

# Guidelines

for Regulated Dealers in the  
Precious Stones and Precious Metals Dealers Sector  
on Anti-Money Laundering/Countering the Financing of  
Terrorism/Countering Proliferation Financing

13 February 2026

Note: The latest revisions are highlighted in yellow.

## Version Control Record

Version	Release Date	Key Changes
1.0	30 Apr 2019	<ul style="list-style-type: none"> <li>• First release.</li> </ul>
1.1	28 Aug 2019	<ul style="list-style-type: none"> <li>• Clerical edits and formatting.</li> <li>• Update to paragraph 6.3.2 - Listings on terrorist designation and designated individuals and entities.</li> <li>• Update to Annex D 'Red Flag Indicators for Regulated Dealers' – Added Customer Behaviour (ix) and Supplier Behaviour (x).</li> <li>• Update to Annex E, Form B – Segmented headers for section B3 and B4.</li> <li>• Updated references to the CTR form and CTR filing process to reflect updates to the CTR smart form in: <ul style="list-style-type: none"> <li>○ paragraph 2.1: definition of terms</li> <li>○ paragraph 12 generally</li> </ul> </li> <li>• Expanded on definition of “precious product” in paragraph 2.1: definition of terms.</li> <li>• Updated MAS weblink in: <ul style="list-style-type: none"> <li>○ paragraph 4.2.2(a) footnote 8</li> <li>○ paragraph 6.3.2(b)</li> <li>○ Annex C, paragraph 4.1(b)</li> <li>○ Annex C, paragraph 5.1(b)</li> <li>○ Annex E, Form B1.2</li> </ul> </li> <li>• Added best practice to verify if customer is authorised to act on behalf of another person in: <ul style="list-style-type: none"> <li>○ paragraph 6.2.2</li> <li>○ Annex C, paragraph 10.1(e)</li> <li>○ Annex E, A1.15</li> </ul> </li> <li>• Added best practice to understand the nature of the business of a legal person in: <ul style="list-style-type: none"> <li>○ paragraphs 6.3.1 and 6.3.3</li> <li>○ Annex E, A2.18</li> <li>○ Annex E, A3.20</li> </ul> </li> <li>• Clarified requirement to obtain proof of supporting documentation for customer’s identity in: <ul style="list-style-type: none"> <li>○ paragraph 13.1.2(b)</li> <li>○ Annex C, paragraph 10.1(b)</li> </ul> </li> <li>• Clarified notification of countries/jurisdictions that the FATF has called for countermeasures against in paragraph 7.1.2</li> <li>• Clarified record keeping requirement for legal persons in: <ul style="list-style-type: none"> <li>○ paragraph 13.1.2</li> <li>○ Annex C, paragraph 10.1</li> </ul> </li> <li>• Added list of additional ECDD measures for consideration of regulated dealers in paragraph 7.2.2.</li> <li>• Clarified that SCDD is meant to cover only a segment of customers in paragraphs 8.1.1 and 8.1.2.</li> </ul>

Version	Release Date	Key Changes
		<ul style="list-style-type: none"> <li>• Clarified circumstances in which to report to police or consider filing STR in Annex A.</li> <li>• Clarified “confidentiality” requirement under section 10A of TSOFA in paragraph 12.4.2.</li> </ul>
2.0	14 Dec 2020	<p><b>Changes to Guidelines</b></p> <ul style="list-style-type: none"> <li>• Clerical edits, formatting, and minor clarifications.</li> <li>• <u>New paragraphs 3.3.1 – 3.3.3:</u> explanation and supervisory expectations in relation to Proliferation Financing.</li> <li>• <u>New paragraphs 3.4.1 – 3.4.3:</u> explanation of dealers’ responsibility to comply with AML/CFT requirements, and the three lines of defence.</li> <li>• <u>Paragraphs 5.1.1 – 5.1.2:</u> emphasis on the obligations of directors and senior management of regulated dealers.</li> <li>• <u>New paragraph 5.2.4:</u> clarification on what the IPPC should cover.</li> <li>• <u>Paragraph 6.2.1(d):</u> dealer must obtain appropriate documentary evidence to verify that the customer is authorised to act on behalf of that other person.</li> <li>• <u>Paragraphs 6.3.7 – 6.3.8:</u> explanation of situations where dealer need not do CDD on the BO e.g. publicly listed customers.</li> <li>• <u>New paragraphs 6.3.12 – 6.3.17:</u> explanation of documents that must be collected for CDD and supervisory expectations on the process for collecting documentation.</li> <li>• <u>New paragraph 6.4.4:</u> dealers are expected to document the results of screening and assessment.</li> <li>• <u>New paragraphs 7.1.1 – 7.1.2:</u> explanation of PEPs, close associates of PEPs and ECDD procedures.</li> <li>• <u>New paragraphs 7.1.3 – 7.1.6:</u> explanation of ECDD requirements for high-risk countries and other categories of high-risk customers.</li> <li>• <u>New paragraphs 7.2.2 – 7.2.4:</u> explanation of source of funds and source of wealth, and procedures to acquire this information.</li> <li>• <u>New paragraphs 11.1 and 11.2:</u> explanation of ongoing monitoring requirements.</li> <li>• <u>New paragraph 13.1.2(e):</u> dealer must keep record of proof that customer is authorised to act on behalf of another person (if applicable).</li> <li>• <u>New paragraphs 13.2.1 – 13.2.3:</u> explanation of requirement to file semi-annual returns.</li> </ul> <p><b>Changes to Guide on When to Perform CDD and ECDD Measures (old Annex A – new Annex C)</b></p>

Version	Release Date	Key Changes
		<ul style="list-style-type: none"> <li>Replaced old flowchart with a streamlined infographic.</li> </ul> <p><b>Changes to Sample Risk Assessment Form (old Annex B – new Annex A)</b></p> <ul style="list-style-type: none"> <li>Clerical edits, formatting, and minor clarifications.</li> <li><u>Risk assessment form</u>: reworked to three categories: <ul style="list-style-type: none"> <li>Customer profile</li> <li>Customer’s countries or territories of origin</li> <li>Product / Services / Delivery channels</li> </ul> </li> </ul> <p><b>Changes to Sample IPPC Document (old Annex C – new Annex B)</b></p> <ul style="list-style-type: none"> <li>Clerical edits, formatting, and minor clarifications.</li> <li><u>IPPC paragraph 2.4</u>: risk assessment must be signed off by the most senior member of the senior management.</li> <li><u>New IPPC paragraphs 5.1 – 5.2</u>: explanation of CDD requirements.</li> <li><u>New IPPC paragraphs 6.1(b) – (g)</u>: explanation of documents that must be collected for CDD and supervisory expectations on the process for collecting documentation.</li> <li><u>New IPPC paragraph 6.2</u>: explanation on screening requirements and procedures.</li> <li><u>New IPPC paragraphs 6.3 – 6.5</u>: steps to be taken if CDD cannot be completed or if dealer has reasonable belief of tipping off.</li> <li><u>New IPPC paragraphs 8.1 – 8.3</u>: explanation on ECDD requirements, including requirements to conduct ECDD against: <ul style="list-style-type: none"> <li>countries on the FATF increased monitoring list;</li> <li>higher risk business activities;</li> <li>customers with suspicious behaviour / transaction patterns; and</li> <li>countries or territories with higher levels of corruption / organised crime / inadequate AML/CFT measures.</li> </ul> </li> <li><u>New IPPC paragraph 9.1</u>: explanation on procedures to conduct ECDD.</li> <li><u>New IPPC paragraph 10.1 – 10.2</u>: explanation on ongoing monitoring requirements and procedures.</li> <li><u>New IPPC paragraphs 12.1(d) – (e)</u>: dealer to collect identifying information of: <ul style="list-style-type: none"> <li>The person the customer is acting on behalf of; and</li> <li>Proof that customer is authorised to act on behalf of the other person.</li> </ul> </li> </ul>

