

Can I Select Any Name for My Organisation?

You are generally free to choose a name for your organisation, as long as ACRA is of the opinion that the name is not:

- undesirable;
- identical to that of another business;
- identical to a name already reserved by another business; or
- a name of a kind that the Minister has directed the Registrar not to accept for registration (e.g. Temasek).

For societies, there are additional names which require a letter of support from the relevant authorities. Please refer to http://www.ifaq.gov.sg/MHA/apps/fcd_faqlmain.aspx#TOPIC_1243 for specific details.

How can I finance my business?

Fundraising is a significant consideration for many organisations. Generally, there are four (4) ways you can finance your arts organisation:

- apply for a grant;
- obtain a loan;
- sell part of your business (equity); or
- seek crowdfunding.

If your organisation is a charity or an IPC, you may also be seeking to solicit donations from members of the public.

In deciding how best to raise funds for your organisation, you will need to consider your legal structure, the associated risks and your obligations to the person giving you the money.

Grants

Grants from the government

There are a number of government agencies that fund arts-related activities.

SPRING Singapore is a government agency under the Ministry of Trade and Industry responsible for promoting the growth of Singapore enterprises. SPRING has implemented a number of programmes which provide specific support for certain types of start-ups, which (depending on the nature of your business) may be a source of funds for your new arts organisation. Please visit <https://www.spring.gov.sg/> for more information on their programmes. Depending on the type of grant, the funds may be given to you as a loan, donation or in

exchange for a share of your enterprise's ownership and profits. The grants usually fall into two (2) main categories:

- fixed sum cash grant: this is a set amount of money given to a finite number of selected applicants; or
- co-contribution schemes: this entitles you to receive an amount of funds which increases proportionally to what you are able to raise in capital from other parties. Most co-contribution schemes impose a maximum amount on how much an applicant is permitted to receive in co-contributions.

The IMDA has implemented various assistance schemes for media companies. An example of this is the production assistance scheme whereby IMDA will support up to 40% of qualifying expenses including, but not limited to, manpower, professional fees, intellectual property licensing, location and equipment rental. Please refer to <https://www.imda.gov.sg/> for more information about their schemes.

The NAC provides funding to encourage the production of and participation in the arts across a variety of fields. The NAC has an extensive list of schemes such as the seed grant, which helps new or emerging non-profit arts organisations by funding up to 70% of their operating costs. For more details on their schemes, please refer to <https://www.nac.gov.sg/whatwedo/support/funding.html>.

The Singapore Centre for Social Enterprise ("raiSE") was set up to raise awareness of social entrepreneurship and provide support for social enterprises in Singapore. raiSE provides a range of support including funding, advisory services, training, relevant resources and networks, with the hope of strengthening the social enterprise sector in Singapore. Please visit <https://www.raise.sg/> for more details on their initiatives.

Grants from organisations

Some large multinational organisations offer grant schemes relevant to their field of business to promote non-profit organisations as part of their general corporate social responsibility programmes.

You can also seek funding from the Community Foundation of Singapore, a charitable foundation which aims to direct philanthropists to charities and causes with an impact on the community.

If your organisation is non-profit, you may also seek funding from the National Council of Social Service. The National Council of Social

Service administers a number of grants to enable voluntary welfare organisations, including charities, to achieve their aims in projects and services.

Loans

A loan is a contractual agreement between the lender (usually a financial institution) and a borrower whereby a borrower receives money from the lender and in return promises to repay the borrowed amount plus interest. Before entering into a loan agreement, you should consider the terms carefully (such as the repayment term, interest rate, acceleration clauses that entitle the lender to immediately demand the repayment of loans, and what if any, security or collateral is required by the lender), and decide whether your organisation can fulfil them. It is therefore important that you obtain legal advice before your organisation enters into a loan agreement. If you are a sole proprietor or a general partner in a partnership, you should also note that you could be personally liable for the debts of your organisation.

Equity

Alternatively, you can consider equity financing to eliminate the risk of the inability to repay the loan. This is essentially selling a portion of your organisation to investors through selling shares in return for receiving the price of the shares. An advantage is that the risk of the business rests partially with the investors and there is no obligation to repay the money to investors if the organisation does not do well. However, investors will gain control over your company through their shareholding and you may also need to share your profits and decision – making process with them. You should therefore have a thorough discussion with any potential investors prior to the sale of any shares.

Crowdfunding

A common way of crowdfunding is sourcing small contributions from many individuals in order to finance a project. Crowdfunding is typically done through licensed crowdfunding companies, many of which operate off the web. Crowdfunding may be appropriate if you have a new product design which needs funding or an arts project you would like to pursue on a larger scale. Crowdfunders pledge money towards a project because they share your vision, appreciate the idea of your product or want to see your idea succeed. In some cases, crowdfunding can be structured such that the funders will not share any ownership or profits of your organisation (also known as donation-based crowdfunding), while in others the funders may get a reward such as early access to your product (this is known as reward-based crowdfunding).

You should note that certain types of crowdfunding efforts may raise legal issues for your company. For example, “equity-based” crowdfunding, where a company offers shares to contributors in exchange for funding, would be an offer of securities under Singapore law which is regulated by the Monetary Authority of Singapore. Similarly, a lending-based crowdfunding model, which involves individual contributors making loans to project owners with promised interest in return, could raise issues under the Moneylenders Act (Cap. 188, 2010 Rev. Ed. Sing.) and would again be subject to regulation by the Monetary Authority of Singapore.



“Well, ye-es, asking Mummy and Daddy for a handout is also a form of fundraising...”

Are there Any Other Regulatory Requirements?

Depending on the type of arts business you plan to run, you may have to apply for and obtain licences from the relevant authorities before you may legally commence operations. You should consider applying for the necessary licences at or before the time you register your organisation with ACRA or the Registry of Societies, as applicable.

A few examples of licences and permits you may need to apply for as an arts business are the following:

- Arts Entertainment Licence;
- Public Entertainment Licence; and
- Copyright Licence.