



REGISTRY OF MUTUAL BENEFIT ORGANISATIONS

Ministry of Culture, Community and Youth

[Updated 6 May 2021¹]

Chairman
All Mutual Benefit Organisations

Dear Sir/Mdm,

SUBMISSION OF RETURNS UNDER THE MUTUAL BENEFIT ORGANISATIONS (MBO) ACT

Under section 14 of the MBO Act, every registered organisation shall once in every year, not later than 31st May, send to the Registrar an audited financial statements together with a copy of any special report of the auditor. However, we note that some MBOs have not been timely in their submission of the audited financial statements.

2 We would like to remind that it is an offence under section 41 of the said Act, if a registered organisation fails to submit any return as required to be done under the Act. Further, under section 28, the Registrar may cancel the registration of a MBO, which has contravened any of the provision of the Act. The Registrar may also cancel the registration of a MBO if the number of members of the organisation is less than 50.

3 In the circumstances when the Registrar cancels the registration of an organisation, the Official Assignee will take over the financial affairs of the organisation. The implications of this is that members may not be able to get their dues immediately as the liquidation process involved will usually take some time. There is also the possibility that there would not be any surplus left for distribution to the members, after settling all the liabilities. In this regard, it would be in the interest of MBOs who are not interested to carry on with their activities to wind up voluntarily.

4 Nonetheless, we understand that some MBOs do not know the process to dissolve the organisation. Hence, we would like to advise that under section 32 of the Act, a registered organisation may be dissolved by the consent of three-fourths of the members of the organisation. The steps involved are spelt out in section 33. For your ease of reference, the relevant sections of the Act are enclosed in the Annex to this letter. However, if you need any clarification or advice, you may email to: "MCCY_Regcoop@mccy.gov.sg".

¹ Circular was first issued by Registry on 22 February 2001



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5 For those MBOs who wish to carry on with their activities, please ensure that the annual returns must be submitted on time. We take a serious view of the late or non-submission of returns required under the Act, and will not hesitate to invoke section 28 of the Act, i.e. to initiate action to cancel the registration of the organisation concerned.

6 We thank you for your attention and co-operation in this matter.

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MUTUAL BENEFIT ORGANISATIONS ACT

Dissolution of registered organisations.

32. A registered organisation may terminate or be dissolved in any of the following ways:

- (a) upon the happening of any event declared by the rules to amount to termination of the organisation;
- (b) by the consent of three-fourths of the members of the organisation testified by their signatures to an instrument of dissolution; or
- (c) by the Registrar in the cases specified in this Act.

Instrument of dissolution.

33. Where a registered organisation is terminated by an instrument of dissolution—

(a) the instrument shall set forth—

- (i) the liabilities and assets of the registered organisation in detail;
- (ii) the number of members and subscribers and the nature of their interests in the organisation;
- (iii) the intended appropriation or division of the funds and property of the organisation, unless the appropriation or division is stated in the instrument of dissolution to be left to the award of the Registrar;

(b) a statutory declaration made by one of the trustees or by 3 members and the secretary of the organisation that the provisions of this Act have been complied with shall be sent to the Registrar with the instrument of dissolution;

(c) the instrument shall not direct or contain any provision for a division or appropriation of the funds of the organisation or any part thereof, otherwise than for the purpose of carrying into effect the objects of the organisation as declared in the rules thereof, unless the claim of every member or person claiming any relief, annuity or other benefit from the funds thereof is first duly satisfied or adequate provision is made for satisfying those claims;

(d) the instrument of dissolution shall be registered in the manner provided in this Act for the registration of amendments of rules, and shall be binding upon all members of the organisation; and



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(e) the Registrar shall cause a notification of the dissolution to be published in the *Gazette* and unless within 3 months from the date of the publication of the notification, a member or subscriber or other person interested in or having any claim on the funds of the organisation commences proceedings to set aside the dissolution of the organisation, and the dissolution is set aside accordingly, the organisation shall be dissolved from the date of the publication of the notification in the *Gazette* and the requisite consents in the instrument of dissolution shall be considered to have been duly obtained without proof of the signatures thereto.