme in accordance with any regulations made under section 77(1)(n) or the sale or disposal of any such investment.

Clause 21 amends section 61B to provide for additional means for the recovery of any amount due from a member of the Fund who has withdrawn any amount from his ordinary account or special account in connection with any investment made under any scheme in accordance with any regulations made under section 77(1)(n), and who is convicted of an offence in connection with that investment.

Clause 22 amends section 65 to clarify that a sum due to the Fund under that section includes any sum required by the Board or ordered by a court to be paid, repaid, refunded or transferred to any account maintained for a member of the Fund in respect of the moneys standing to the credit of the member in the Fund.

Clause 23 amends section 66A to provide that a certificate purporting to be issued by the Board certifying the amount which a member of the Fund is required to refund or transfer to his ordinary account or special account will be prima facie evidence of those facts.

Clause 24 amends section 68 to provide for priority to be given to any amount or sum due to the Fund, including any amount or sum required by the Board or ordered by a court to be paid, repaid, refunded or transferred to any account maintained for a member of the Fund in respect of the moneys standing to the credit of the member in the Fund, where the member's property is sought to be attached by creditors of the member.

Clause 25 amends section 77 —

- (a) to make technical changes, as well as changes which are consequential to the amendment of section 18 (by clause 8), to subsection (1)(o);
- (b) to insert a new subsection (1)(oa) which makes express provision for the Minister to make regulations for the purposes of the new section 18(3) and (7) (inserted by clause 8(c));
- (c) to insert a new subsection (1)(ra) which makes express provision for the Minister to make regulations for the purposes of the new Part IIIA (inserted by clause 18); and

- (d) to make amendments to subsection (2)(c) which are consequential to the deletion and substitution of section 15(6B) (by clause 7(1)(b)) and the insertion of the new section 27D (by clause 18).

### EXPENDITURE OF PUBLIC MONEY

This Bill will involve the Government in extra financial expenditure, the exact amount of which cannot at present be ascertained.

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