Version	Release Date	Key Changes
		<p><b>Changes to Red Flag Indicators for Regulated Dealers (Annex D)</b></p> <ul style="list-style-type: none"> <li>• Clerical edits, formatting, and minor clarifications.</li> <li>• New customer behaviour indicators (xiv) – (xviii).</li> <li>• Reminder of new trends and typologies arising during the COVID-19 pandemic.</li> </ul> <p><b>Changes to Sample CDD Forms and Sample ECDD Forms (Annexes E and F)</b></p> <ul style="list-style-type: none"> <li>• Clerical edits, formatting, and minor clarifications.</li> <li>• CDD forms in <b>Annex E</b> reworked into: <ul style="list-style-type: none"> <li>○ Form A1 for all customers.</li> <li>○ Form A2 for individuals the customer is acting on behalf of.</li> <li>○ Form A3 for entities and legal arrangements.</li> <li>○ Form A4 for beneficial owners of entities and legal arrangements.</li> </ul> </li> </ul>
3.0	15 Nov 2023	<p><b>Changes to Guidelines</b></p> <ul style="list-style-type: none"> <li>• Clerical edits, formatting, and minor clarifications.</li> <li>• <u>Definition of terms used in guidelines</u>: Updated definition of cash equivalent and added definitions of digital payment token, e-money and net price.</li> <li>• <u>New paragraphs 5.3.1 to 5.3.3</u>: Added explanation on the implementation of a group policy.</li> <li>• <u>Paragraph 6.1.1</u>: Added transactions under prescribed circumstances to perform CDD.</li> <li>• <u>Paragraphs 6.2 and 6.3</u>: Added explanation on requirements of CDD and how to perform CDD.</li> <li>• <u>Paragraph 14</u>: Added explanation on additional measures relating to targeted financial sanctions.</li> </ul> <p><b>Changes to Sample Risk Assessment Form (Annex A)</b></p> <ul style="list-style-type: none"> <li>• Edited clarificatory note.</li> <li>• <u>Added examples under category on Services, Delivery Channels, and Mode and Value of Transactions.</u></li> </ul> <p><b>Changes to Sample IPPC Document (Annex B)</b></p> <ul style="list-style-type: none"> <li>• Edited clarificatory note.</li> <li>• <u>Paragraph 5.2</u>: Added transactions under prescribed circumstances to perform CDD.</li> </ul>

Version	Release Date	Key Changes
		<p><b>Changes to Red Flag Indicators for Regulated Dealers (Annex D)</b></p> <ul style="list-style-type: none"> <li>• <u>Added red flag indicators of Proliferation Financing.</u></li> <li>• <u>Added red flag indicators of shell and front companies.</u></li> <li>• <u>Added red flag indicators of GST missing trader fraud involving precious metals.</u></li> </ul> <p><b>Addition of Annex G – Guidelines on Non Face-to-Face Identity Verification</b></p>
4.0	2 May 2024	<p><b>Changes to Guidelines:</b></p> <ul style="list-style-type: none"> <li>• Clerical edits and formatting.</li> <li>• Updated the Guidelines to include countering proliferation financing.</li> <li>• <u>Definition of terms used in guidelines:</u> Updated on the definition of “asset-backed token” and “precious product” in paragraph 2.1.</li> <li>• <u>Update to paragraph 3.3.1:</u> Definition of Proliferation Financing.</li> <li>• <u>Update to paragraph 5.3.3:</u> Added explanation on the implementation of a group policy.</li> <li>• <u>New paragraph 12.1.2:</u> Added new offence for submission of incomplete or inaccurate cash transaction reports without reasonable excuse.</li> <li>• <u>Update to paragraph 13.1.1:</u> Added a record-keeping obligation where a registered dealer must keep records for a prescribed period after ceasing to be a registered dealer.</li> <li>• <u>Update to Annex A:</u> Updated Section C to include jewellery/ watch/ apparel/ accessory/ ornament or other finished product priced above S\$20K as examples of “Products”.</li> <li>• <u>Update to Annex B:</u> <ul style="list-style-type: none"> <li>○ Added responsibility for directors and senior management to monitor IPPC for effectiveness.</li> <li>○ New paragraph 3 – Added a section on Group Policy for regulated dealers with branches or subsidiaries.</li> <li>○ Update to paragraph 4.1 – Added requirement for compliance officer to be one who is “fit and proper”.</li> <li>○ Update to paragraph 8.1d – Added new offence for submission of incomplete or inaccurate cash transaction reports without reasonable excuse.</li> </ul> </li> <li>• Update to Annex C to include CPF and PF elements</li> <li>• Updated FATF’s weblinks in:</li> </ul>

Version	Release Date	Key Changes
		<ul style="list-style-type: none"> <li>○ Annex A, section B, footnote 18</li> <li>○ Annex E, Form B3.1</li> </ul>
4.1	25 Aug 2025	<b>Changes to Guidelines:</b> <ul style="list-style-type: none"> <li>• Updated the FAQ link in para 1.3</li> <li>• Annex C – To be updated</li> </ul>
5.0	13 Feb 2026	<b>Changes to Guidelines:</b> <ul style="list-style-type: none"> <li>• Clerical edits and formatting.</li> <li>• Updated the Guidelines to include countering proliferation financing.</li> <li>• <u>Definition of terms used in guidelines:</u> Included the definition of business relationship and updated the definition of precious product in paragraph 2.1.</li> <li>• <u>New paragraph 5.3.5:</u> Added the requirement for an independent audit function.</li> <li>• <u>Update to paragraphs 6.3.2 and 6.3.3:</u> Added the requirement of obtaining information necessary to understand the purpose of the business relationship with the customer.</li> <li>• <u>Update to paragraphs 6.3.7 and 6.3.8:</u> Added clarification on the exception for Regulation 6(3) of the PMLTFPF Regulations.</li> <li>• <u>New paragraphs 6.3.18 to 6.3.20:</u> Added notes on Trustees' AML/CFT/CPF obligations under the Trustees Act.</li> <li>• <u>New paragraphs 7.3.4 to 7.3.6:</u> Added explanation on conducting risk-based approach towards the level of ECDD measures.</li> <li>• <u>New paragraph 10.1.2:</u> Added the definition of third party, drawn from FATF standards.</li> <li>• <u>Update to paragraph 11.2.1:</u> Added requirement for ongoing monitoring to ensure that the transactions performed by customers are consistent with the nature of the customer's business.</li> <li>• <u>Update to paragraph 12.2.1:</u> Added clarification to the timeline to file STR.</li> <li>• <u>New paragraph 13.1.3:</u> Added clarification to the record-keeping requirement.</li> <li>• <u>Update to Annex A:</u> Updated Section A to include understanding and, where appropriate, obtain information on the purpose and intended nature of the business relationship with the customer, as a measure to address risk; and reworked section C of the risk assessment form.</li> <li>• <u>Update to Annex B:</u></li> </ul>

