



## **GUIDELINES ON TRANSFER OF OWNERSHIP**

Under the Child Care Centres Act 1988, a child care centre means any premises at which five or more children under the age of seven years are habitually received for the purposes of care and supervision during part of the day or for longer periods. Any organisations or individuals who wish to set up a child care centre are required to obtain a licence from the Ministry of Community Development, Youth and Sports (MCYS). You are encouraged to study the “Guide on How to Set up a Child Care Centre” available at <http://www.childcarelink.gov.sg> before proceeding with your plan to set up a centre.

### **TRANSFER OF OWNERSHIP FOR EXISTING CHILD CARE CENTRES**

Privately owned centres located in private or commercial premises can be sold to another party like any other business deal. However, it is the responsibility of buyers and sellers to ensure that there is continuity of care for the young children enrolled in their centres. Both parties should consider this aspect before making decisions regarding the handover of the centres and make sure that the quality of care provided is not compromised.

### **ROLE AND RESPONSIBILITIES OF SELLER**

Child care centre licences are non-transferable. If you wish to transfer the ownership of the centre to someone else, you need to inform MCYS at least two months in advance and notify parents accordingly. However, you are still responsible for all matters related to the child care centre until the transfer of ownership is effected and a new licence has been issued to the new licensee. The following should be in order:

- the legal arrangements pertaining to the premises, e.g. tenancy agreement and change of use
- notification to MCYS and parents in writing at least two months in advance of intention to sell
- settling of deposits and fees for children before the transfer
- settling of salaries and bond issues for staff who decide to leave
- agreement on retention of records – old records have to be kept for at least three years after the transfer of ownership. If the records are to be kept by the new operator, it is important to document such an arrangement and to retain a list of records to be handed over
- handing over of relevant documents to the new operator, e.g. existing children’s information which includes their enrolment forms as well as copies of documents such as birth certificates, immunisation records, etc
- ensuring that the centre is in good physical state, i.e. no major structural problems
- highlighting to the new operator any new licensing requirements that have to be met, e.g. installation of an external fire staircase

- submission to MCYS a list of children whom will remain in the centre under the new management and their receipts of last month's payment before transfer of centre. Batch transfer of these children will be made by the Licensing Officer in the CCLS.
- submission to MCYS the withdrawal forms of children and their receipts of last payment for every child whom will not continue with centre under new management before transfer of centre. You will also need to withdraw these children from CCLS.
- submission to MCYS the audited statement of account within three months after the transfer of centre

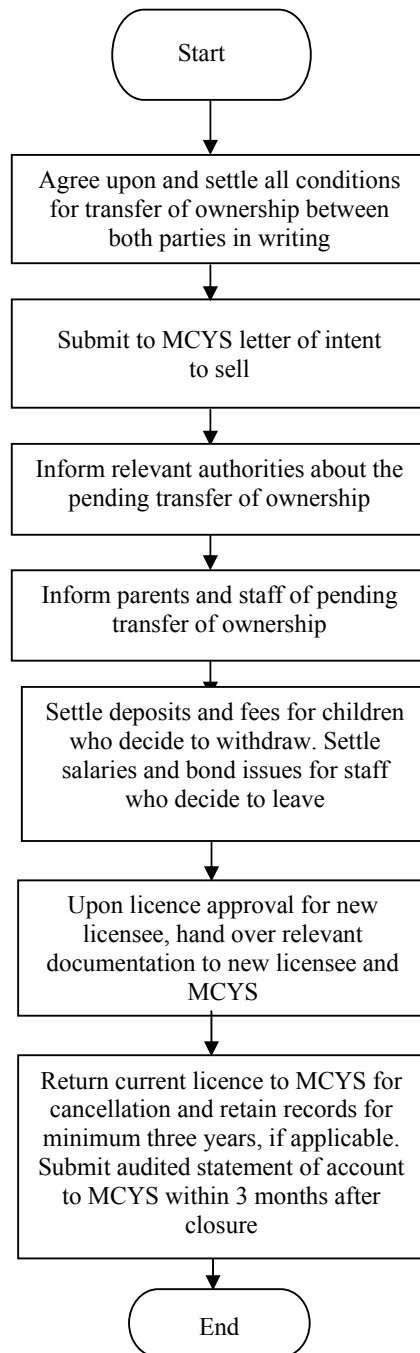
## **ROLE AND RESPONSIBILITIES OF BUYER**

