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CENTRAL PROVIDENT FUND ACT 1953

CENTRAL PROVIDENT FUND (DESIGNATED SHARES) REGULATIONS 2022

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In exercise of the powers conferred by section 77(1)(na) of the Central Provident Fund Act 1953, the Minister for Manpower, after consulting with the Central Provident Fund Board, makes the following Regulations:

Citation and commencement

1. These Regulations are the Central Provident Fund (Designated Shares) Regulations 2022 and come into operation on 1 April 2022.

Definitions

2.—(1) In these Regulations, unless the context otherwise requires —

“designated shareholder” and “designated shares” have the meanings given by section 2(1) of the Act;

“nominee”, in relation to a deceased designated shareholder, has the meaning given by section 26(14) of the Act;

“prescribed time” means the prescribed time for the receipt of instructions for the purposes of section 26(6)(a) of the Act specified in regulation 5;

“relevant person”, in relation to a deceased designated shareholder, has the meaning given by section 26(14) of the Act;

“vested shares” has the meaning given by section 2(1) of the Act;

“working day” means any day other than a Saturday, Sunday or public holiday.

(2) For the purposes of these Regulations, the Board is notified of a designated shareholder’s death —

(a) if it has received satisfactory proof of, or obtained reliable information on, the designated shareholder’s death from any person; and

(b) whether such proof is received or information is obtained before, on or after 1 April 2022.

Times and circumstances for vesting of designated shares in Board under section 26(1) of Act

3.—(1) The designated shares of a designated shareholder vest in the Board under section 26(1) of the Act at the earliest of the following times:

(a) when the Board is notified that the designated shareholder has died;

(b) when any of the prescribed circumstances specified in paragraph (2) in respect of those designated shares occurs.

(2) The prescribed circumstances where the designated shares of a designated shareholder vest in the Board under section 26(1)(b) of the Act are —

(a) where the designated shareholder's accounts in the Fund are deemed to be dormant under section 2(1B) of the Act on or after 1 April 2022; or

(b) where —

(i) the designated shareholder has applied to the Board on or after 1 April 2022 for the withdrawal of the sum standing to the credit of the designated shareholder under section 15(2)(b) or (c) of the Act; and

(ii) the designated shareholder has not, before the Board gives its authority under section 15(1) of the Act for the withdrawal of the sum mentioned in sub-paragraph (i), instructed the Board to transfer the designated shares to the designated shareholder's securities account.

Sale of shares where Board receives instructions under section 26(4) of Act within prescribed time

4.—(1) Paragraphs (2) and (3) apply where the Board —

(a) has received instructions within the prescribed time to sell a deceased designated shareholder's vested shares under section 26(4)(a) of the Act; and

(b) is satisfied that the instructions are duly made in the manner required by the Board.

(2) Subject to paragraphs (3) and (4) and regulation 11, the Board must sell the vested shares between the 8th and 10th working day (both days inclusive) after the Board is satisfied that the instructions are duly made in the manner required by the Board.

(3) Where the Board, after the prescribed time but before it has sold the vested shares, receives subsequent instructions to instead transfer the vested shares in accordance with section 26(4)(b) or (c) of the Act, the Board may transfer the vested shares in accordance with the subsequent instructions.

(4) Subject to regulation 11, where the Board —

- (a) has, within the prescribed time, received instructions to transfer a deceased designated shareholder's vested shares in accordance with section 26(4)(b) or (c) of the Act; and
- (b) after the prescribed time but before it has transferred the vested shares, receives subsequent instructions to instead sell the vested shares in accordance with section 26(4)(a) of the Act,

the Board may sell the vested shares in accordance with the subsequent instructions between the 8th and 10th working day (both days inclusive) after the day that the Board is satisfied that the subsequent instructions are duly made in the manner required by the Board.

Prescribed time for receipt of instructions for purposes of section 26(6)(a) of Act

5. For the purposes of section 26(6)(a) of the Act, the prescribed time for the Board to receive instructions given under section 26(4) of the Act in respect of a deceased designated shareholder's vested shares is —

- (a) where the Board is notified on or after 1 April 2022 that a designated shareholder has died — 6 weeks after the date on which the Board receives the notification; or
- (b) where the Board is notified before 1 April 2022 that a designated shareholder has died between 1 November 2015 and 31 March 2022 (both dates inclusive) — before 1 November 2022.