Version	Release Date	Key Changes
		<ul style="list-style-type: none"> <li>○ Added paragraph 3.1.1 – To clarify the need for the group policy to be approved by the regulated dealer’s senior management, to manage and effectively mitigate the risks of ML, TF and PF including making appropriate compliance management arrangements.</li> <li>○ Update to paragraph 11.3a – Added requirement for ongoing monitoring to ensure that the transactions performed by customers are consistent with the nature of the customer’s business.</li> <li>○ Update to paragraph 12.1(c) – To clarify on the timeline for filling of STR.</li> <li>• <u>Updates to flowchart in Annex C</u></li> <li>• <u>Update to Annex D:</u> <ul style="list-style-type: none"> <li>○ Clerical edits, formatting, and clarifications.</li> <li>○ Updated the red flag indicators for customers and suppliers.</li> <li>○ Added red flag indicators for sanctions evasion activity.</li> </ul> </li> <li>• <u>Update to Annex E:</u> <ul style="list-style-type: none"> <li>○ Forms A1, A2 and A3 - Added “purpose of business relationship” as information required from customers.</li> </ul> </li> <li>• <u>Update to Annex F:</u> <ul style="list-style-type: none"> <li>○ Added “purpose of business relationship” as information required from customers.</li> </ul> </li> </ul> <p><b>Addition of Annex H</b> - Additional Guidance on Assessment of Customer Risk, Identification of Material Red Flags, SOW Establishment, Risk Mitigating Measures and Ongoing Monitoring of Customers and their Transactions</p> <p><b>Addition of Annex I</b> - Offences/Breaches under the PSPM Act and PMLTFPF Regulations</p>



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## 1 Introduction



1.1 All regulated dealers in the precious stones and precious metals dealers (“PSMD”) sector are subject to regulatory requirements<sup>1</sup> under the following laws:

- The Precious Stones and Precious Metals (Prevention of Money Laundering, Terrorism Financing and Proliferation Financing) Act 2019 (“PSPM Act”), which establishes the regulatory regime for PSMDs in Singapore, and defines the scope of regulated dealing.
- The Precious Stones and Precious Metals (Prevention of Money Laundering, Terrorism Financing and Proliferation Financing) Regulations 2019 (“PMLTFPF Regulations”), which sets out the specific requirements for regulated dealers.

1.2 The Guidelines provide guidance to all regulated dealers on their obligations under the PSPM Act and PMLTFPF Regulations and should be read in conjunction with the PSPM Act and PMLTFPF Regulations. In the event of any conflict between the Guidelines and the PSPM Act and PMLTFPF Regulations, the PSPM Act and PMLTFPF Regulations will prevail.

1.3 The Guidelines are not exhaustive and may be amended from time to time.

1.4 For the latest version of the Guidelines and more compliance resources, regulated dealers are advised to refer to the Anti-Money Laundering/Countering the Financing of Terrorism Division (“ACD”) of Ministry of Law’s website, and frequently asked questions (FAQs) as below:

ACD Website	FAQs
 Click <a href="#">here</a> to access the website	 Click <a href="#">here</a> to access the FAQs

## 2 Definition of Terms Used in Guidelines

2.1 The following table summarises some key terms used in the Guidelines. Please refer to the PSPM Act and the PMLTFPF Regulations for the full definition of these terms where applicable, as well as for the full list of definitions.

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<sup>1</sup> Regulated dealers are also subject to other laws (e.g. Terrorism (Suppression of Financing) Act, United Nations Act and Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act).

Term	Definition
<b>Asset-backed token</b>	<p>Any token, certificate or other instrument backed by one or more precious stones, precious metals or precious products which entitles the holder to the precious stone, precious metal or precious product, or part of it.</p> <p>Securities, derivatives contracts, commodity contracts, digital payment tokens and any token, certificate or other instruments that may be prescribed are not asset-backed tokens.</p>
<b>Beneficial owner</b>	<p>In relation to any entity or legal arrangement, refers to an individual:</p> <ul style="list-style-type: none"> <li>i. who ultimately owns or controls the entity or legal arrangement;</li> <li>ii. who exercises ultimate effective control over the entity or legal arrangement; or</li> <li>iii. on whose behalf an entity or legal arrangement conducts any transaction with the regulated dealer.</li> </ul> <p>For example, if a representative from a company purchases S\$30,000 worth of jewellery in cash, the company representative is not the beneficial owner ("BO"). The BO is the individual who has ultimate effective control over the company.</p>
<b>Business relationship</b>	<p>Refers to a relationship between a customer and a regulated dealer arising from the regulated dealer carrying on any regulated activity and includes a single transaction or designated transaction which the regulated dealer enters into or intends to enter into with a customer.</p>

Term	Definition
<b>Cash equivalent</b>	<p>Refers to:</p> <ul style="list-style-type: none"> <li>i. cash cheque or traveller's cheque;</li> <li>ii. a payment account that contains e-money (As a guiding principle, this covers digital wallets e.g. payments made using Apple Pay, Samsung Wallet, Alipay, WeChat pay, Grabpay, Shopee pay, Lazada, YouTrip and Wise etc);</li> <li>iii. a voucher (whether in physical or electronic form) the redemption of which in accordance with its terms entitles the holder to receive goods or services up to the value stated on or recorded in or in respect of the voucher, whether such value is in terms that are monetary or non-monetary;</li> <li>iv. a token, stamp, coupon or other article (whether in physical or electronic form) the redemption of which in accordance with its terms entitles the holder to receive any precious stone, precious metal or precious product up to the value stated on or recorded in or in respect of the token, stamp, coupon, or other article;</li> <li>v. any negotiable instrument that is in bearer form, indorsed without any restriction, made out to a fictitious payee or otherwise in such form that title thereto passes upon delivery and includes a negotiable instrument that has been signed but with the payee's name omitted.</li> </ul> <p>As a guiding principle, a payment mode would be considered cash equivalent if it allows anonymity and the identity of the payer cannot be traced (e.g. cash cheques, stored value cards, EZ-link cards, cash vouchers, and payment made using digital wallets as mentioned above).</p> <p>Given the above principle, PayNow will not fall under the definition of cash equivalent as it allows traceability of the payer's identity.</p>
<b>Compliance officer</b>	<p>A management-level employee or owner of the regulated dealer who is responsible for ensuring that the regulated dealer complies with all the measures under the PSPM Act, including to be in charge of all anti-money laundering/countering the financing of terrorism/countering proliferation financing ("AML/CFT/CPF") matters within the entity or organisation. Sole proprietors can be the compliance officer.</p>
<b>Customer</b>	<p>Refers to a person (whether a natural person or legal person) whom the regulated dealer enters or intends to enter into a transaction with.</p>