As the prospective owner of the child care centre, you are encouraged to read the "Guide on How to Set up a Child Care Centre". You should make the necessary legal arrangements with the seller regarding the buying over of the centre and be aware of the licensing conditions of the current licence and any rectification that has to be made. A fresh application for a child care centre licence would have to be submitted to MCYS at least two months before the expected date of operation for processing. In addition, you would have to come to an agreement with the existing staff as to whether they wish to stay on with you and ensure that the following are in order:

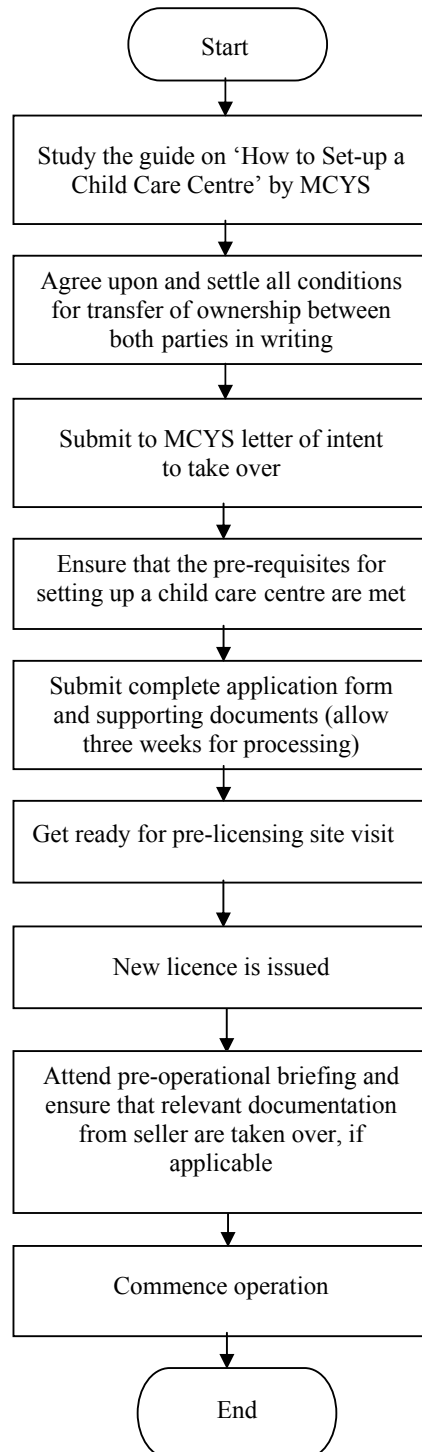
- new lease agreement
- notification to the Urban Redevelopment Authority (URA) on the updating of the premises' change of use
- notification to MCYS on the intention to take over the centre
- instant printout from the Accounting and Corporate Regulatory Authority (ACRA) showing the centre's name as well as information on the operator(s)
- agreement on retention of records (either to be retained by the existing operator or transferred to the new operator)
- registration of the current children as new enrolments and parents' acknowledgement of receipt of the new parents' handbook
- new employment contracts to be signed with the staff who are retained
- any other licensing requirements as stipulated in the Child Care Centres Act and Regulations

For more information pertaining to the setting up of child care centres, please call the Family Services Division at 1800-258 5812 or visit our website: <http://www.childcarelink.gov.sg>.

## PROCEDURES FOR TRANSFER OF OWNERSHIP: FOR SELLER



## PROCEDURES FOR TRANSFER OF OWNERSHIP: FOR BUYER



## **Frequently Asked Questions (FAQs)**

**Qn 1.** Is it necessary for me to obtain the clearances again since the previous tenant has already obtained the necessary clearances?

Ans: It depends on whether there are any structural changes to the premises. For example, an external staircase may be required for a centre which was set up before 1988. Any structural change would have to be approved by the Building and Construction Authority (BCA) and Fire Safety and Shelter Department (FSSD). BCA and FSSD would have to issue another Certificate of Statutory Completion (CSC) and Fire Safety Certificate (FSC) respectively to the new operator and these clearances would have to be submitted to MCYS. The new operator would have to engage a QP to process these clearances.