Time of sale of vested shares for purposes of section 26(6)(a) of Act

6.—(1) Subject to paragraph (2) and regulations 7 and 11, if the Board decides to sell a deceased designated shareholder's vested shares because the circumstances referred to in section 26(6)(a) of the Act exist, the Board must sell the vested shares —

- (a) where the Board has sent a notice for instructions to be given to the Board under section 26(4) of the Act and a relevant person, within the deadline (or any extended deadline) specified in the notice, instructs the Board to sell the vested shares — between the 8th and 10th working day (both days inclusive) after the Board is satisfied that the instructions are duly made in the manner required by the Board;
- (b) where the Board has sent a notice mentioned in sub-paragraph (a) but the relevant person does not, within the deadline (or any extended deadline) specified in the notice, instruct the Board to sell the vested shares —
 - (i) where a deceased designated shareholder died before 1 January 1996 or did not execute a memorandum under section 25(1) of the Act — on the 15th day of the 7th month after the month in which the Board is notified of the designated shareholder's death; or
 - (ii) in any other case — between the 2nd and 4th working day (both days inclusive) after the deadline (or any extended deadline) specified in the notice; or
- (c) where the Board has not sent a notice mentioned in sub-paragraph (a) — on the 15th day of the 7th month after the month in which the Board is notified of the designated shareholder's death.

(2) Where the Board, before it sells the vested shares under paragraph (1), receives instructions mentioned in section 26(4) of the Act to transfer the vested shares, the Board may transfer the vested shares as so instructed.

Circumstances and time for sale of vested shares for purposes of section 26(6)(b) of Act

7.—(1) For the purposes of section 26(6)(b) of the Act, the circumstances where the Board may sell a designated shareholder's vested shares are the circumstances specified in the first column of the table in the Schedule.

(2) Despite regulation 6(1) and subject to regulation 11, where the Board decides to sell a designated shareholder's vested shares because any circumstances specified in the first column of the table in the Schedule exist, the Board must sell the vested shares on the day, date or during the period (as the case may be) specified in the second column of that table opposite those circumstances.

Prescribed account under section 26(9) of Act

8. Where section 26(9) of the Act applies by reason of section 26(8)(b) of the Act, the account prescribed for the purposes of section 26(9) of the Act is the designated shareholder's ordinary account.

Appointing stockbroker

9.—(1) The Board may appoint a stockbroker for the purpose of selling any vested shares under these Regulations.

(2) The person entitled to receive the proceeds of the sale of the vested shares under paragraph (1) must pay the reasonable expenses connected with the sale.

Form and manner of instructions

10. The Board is not required to act on any instructions it receives under these Regulations if —

- (a) the instructions are not given in the form and manner that the Board may require; or
- (b) any form or document that the Board may require in relation to the instructions is incorrect or incomplete.

Modification in time to sell vested shares

11.—(1) Where a relevant person instructs the Board to sell a deceased designated shareholder's vested shares before the 8th working day mentioned in regulation 4(2) or (4) or 6(1)(a), the Board may, if it thinks fit, sell the vested shares before the 8th working day.

(2) Subject to paragraph (3), if it is impracticable for the Board to sell any vested shares on the day or date, or the last day of the period, prescribed by regulation 4(2) or (4), 6(1) or 7(2) for the sale of vested shares, the Board may delay the sale of the vested shares until it is practicable to do so.

(3) Where any of the vested shares have not been sold on the day or date, or the last day of the period, prescribed by regulation 6(1)(b) or (c) or 7(2) because the Board is attempting to contact or waiting for instructions or documents from the designated shareholder or the relevant person in relation to a deceased designated shareholder, the Board may sell the vested shares on any working day after that time that the Board thinks fit.

(4) For the purposes of paragraph (2), the circumstances in which it is not practicable for the Board to sell vested shares at or within the time prescribed by regulation 4(2) or (4), 6(1) or 7(2) (as the case may be) include, but are not limited to, any of the following:

(a) the last day of that time is not a working day;

(b) there is no buyer for the vested shares on the last day of that time.

Revocation and transitional provisions

12.—(1) The Central Provident Fund (Distribution and Disposal of Shares in Approved Corporation) Regulations 2010 (G.N. No. S 821/2010) are revoked.

(2) Despite paragraph (1), where section 26(3) of the Act as in force before 1 April 2022 continues to apply on or after that date as provided by the Central Provident Fund (Amendment) Act 2021 (Saving and Transitional Provisions) (No. 2) Regulations 2022 (G.N. No. S 287/2022), regulations 3(1), (2)(a)(ii) and (b), (3)(a) and

(b), (4) and (5) and 6 of the revoked Regulations as in force before 1 April 2022 continue to apply for the purposes of that provision of the Act.