Term	Definition
<b>Digital Payment Token</b>	<p>Refers to “digital payment token” in section 2(1) of Payment Services Act 2019:</p> <p>Any digital representation of value (other than an excluded digital representation of value) that —</p> <ul style="list-style-type: none"> <li>a) is expressed as a unit;</li> <li>b) is not denominated in any currency, and is not pegged by its issuer to any currency;</li> <li>c) is, or is intended to be, a medium of exchange accepted by the public, or a section of the public, as payment for goods or services or for the discharge of a debt;</li> <li>d) can be transferred, stored or traded electronically; and</li> <li>e) satisfies such other characteristics as the Authority may prescribe.</li> </ul>
<b>Designated transaction</b>	<p>Refers to a transaction conducted wholly or partly in Singapore where:</p> <ul style="list-style-type: none"> <li>- the dealer sells a precious stone, precious metal, precious product or asset-backed token and receives payment in cash or cash equivalent exceeding S\$20,000 in total value.</li> <li>- the dealer buys a precious stone, precious metal, precious product or redeems an asset backed token from a customer (who is not a regulated dealer) and pays the customer in cash or cash equivalent exceeding S\$20,000 in total value.</li> </ul> <p>Where there is a reference to a designated transaction in regulations 5 and 6 of the PMLTFPF Regulations, the customer due diligence measures in regulations 5 and 6 also apply to a transaction in the following prescribed circumstances:</p> <ul style="list-style-type: none"> <li>- the dealer sells or barter a precious stone, precious metal, precious product or asset-backed token and receives payment in gold (except in the form of jewellery) exceeding S\$20,000 in total value.</li> <li>- the dealer sells a precious stone, precious metal, precious product or asset-backed token and receives payment in digital payment tokens exceeding S\$20,000 in total value.</li> </ul> <p>There could be instances where a customer/ BO conducts multiple small transactions (less than S\$20,000 per transaction) within the same day. However, if the total value of all transactions exceeds S\$20,000, these transactions are considered as a designated transaction, or a transaction in the prescribed circumstances mentioned above.</p>

Term	Definition
<b>E-money</b>	Refers to “e-money” in section 2(1) of Payment Services Act 2019:  Any electronically stored monetary value that — <ul style="list-style-type: none"> <li>a) is denominated in any currency, or pegged by its issuer to any currency;</li> <li>b) has been paid for in advance to enable the making of payment transactions through the use of a payment account;</li> <li>c) is accepted by a person other than its issuer; and</li> <li>d) represents a claim on its issuer.</li> </ul>
<b>Form NP 784</b>	Refers to the prescribed form for a Cash Transaction Report (“CTR”) as set out at the website at <a href="http://www.police.gov.sg">http://www.police.gov.sg</a> .
<b>Family member</b>	In relation to a politically-exposed person, refers to a parent, step-parent, child, step-child, adopted child, spouse, sibling, step-sibling and adopted sibling, of the politically-exposed person.
<b>Key personnel</b>	Refers to an individual who is: <ul style="list-style-type: none"> <li>i. a substantial shareholder (owns more than 5% of the shares of the registered dealer that is a company)</li> <li>ii. a director, manager, partner, secretary, compliance officer or other person holding an analogous position involved in the management of the regulated dealer</li> <li>iii. an employee managing the regulated dealer’s business of regulated dealings or the registered dealer’s business as an intermediary, as the case may be.</li> </ul>
<b>Legal person</b>	Refers to a legal entity or legal arrangement.
<b>Net Price</b>	Net price in relation to any precious stone, precious metal, precious product or asset-backed token sold or purchased by a regulated dealer, refers to the list price of the precious stone, precious metal, precious product or asset-backed token sold or purchased: <ul style="list-style-type: none"> <li>i. Deducting any discount or rebate given by the regulated dealer in connection with the sale, or to the regulated dealer in connection with that purchase, as the case may be; but</li> <li>ii. Including (i) any tax charged on that sale or purchase, as the case may be; and (ii) any fee or charge imposed by the regulated dealer in connection with that sale, or on the regulated dealer in connection with that purchase, as the case may be.</li> </ul>

Term	Definition								
<b>Politically-exposed person and their close associates</b>	<p>Politically-exposed person (“PEP”) refers to an individual who is, or has been entrusted with any prominent public function in:</p> <ul style="list-style-type: none"> <li>i. Singapore;</li> <li>ii. a foreign country or territory; or</li> <li>iii. an international organisation.</li> </ul> <p>Due to their position and influence, family members and close associates of PEPs should be subject to enhanced customer due diligence (“ECDD”) measures because of the potential for abuse of the relationship for the purpose of moving the proceeds of crime, or facilitating their placement and disguise, as well as for terrorism financing purposes.</p>								
	<p>Close associate refers to individuals who are closely connected to a PEP, either socially or professionally. They usually refer to a:</p> <ul style="list-style-type: none"> <li>i. partner of the PEP;</li> <li>ii. person accustomed to or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the PEP;</li> <li>iii. person who has influence, whether formal or informal, over a PEP; or</li> <li>iv. person with whom the PEP has an agreement or arrangement, whether oral or in writing and whether express or implied, to act together.</li> </ul>								
<b>Precious stone</b>	<p>Refers to diamonds, sapphires, rubies, emeralds, jade (including nephrite and jadeite), and pearls.</p> <p>This includes only loose stones, which are not affixed to a finished product and do not fall under the definition of precious products.</p> <p>Examples:</p> <table border="1"> <thead> <tr> <th>Precious stone</th><th>Precious product</th></tr> </thead> <tbody> <tr> <td>- Loose ruby</td><td>- Diamond set in a ring</td></tr> <tr> <td>- Loose synthetic sapphire</td><td>- Jade bangle</td></tr> <tr> <td>- Loose jade</td><td></td></tr> </tbody> </table>	Precious stone	Precious product	- Loose ruby	- Diamond set in a ring	- Loose synthetic sapphire	- Jade bangle	- Loose jade	
Precious stone	Precious product								
- Loose ruby	- Diamond set in a ring								
- Loose synthetic sapphire	- Jade bangle								
- Loose jade									



