

NATIONAL CORPORATE SOCIAL RESPONSIBILITY (CSR) FOUNDATION

Extract from Finance (Miscellaneous Provisions) Act 2016

50L. CSR Fund

- (1) Every company shall, in every year, set up a CSR Fund equivalent to 2 per cent of its chargeable income of the preceding year.
- (2) (a) Subject to subsection (9), an amount equal to the percentage of the CSR Fund, as specified in the following table, shall be remitted to the Director-General –

	Percentage to be remitted to the Director-General
CSR Fund set up on or after 1 January 2017 up to 31 December 2017	At least 50%
CSR Fund set up on or after 1 January 2018	At least 75%

(b) The remainder shall be used by the company –

- (i) in respect of a CSR Fund set up before 1 January 2019, to implement a CSR Programme in accordance with its own CSR Framework;
- (ii) in respect of a CSR Fund set up on or after 1 January 2019, to implement a CSR Programme or finance a non-governmental organization implementing a CSR Programme in the priority areas of intervention as specified in Part A of the Tenth Schedule.

(3) No CSR money shall be spent by a company in respect of the activities specified in Part B of the Tenth Schedule.

(4) Subject to subsection (9), the amount referred to in subsection (2)(a) shall be remitted to the Director-General as follows –

(a) in the case of a company required to submit an APS Statement under Sub-part AA –

- (i) for the first three quarters, 25 per cent for each of the quarters together with the APS Statement required to be submitted under section 50B; and
- (ii) for the last quarter, 25 per cent at the time the company submits its annual return under section 116;

(b) in the case of a company which is not required to submit an APS Statement under section 50B(4), together with its annual return under section 116 or 119.

(6) Any amount unspent under subsection (2)(b) shall be remitted to the Director-General, together with the company's annual return under section 116 or 119.

(7) The Authority shall, as soon as is practicable, remit any sum collected under subsections (2)(a) and (6) to the Accountant-General for onward remittance to the National CSR Foundation.

(8) This Sub-part shall apply to a resident *société*, other than a resident *société* holding a Global Business Licence under the Financial Services Act, as it applies to a company, and its net income shall be deemed to be its chargeable income and any distribution of its net income shall, for the purpose of this Sub- part, be deemed to be dividends.

(9) (a) The amount to be remitted to the Director General shall be reduced by such amount as the company intends to spend in respect of an approved CSR programme which fits within the priority areas of intervention as specified in Part A of the Tenth Schedule.

(b) The amount to be remitted to the DirectorGeneral shall only be reduced where the company receives prior written approval of the National CSR Foundation.

Excess CSR Payment

(54) Where on the coming into operation of section 50L, a company has paid out its CSR Fund, a sum in excess of the amount provided for under that Fund, the excess amount referred to in the repealed section 50L(6) may be carried forward and offset in equal instalments against any amount to be remitted under section 50L(2)(a) in respect of 5 succeeding years starting as from year of assessment 2016/2017.