**Qn 2.** If there are no structural changes to the premises, is it necessary for me to submit any documents to MCYS?

Ans: If there are no structural changes, you would need to submit a QP's letter stating that there have been no structural changes to the premises based on the last floor plan approved by BCA and FSSD. Although you do not need to re-obtain clearances from the relevant authorities if the clearances are still valid, you would still need to submit certified true copies of the original clearances to MCYS.

**Qn 3.** Is it necessary for me to follow the previous menu and programme offered by the previous management?

Ans: No, as you may wish to change the menu and/or programme to suit your centre's philosophy of care. The new menu and programme will have to be submitted at the time of application for the child care centre licence.

**Qn 4.** Do I need to register my business with the Accounting and Corporate Regulatory Authority (former Registry of Companies and Businesses) and/or just effect a change in licensees?

Ans: Child care centre licences are non-transferable. For a transfer of ownership, you are required to register your business with the Accounting and Corporate Regulatory Authority (ACRA) and to apply for a child care centre licence. A change in licensee does not amount to a transfer of ownership.

**Qn 5.** Is a transfer of ownership possible for child care centres located in HDB void decks? If so, what are the procedures?

Ans: Under the current tenancy agreement for MCYS tendered sites: *‘HDB void-deck child care centre tenants are not allowed to transfer, assign, lease, mortgage or part with legal or physical possession of the premises or any part thereof in whatsoever manner without the prior consent of the HDB and or the MCYS.’* Any application for assignment or transfer of ownership should be made in writing to MCYS, Family Services Division (Planning Section) #10-00 with your proposed change in business operation and present Business Registration Certificate from ACRA. Transfer of ownership for HDB tendered sites are considered on a case-by-case basis.

**Qn 6.** How can I know when I can start operation of the centre after the change of ownership?

Ans: You can start operation only after a valid child care centre licence is issued to you. You will be notified by MCYS.

**Qn 7.** Is there a provisional licence I can obtain if I cannot submit all the clearances in time for the licence to be issued?

Ans: No, you will require a valid child care centre licence before you can start operation in the centre. No provisional licence will be issued.

**Qn 8.** Where can I obtain more information regarding the running of a child care centre?

Ans: You may wish to visit our website at <http://www.childcarelink.gov.sg> for more information or call MCYS Child Care Information Services at 1800-258 5812.

**Qn 9.** To whom does last month’s child care subsidy go to? The previous owner or me?

Ans: The child care subsidy would still be given to the current licensee until a new licence is issued to the new operator.

**Qn 10.** Can I engage an agent/consultant to assist me in the licence application and setting up of a child care centre?

Ans: MCYS provides free consultative services in assisting potential operators to set up a child care centre. The guide on setting up a child care centre also provides you with all the relevant information which is sufficient for you to set up a child care centre without engaging an agent or consultant. Should you wish to engage an agent/consultant to assist you in the setting up of a child care centre and its operations, we would like to highlight that as a potential operator, you are still solely responsible for the operations of the centre and you should be fully aware of what is happening in the centre. All submissions and contracts, e.g. employees' employment letters submitted to MCYS must be issued under the operator's and not the agent/consultant's name. MCYS will also liaise with the current and potential operators, on all matters pertaining to setting up a centre and its operations.

**Qn 11.** Who should deal with parents' enquiries?

Ans: The current licensee will be responsible for dealing with parents' enquiries and other issues until a new licence is issued to the new licensee. To ensure a smooth transition, all parents should acknowledge or agree to the new parents' handbook and the centre's new rules and regulations. The centre should keep proper documentation on this.

**Qn 12.** What are the records that should be kept and transferred over?

Ans: All records stipulated in the Child Care Centres Act and Regulations are required to be retained for three years upon transfer of ownership. The retention of records should be agreed upon and settled between the current and new operators.

**Qn 13.** If I am considering taking over an old premises, are there any clearances or special requirements to adhere to?

Ans: All child care premises will have to adhere to the current MCYS licensing requirements. For example, child care centres set up before 1988 may presently be required to have an external fire escape staircase, in accordance to FSSD's fire safety requirement in order to obtain a FSC.

**Note:** Please check with MCYS, Family Services Division (Child Care Section) for any changes to the above requirements. The above FAQ serves only as a guide to present or potential child care centre licensees and may change without prior announcement.