Term	Definition				
<b>Precious metal</b>	<p>Refers to gold, silver, platinum, iridium, osmium, palladium, rhodium, ruthenium, or an alloy with at least 2% in weight in any of the aforementioned metals.</p> <p>This includes only the above metals which are not in the form that falls under the definition of precious products.</p> <p>Examples:</p> <table> <tr> <th>Precious metal</th><th>Precious product</th></tr> <tr> <td> <ul style="list-style-type: none"> <li>- Gold ingot with the manufacturer stamp or imprint.</li> <li>- Silver coin with the manufacturer stamp or imprint.</li> <li>- Ore and concentrates with at least 2% of weight in any of the aforementioned metals.</li> </ul> </td><td> <ul style="list-style-type: none"> <li>- 999 gold ingot with carvings or engravings other than manufacturer stamp or imprint.</li> <li>- Customised silver coin stamped with corporate customer's company logo/brand on it.</li> <li>- 999 gold coin shaped into a pendant or bracelet charm.</li> </ul> </td></tr> </table>	Precious metal	Precious product	<ul style="list-style-type: none"> <li>- Gold ingot with the manufacturer stamp or imprint.</li> <li>- Silver coin with the manufacturer stamp or imprint.</li> <li>- Ore and concentrates with at least 2% of weight in any of the aforementioned metals.</li> </ul>	<ul style="list-style-type: none"> <li>- 999 gold ingot with carvings or engravings other than manufacturer stamp or imprint.</li> <li>- Customised silver coin stamped with corporate customer's company logo/brand on it.</li> <li>- 999 gold coin shaped into a pendant or bracelet charm.</li> </ul>
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Term	Definition
<b>Precious product</b>	<p data-bbox="467 237 1398 309">Refers to any finished product (e.g. jewellery, watch, apparel, accessory or ornament):</p> <ul style="list-style-type: none"> <li data-bbox="515 353 1398 425">(a) Made up of, containing or having attached to it, any precious stone or precious metal or both; and</li> <li data-bbox="515 432 1398 582">(b) That satisfies either of the following: <ul style="list-style-type: none"> <li data-bbox="611 470 1398 542">(i) has at least 50% of its value attributable to the precious stone and/or precious metal; or</li> <li data-bbox="611 548 1197 582">(ii) is priced above the net price of S\$20,000.</li> </ul> </li> </ul> <p data-bbox="467 627 1398 739">For part (i) above, an item is considered a "precious product" if at least 50% of its transacted net price is due to the precious stone or precious metal (or both) making up, contained in or attached to the product.</p> <p data-bbox="467 784 1398 855">The net price refers to the list price of the precious product sold by the regulated dealer:</p> <ul style="list-style-type: none"> <li data-bbox="467 900 1398 1012">i. Including any tax charged on the sale of the precious product, and any fee or charge imposed by the regulated dealer in connection with the sale of the precious product.</li> <li data-bbox="467 1057 1398 1527">ii. Deducting any discount or rebate which the regulated dealer gives the customer in connection with the sale of the precious product. The following are not considered to be discounts or rebates: <ul style="list-style-type: none"> <li data-bbox="523 1191 1398 1303">(a) Amount due to the customer in respect of the sale of any other goods by the customer to the regulated dealer (e.g. from trade-ins);</li> <li data-bbox="523 1326 1398 1397">(b) Amount deposited by the customer with the regulated dealer in respect of the sale or otherwise (e.g. from store credits); and</li> <li data-bbox="523 1420 1398 1527">(c) Amount paid using voucher(s) issued by the regulated dealer or third parties (e.g. from mall vouchers that can be used at various shops in the mall).</li> </ul> </li> </ul> <p data-bbox="467 1572 1398 1796">In essence, payment modes used for transactions shall not be deemed or considered as a discount or rebate. For example, if a customer purchases a precious product worth S\$21,000 and uses a digital payment platform that in itself, offers a 5% discount, the amount of transaction remains at \$21,000 (in the regulated dealer's book) even though the customer effectively paid S\$19,950.</p> <p data-bbox="467 1841 1398 1874">The following are excluded from the definition of precious products:</p> <ul style="list-style-type: none"> <li data-bbox="467 1881 1362 1915">i. Any machinery, tool or equipment used for industrial purposes;</li> <li data-bbox="467 1921 1398 1991">ii. Any medical device within the meaning given by item 1 of the First Schedule to the Health Products Act.</li> </ul>

Term	Definition
<b>Prominent public function</b>	Includes the role held by a head of state, a head of government, a government minister, a senior public servant, a senior judicial or military official, a senior executive of a state-owned corporation, a member of the legislature, a senior official of a political party, or a member of the senior management of an international organisation.
<b>Registrar</b>	Refers to the Registrar of Regulated Dealers appointed under section 4(1) of the PSPM Act. The Registrar is responsible for the administration of the PSPM Act.
<b>Regulated dealer</b>	Refers to a person who carries on a business of regulated dealing or business as an intermediary for regulated dealing.
<b>Regulated dealing</b>	Refers to doing any of the following: <ul style="list-style-type: none"> <li>i. manufacturing any precious stone, precious metal or precious product;</li> <li>ii. importing or possessing for sale any precious stone, precious metal or precious product;</li> <li>iii. selling or offering for sale any precious stone, precious metal or precious product;</li> <li>iv. selling or redeeming asset-backed tokens;</li> <li>v. purchasing any precious stone, precious metal or precious product for the purposes of resale.</li> </ul>
<b>Substantial shareholder</b>	Includes any shareholder that owns at least 5% of all voting shares in the company (please refer to <b>Division 4 of Part 4</b> of the Companies Act 1967).

2.2 The following table summarises the abbreviations used in the Guidelines.

Abbreviations	Definition
ACD	Anti-Money Laundering/Countering the Financing of Terrorism Division
ACRA	Accounting and Corporate Regulatory Authority
AML/CFT/CPF	Anti-money laundering/countering the financing of terrorism/countering proliferation financing
BO	Beneficial owner
CDD	Customer due diligence
CDSA	Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act
CTR	Cash transaction report
DPRK	Democratic People's Republic of Korea
ECDD	Enhanced customer due diligence
FATF	Financial Action Task Force
IMC-TD	Inter-Ministry Committee on Terrorist Designation
IPPC	Internal policies, procedures and controls
MAS	Monetary Authority of Singapore
MHA	Ministry of Home Affairs
ML	Money laundering
NRIC	National Registration Identity Card
PDPA	Personal Data Protection Act
PDPC	Personal Data Protection Commission
PEP	Politically-exposed person
PF	Proliferation Financing
PMLTFPF Regulations	Precious Stones and Precious Metals (Prevention of Money Laundering, Terrorism Financing and Proliferation Financing) Regulations 2019
PSMD	Precious stones and precious metals dealers
PSPM Act	Precious Stones and Precious Metals (Prevention of Money Laundering, Terrorism Financing and Proliferation Financing) Act 2019
PSPM	Precious stones, precious metals, precious products and/or asset-backed tokens
SCDD	Simplified customer due diligence
SONAR	STRO Online Notices and Reporting platform
STR	Suspicious transaction report
STRO	Suspicious Transaction Reporting Office
TF	Terrorism financing
TSOFA	Terrorism (Suppression of Financing) Act
UN Act	United Nations Act
UN Regulations	United Nations Regulations

### 3 Money Laundering, Terrorism Financing and Proliferation Financing

#### 3.1 What is Money Laundering (“ML”)

3.1.1 ML is a process to enable criminals to obscure the proceeds of their crime and make them appear to originate from legitimate sources. Singapore’s primary legislation to combat ML is the CDSA. Regulated dealers should refer to <https://sso.agc.gov.sg/Act/CDTOSCCBA1992> for more information on the CDSA.

3.1.2 There are 3 stages involved in ML:

- a. **Placement** – Placement occurs when the proceeds from illegal activities are first introduced into the economy and financial system. This could be done by breaking up large amounts of cash into less conspicuous smaller sums and depositing them into a bank account; or by purchasing a series of monetary instruments (cheques, money orders, etc.) that are collected and deposited into other accounts. For example, multiple small PSPM purchases (below S\$20,000) could be made instead of one single large transaction, which may attract reporting obligations by PSPM sellers.
- b. **Layering** – Layering refers to separating illicit proceeds from their source by creating layers of transactions designed to disguise the source of money and to subvert the audit trail. The funds might be channelled through the purchase and sale of high-value products or services (diamonds, jewellery, gold bars, etc.), or be wired through multiple bank accounts. For example, a money launderer could attempt to avoid detection by using third party cheques to purchase PSPM.
- c. **Integration** – Integration means placing the laundered funds back into the economy and financial system with the appearance of being legitimate funds. For example, cash obtained from the sale of high-value products are banked into accounts or are used to buy luxury assets such as jewellery or real estate.