(3) Despite paragraph (1), where section 26A(6) of the Act as in force before 1 April 2022 continues to apply on or after that date as provided by the Central Provident Fund (Amendment) Act 2021 (Saving and Transitional Provisions) (No. 2) Regulations 2022, regulations 4(1) and (2)(a)(ii), (e) and (f) and 6 of the revoked Regulations as in force before 1 April 2022 continue to apply for the purposes of that provision of the Act.

(4) Any stockbroker appointed by the Board under regulation 8 of the revoked Regulations is treated as having been appointed by the Board under these Regulations.

(5) In this regulation, “revoked Regulations” means the Central Provident Fund (Distribution and Disposal of Shares in Approved Corporation) Regulations 2010.

THE SCHEDULE

Regulation 7

PRESCRIBED CIRCUMSTANCES UNDER SECTION 26(6)(b) OF ACT AND TIME FOR SALE OF VESTED SHARES

<i>First column</i>	<i>Second column</i>
<i>Prescribed circumstances</i>	<i>Day, date or period to sell vested shares</i>
1. The Board is notified before 1 April 2022 that a designated shareholder has died before 1 November 2015 and no instructions (whether or not with duly completed forms and documents) are received before 1 April 2022	<p>(a) Where the designated shareholder died between 1 March 2015 and 31 October 2015 (both dates inclusive) — the 15th day of the month following the 7th anniversary of the designated shareholder’s death; or</p> <p>(b) where the designated shareholder died before 1 March 2015 — as soon as practicable after 1 April 2022</p>

THE SCHEDULE — *continued*

<i>First column</i>	<i>Second column</i>
<i>Prescribed circumstances</i>	<i>Day, date or period to sell vested shares</i>
<p>2. The designated shareholder's accounts in the Fund have been deemed to be dormant under section 2(1B) of the Act before 1 April 2022 and before the vested shares are sold —</p> <p>(a) the designated shareholder has not satisfied the Board that he or she is still alive; and</p> <p>(b) the Board has not been notified that the designated shareholder has died</p>	18 April 2022
<p>3. The designated shareholder's accounts in the Fund have been deemed to be dormant under section 2(1B) of the Act on or after 1 April 2022 and before the vested shares are sold —</p> <p>(a) the designated shareholder has not satisfied the Board that he or she is still alive; and</p> <p>(b) the Board has not been notified that the designated shareholder has died</p>	The 15th day of the month immediately following the month in which the accounts have been deemed to be dormant
<p>4. Where —</p> <p>(a) the Board has been notified, whether before, on or after 1 April 2022 that the designated shareholder has died; and</p> <p>(b) the deceased designated shareholder's nominee is an undischarged bankrupt</p>	Between the 2nd and 4th working day (both days inclusive) after the date that the Board is satisfied that the nominee is an undischarged bankrupt

THE SCHEDULE — *continued*

<i>First column</i>	<i>Second column</i>
<i>Prescribed circumstances</i>	<i>Day, date or period to sell vested shares</i>
<p>5. Where —</p> <p>(a) the Board has been notified, whether before, on or after 1 April 2022 that the designated shareholder has died; and</p> <p>(b) the deceased designated shareholder's nominee (not being a widow of the deceased designated shareholder) is below 18 years of age</p>	<p>Between the 2nd and 4th working day (both days inclusive) after the date that the Board is satisfied that the nominee is below 18 years of age</p>
<p>6. The Board has been notified, on or after 1 April 2022, that the designated shareholder has died and the deceased designated shareholder has executed a memorandum under section 25(1) of the Act that provides for payment to a nominee in accordance with section 25(1)(a)(iii) and (b) of the Act</p>	<p>Between the 2nd and 4th working day (both days inclusive) after the date that the Board is satisfied that the deceased designated shareholder has executed the memorandum</p>
<p>7. Where —</p> <p>(a) the designated shareholder has applied to the Board on or after 1 April 2022 for the withdrawal of the sum standing to the credit of the designated shareholder under section 15(2)(b) or (c) of the Act;</p> <p>(b) the designated shareholder has not, before the Board gives its authority under section 15(1) of the Act for the withdrawal of the sum mentioned in paragraph (a), instructed the Board to transfer the designated shares to the designated shareholder's securities account; and</p>	<p>Between the 2nd and 4th working day (both days inclusive) after the date on which the Board has given its authority mentioned in paragraph (b) of this item</p>

<i>First column</i>	<i>Second column</i>
<i>Prescribed circumstances</i>	<i>Day, date or period to sell vested shares</i>
(c) before the designated shares are sold, the Board has not been notified that the designated shareholder has died	

Made on 30 March 2022.

AUBECK KAM
*Permanent Secretary,
 Ministry of Manpower,
 Singapore.*

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(To be presented to Parliament under section 78(2) of the Central Provident Fund Act 1953).