#### 3.2 What is Terrorism Financing (“TF”)

3.2.1 TF is the act of providing funds to terrorists to carry out acts of terrorism. Terrorism seeks to influence, compel, or intimidate governments or the general public through threats, violence, or damage to property. The TSOFA was enacted in Singapore to combat this threat. Regulated dealers may refer to the IMC-TD website (<https://www.mha.gov.sg/what-we-do/managing-security-threats/countering-the-financing-of-terrorism>) for more information.

3.2.2 Such funds may be legitimate funds (e.g. business or charity funds, self-funding by individuals) or illegitimate funds (e.g. from extortion or drug trafficking). As the sums used to finance individual acts of terrorism may not always involve large sums of monies, TF can be hard to detect. The methods used, particularly by terrorist

organisations, to raise, move, or conceal funds for their activities can be similar to those used by criminal organisations to launder their funds.

### 3.3 What is Proliferation Financing (“PF”)

3.3.1 PF refers to the act of providing funds, assets or other resources which are used in the development of weapons of mass destruction (including nuclear weapons). The DPRK and Iran are subjected to PF-related UN targeted financial sanctions. More completely, PF refers to the risk of raising, moving or making available funds, other assets or other economic resources, or financing, in whole or in part, for the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical or biological weapons (i.e., weapons of mass destruction) and their means of delivery and related materials (including both technologies and dual use goods used for non-legitimate purposes), in contravention of national laws or, where applicable, international obligations.

3.3.2 Singapore implements the United Nations Security Council Resolutions (“UNSCR”) which prohibit specified transactions, which may include the export of luxury goods, with individuals and entities designated as being involved in the proliferation of weapons of mass destruction and its financing. The relevant information and full listings of persons designated by UNSCRs can be found on the UN website<sup>2</sup>.

3.3.3 Regulated dealers should remain vigilant to the risks of conducting transactions or establishing business relationships with representatives, nominees or companies, including front or shell companies, which are used to circumvent the UNSCRs and evade sanctions (please see the red flag indicators for sanctions evasion activity in Annex D).

### 3.4 The Three Lines of Defence

3.4.1 Each regulated dealer is reminded that the ultimate responsibility and accountability for ensuring compliance with AML/CFT/CPF laws, regulations and notices rests with its directors and senior management.

3.4.2 The regulated dealer’s directors and senior management are responsible for ensuring strong governance and sound AML/CFT/CPF risk management and controls. While certain responsibilities can be delegated to AML/CFT/CPF employees, final responsibility rests with the regulated dealer’s directors and senior management.

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<sup>2</sup> Pursuant to the UN Act, the regulated dealer should ensure that their AML/CFT/CPF measures are in compliance with the relevant UN Regulations on Iran and DPRK. These regulations prohibit the provision of services, supplies and material to prohibited entities linked to proliferation financing activities. Please see (for the DPRK): <https://www.un.org/securitycouncil/sanctions/1718/materials> and (for Iran) <https://main.un.org/securitycouncil/en/sanctions/1737/materials>.

The list of designated individuals and entities on the above lists are also on MAS’ website on targeted financial sanctions: <https://www.mas.gov.sg/regulation/anti-money-laundering/targeted-financial-sanctions/lists-of-designated-individuals-and-entities>

The directors and senior management should set a clear risk appetite and ensure a compliance culture where financial crime is not acceptable.

- 3.4.3 Customer facing employees constitute the first line of defence in charge of identifying, assessing and controlling the ML/TF/PF risks of their business. The second line of defence includes the AML/CFT/CPF compliance function, as well as other support functions such as operations, which work together with the AML/CFT/CPF function to identify ML/TF/PF risks when they process transactions. The third line of defence is the regulated dealer's internal audit function. The regulated dealer should communicate its IPPC to their employees and train them adequately so that they are aware of their obligations and guidance on how to ensure the regulated dealer's compliance with prevailing AML/CFT/CPF laws, regulations and notices.

## **4 Risk Assessment**

### **4.1 Risk-Based Approach**

- 4.1.1 The purpose of the AML/CFT/CPF regulatory and supervisory regime is to manage and effectively mitigate the ML/TF/PF risks faced by regulated dealers.
- 4.1.2 The regulated dealer is required to assess the ML/TF/PF risks faced by its business and adopt a risk-based approach to address these risks. A risk-based approach requires the regulated dealer to ensure that programmes and measures to manage and mitigate ML/TF/PF risks are commensurate with the level of ML/TF/PF risks identified.
- 4.1.3 Under the risk-based approach, the regulated dealer must:
- a. Identify, assess and understand the ML/TF/PF risks in their business; and
  - b. take reasonable steps to manage and mitigate those ML/TF/PF risks.

### **4.2 How to Perform Risk Assessment**

- 4.2.1 The regulated dealer must consider all relevant risk factors in its risk assessment before determining the overall level of ML/TF/PF risks and the appropriate type and extent of measures to be applied.
- 4.2.2 The regulated dealer must take appropriate steps to identify, assess and understand the ML/TF/PF risks in relation to:
- a. the profile<sup>3</sup> of its customers,

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<sup>3</sup> As part of profile checks, regulated dealers can refer to the MAS website to check if the customer is on the sanctions lists of designated individuals and entities (<https://www.mas.gov.sg/regulation/anti-money-laundering/targeted-financial-sanctions/lists-of-designated-individuals-and-entities>).

- b. the customers' country or territory of origin;
  - c. the countries or territories where the regulated dealer has operations; and
  - d. the following aspects of the regulated dealer's business:
    - i. The product nature of the PSPMs (e.g. value, liquidity or source);
    - ii. The services provided (e.g. retail, wholesale, manufacture or import);
    - iii. The mode and value of transactions (e.g. cash, in-kind payments, bank transfer, credit card, virtual currencies or digital payment tokens); and
    - iv. Delivery channels (e.g. over-the-counter, courier or delivery of PSPMs to a foreign country or territory).
- 4.2.3 The regulated dealer must document its risk assessment and ensure that the risk assessment is kept up to date.
- 4.2.4 The regulated dealer must be able to provide the risk assessment and relevant documentation to the Registrar upon request.
- 4.2.5 Regulated dealers can refer to [Annex A](#) for a guide on how to perform the ML/TF/PF risk assessment.
- 5 Programmes and Measures to Prevent Money Laundering, Terrorism Financing and Proliferation Financing**
- 5.1 Importance of AML/CFT/CPF Governance
- 5.1.1 The commitment, participation and authority of owners and controlling persons (directors and senior management) are important to a sound AML/CFT/CPF risk management framework. The directors and senior management of the regulated dealer should ensure that the risk mitigating measures adopted are adequate, robust, and effective. The successful implementation of a risk-based approach to AML/CFT/CPF is dependent on the employees having a good understanding of the ML/TF/PF risks the regulated dealer is exposed to.
- 5.1.2 The directors and senior management of the regulated dealer should understand the ML/TF/PF risks the regulated dealer is exposed to and how the regulated dealer's AML/CFT/CPF control framework operates to mitigate those risks. This should involve the directors and senior management:
- a. receiving sufficient information to form an accurate picture of the ML/TF/PF risks, including emerging or new ML/TF/PF risks;



- b. receiving sufficient and objective information to assess whether the regulated dealer's AML/CFT/CPF controls are adequate and effective;
- c. receiving information on legal and regulatory developments and the impact these have on the regulated dealer's AML/CFT/CPF framework; and
- d. ensuring that processes are in place to escalate important decisions that directly impact the ability of the regulated dealer to manage and mitigate ML/TF/PF risks, especially where AML/CFT/CPF controls are assessed to be inadequate or ineffective.

## 5.2 Internal Policies, Procedures and Controls ("IPPC")

- 5.2.1 The regulated dealer must have appropriate programmes in place to prevent ML, TF and PF. Such programmes must include an IPPC to manage and effectively mitigate ML/TF/PF risks. The IPPC should be communicated clearly to the employees for them to implement it.
- 5.2.2 The regulated dealer must develop and implement its IPPC, which must be approved by its senior management, including:
  - a. making appropriate compliance management arrangements, including the appointment of a compliance officer at the management level; and
  - b. applying adequate screening procedures when hiring employees.
- 5.2.3 The directors and senior management are responsible for ensuring that the regulated dealer:
  - a. takes enhanced measures to manage and mitigate the risk of ML/TF/PF where higher risks are identified;
  - b. has an ongoing programme to train employees on the IPPC; and
  - c. implements the IPPC and enhances it if necessary.
- 5.2.4 The IPPC developed should at least cover the following areas:
  - a. Assessment of risks faced by the business;
  - b. Appointment of compliance officer and his/her responsibilities;
  - c. Checks to conduct when hiring employees;
  - d. Procedure to perform CDD;

- e. Procedure to file a CTR;
  - f. Procedure to perform ECDD;
  - g. Procedure to file an STR;
  - h. Staff training on AML/CFT/CPF; and
  - i. Record keeping.
- 5.2.5 Before launching a new product or a new business practice (a new product line, a new medium of transaction, delivery mechanism, a new business outlet at a new location, etc.) or before using a new or developing technology for any new or existing product, the regulated dealer must:
- a. identify and assess the ML/TF/PF risks that may arise in relation to the new product, business practice or technology; and
  - b. take appropriate measures to manage and mitigate such risks.
- 5.2.6 Regulated dealers who carry out or intend to enter into a designated transaction **must** have an independent audit function to test the IPPC. For example, the auditing unit or staff must be adequately independent of the business arm and not be involved in the establishment, implementation or maintenance of the AML/CFT/CPF programme.
- 5.2.7 Regulated dealers can refer to [Annex B](#) for a sample IPPC document which regulated dealers may consider adopting. However, the regulated dealers should adapt the IPPC to suit their business context and ensure that the IPPC developed meets the requirements of the PSPM Act and **PMLTFPF** Regulations.
- 5.3 Group Policy for Branches and Subsidiaries
- 5.3.1 A regulated dealer with one or more branches or subsidiaries (whether located or incorporated in Singapore or in a foreign country or for territory), must implement a group policy consistent with the internal controls and measures in section 5.2 for preventing ML, TF and PF; and for managing and mitigating the risk of ML, TF and PF, that apply to, and are appropriate for:
- (a) every such branch; and
  - (b) every such subsidiary where more than 50% of the shares or other equity interests are owned by the regulated dealer.
- 5.3.2 If the regulated dealer has a branch or subsidiary in a foreign country or territory having laws for the prevention of ML, TF or PF that differ from Singapore, the more stringent law must be applied to that branch or subsidiary, to the extent that the law of the foreign country or territory permits. The regulated dealer must report to the

Registrar if the more stringent law cannot be fully applied to the branch or subsidiary and:

- a. perform appropriate additional measures to manage the ML, TF and PF risks; and
- b. comply with any directions given by the Registrar.

5.3.3 For the purpose of conducting customer due diligence or managing the risk of ML, TF and PF, the group policy should contain measures to share information among the dealer and the dealer's branches and subsidiaries to the extent permitted by the law of the foreign country or territory that the dealer's branch or subsidiary is in. These measures must incorporate adequate safeguards to protect confidentiality and use of any information that is shared, and not tip-off any persons arising from the information shared (including to not share the information, where appropriate).

5.3.4 Such measures (policies and procedures) should include the provision, to the regulated dealer's group-level compliance, audit and AML/CFT/CPF functions, of customer, account, and transaction information from its branches and subsidiaries within the group, when necessary for AML/CFT/CPF purposes. The information to be shared within the regulated dealer's group should include information and analysis of transactions or activities which appear unusual<sup>4</sup>. Similarly, branches and subsidiaries should receive such information from group-level compliance, audit, and/or AML/CFT/CPF functions when relevant and appropriate to risk management.

5.3.5 In addition, a regulated dealer that carries out one or more designated transactions, must have an independent audit function to test its IPPC.

## 6. Customer Due Diligence ("CDD")

CDD refers to the process of obtaining the customers' identifying information and verifying who they are before transacting with them. This helps regulated dealers determine the ML/TF/PF risks and take mitigating measures to address them.

There are three levels of customer due diligence - CDD, ECDD and SCDD to provide for the risk-based customisation of the CDD measures. Thus, in situations where PEPs may be involved, or in other situations where there is higher risk of ML/TF/PF, the regulated dealer is required to undertake ECDD measures in paragraph 7, in addition to the CDD measures in paragraph 6. Conversely, paragraph 8 on SCDD allows regulated dealers to apply a lower level of CDD, provided the conditions for SCDD are met. Regulated dealers may refer to [Annex C](#) for a guide on when to perform CDD and ECDD.

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<sup>4</sup> Subject to [Section 57 of the CDSA](#) and Section 10B of the TSOFA on tipping-off, information shared may include an STR, the underlying information of the STR, or the fact that an STR was filed.

## 6.1 When to Perform CDD

6.1.1 The regulated dealer must perform CDD under the following circumstances:

- a. Before entering into a designated transaction;
- b. When there is suspicion of ML/TF/PF;
- c. When there are doubts about the accuracy or adequacy of previously obtained customer identification data. (e.g. if the customer's behaviour does not match what the regulated dealer knows of the customer based on previous interactions with him);
- d. Under circumstances that are prescribed;
- e. Before entering into a transaction involving payment in gold (except in the form of jewellery) exceeding S\$20,000; or
- f. Before entering into a transaction involving payment in digital payment tokens exceeding S\$20,000.

6.1.2 Regulated dealers can also refer to [Annex D](#) for a list of red flag indicators to look out for when conducting transactions with customers and/or suppliers.

## 6.2 Requirements of CDD

6.2.1 This paragraph sets out the CDD components to be applied. As part of the CDD process, the regulated dealer must:

- a. obtain, verify and record the customer's identifying information through independent and credible sources.
  - i. For individuals, this can be done by verifying the customer's identity card, passport or other government-issued identity document (which should bear the photograph of the customer).
  - ii. For legal entities (e.g. customers who are businesses) or legal arrangements (e.g., customers who are trusts), this can be done by verifying the information listed in paragraphs 6.3.3 to 6.3.6.
- b. ask if the customer<sup>5</sup> is the owner of the cash or cash equivalent which he is paying with to purchase the PSPM. If he is not, the regulated dealer is required to take reasonable measures to verify the owner's identity using reliable and independent sources. If the owner is an entity or a legal arrangement, this can be done by verifying the information listed in paragraphs 6.3.3 to 6.3.6.

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<sup>5</sup> Customer includes representative or carrier who acts on behalf of another natural person or legal person (i.e., entity or legal arrangement).

- c. ask if the customer is the owner of the PSPM and/or asset-backed token which he is selling to the regulated dealer. If he is not, the regulated dealer is required to take reasonable measures to verify the owner's identity using reliable and independent sources. If the owner is an entity or a legal arrangement, this can be done by verifying the information listed in paragraphs 6.3.3 to 6.3.6.
- d. ascertain whether the customer is acting on behalf of any other person, and if so:
  - i. obtain appropriate documentary evidence to verify that the customer is authorised to act on behalf of that other person;
  - ii. if that other person is an individual, identify and take reasonable measures to verify the identity of that individual using reliable and independent sources; and
  - iii. if that other person is an entity or a legal arrangement, perform the required CDD measures on that entity or legal arrangement.
- e. ascertain whether any person is acting on behalf of the customer, e.g. representative, carrier, agent, in relation to and for the purpose of the designated transaction or other prescribed transactions, and if so:
  - i. obtain appropriate documentary evidence to verify that the other person is authorised to act on behalf of the customer;
  - ii. if that other person is an individual, identify and take reasonable measures to verify the identity of that individual, using reliable and independent sources; and
  - iii. if that other person is an entity or a legal arrangement, perform the customer due diligence measures on that entity or legal arrangement.

### 6.3 How to Perform CDD

#### *Identifying information to be obtained*

6.3.1 These are the identifying information to obtain from customers:

Records of identifying information to be maintained	
Individual	Legal person (e.g. company, partnership, trust)
<ul style="list-style-type: none"> <li>• Full name, including any alias</li> </ul>	<ul style="list-style-type: none"> <li>• Full name<sup>6</sup></li> </ul>

<sup>6</sup> As registered with ACRA, under the Business Names Registration Act.

Records of identifying information to be maintained	
Individual	Legal person (e.g. company, partnership, trust)
<ul style="list-style-type: none"> <li>• Date of birth</li> <li>• Residential address</li> <li>• Contact numbers and other forms of contact information (e.g. email) where appropriate</li> <li>• Citizenship (including multiple citizenships, where applicable)</li> <li>• Identification number and its date of expiry (if applicable), to be verified against government-issued identity documents (with photograph). For example: <ul style="list-style-type: none"> <li>○ NRIC number</li> <li>○ Passport number</li> <li>○ Taxpayer identification number</li> <li>○ Work permit number</li> </ul> </li> <li>• Occupation</li> </ul>	<ul style="list-style-type: none"> <li>• The date of incorporation or registration</li> <li>• Registered office address and principal place of business (if different)</li> <li>• Telephone number and other contact information (e.g. email) where appropriate</li> <li>• The place of incorporation or registration</li> <li>• The business registration number or the unique number and its date of expiry (if applicable) indicated on any other document issued by any government agency certifying its incorporation, registration or existence.</li> <li>• Nature of business</li> </ul>

### *Verifying customer's identity*

- 6.3.2 Where the customer is an individual, the regulated dealer must obtain the name, unique identification number, date of birth and citizenship based on a valid government-issued identity document that contains a clear photograph of that customer (e.g. valid passport, national identity card or work pass). The regulated dealer must also understand and, where appropriate, obtain the information necessary to understand, the purpose of its business relationship with the customer.
- 6.3.3 If the regulated dealer is transacting with a customer who is an entity or a legal arrangement (known as a legal person), or who is an individual acting on behalf of a legal person, the regulated dealer must identify and verify the identity of the legal person, and through the process, understand the nature of business and control structure of the legal person, by obtaining the following information from reliable and independent sources:
- a. The name of the legal person;
  - b. The legal form of the legal person;

- c. Proof of the legal person's existence (e.g. ACRA BizFile search);
- d. The place under which the legal person is incorporated, registered or otherwise constituted;
- e. The documents that constitute, regulate and bind the legal person being the following or their equivalent;
  - i. in the case of a body corporate, the constitution, or the memorandum and articles of association, of the body corporate;
  - ii. in the case of a partnership or limited partnership, the partnership deed or agreement;
  - iii. in the case of an express trust, the trust deed of the trust;
  - iv. in the case of a society or an unincorporated association, the rules of the society or unincorporated association;
  - v. in the case of any other entity or legal arrangement, the instrument or document that constitutes or establishes the entity or legal arrangement.
- f. Its unique entity number ("UEN"), if the legal person is incorporated or registered in Singapore;
- g. Its foreign incorporation or registration number, if the legal person is incorporated or registered outside Singapore;
- h. The identity of each individual having a senior management position in the legal person, if the legal person is an entity;
- i. The address of the legal person's registered office or its principal place of business; and
- j. The regulated dealer must also understand and, where appropriate, obtain the information necessary to understand, the purpose of its business relationship with the customer which is an entity or legal arrangement.

*CDD measures to identify the BOs of legal persons*

- 6.3.4 Where the legal person is an entity (e.g. a corporate), the regulated dealer must identify the BO. The regulated dealer must take reasonable measures to obtain and verify the identifying information of each BO listed below, from reliable and independent sources:
- a. the individuals who have the ultimate controlling ownership interest of the legal entity;
  - b. the individuals who exercise control of the legal entity when:
    - i. the regulated dealer is doubtful whether all or any of the individuals listed in paragraph 6.3.4(a) are its BOs; or

- ii. there are no individuals exercising control of the legal entity.
  - c. the individuals occupying senior management positions in the legal entity, if there are no individuals identified under paragraph 6.3.4(b)(i) and 6.3.4(b)(ii).
- 6.3.5 Where the legal person is a legal arrangement that is a trust, the regulated dealer must identify the BO. The regulated dealer must take reasonable measures to obtain and verify the identifying information of each BO listed below:
- a. the settlor;
  - b. the trustee(s);
  - c. the protector (if any);
  - d. each beneficiary or class of beneficiaries; and
  - e. any other individuals exercising ultimate effective control over the trust.
- 6.3.6 Where the legal person is a legal arrangement that is not a trust, the regulated dealer must identify the BO. The regulated dealer must take reasonable measures to identify the individuals in equivalent or similar positions mentioned in paragraph 6.3.5.
- 6.3.7 Under regulation 6(3) of the PMLTFPF Regulations:
- a. Where the customer is a legal person publicly listed on the Singapore Exchange, it is not necessary to identify and verify the identities of the BOs of the customer. This is because the legal person is subject to regulatory disclosure requirements relating to adequate transparency in respect of its BOs (imposed through stock exchange rules, law or other enforceable means).
  - b. The regulated dealer is not required to inquire if there exists any BOs in relation to a customer that is a financial institution supervised by the MAS<sup>7</sup> for prevention of ML/TF/PF or a foreign financial institution supervised for compliance with AML/CFT/CPF requirements consistent with the standards set by the FATF.
- 6.3.8 However, regulation 6(3) of the PMLTFPF Regulations does not apply if:
- a. the regulated dealer has doubts about the veracity of the information obtained from performing any CDD measures; or
  - b. if the regulated dealer suspects that the entity may be connected with, or a business relationship with the entity relates to ML, TF or PF.

<sup>7</sup> The financial institution must be listed within Appendix 1 of MAS Notice 626.



- 6.3.9 If the regulated dealer determines that it is dealing with an exempted entity in paragraph 6.3.7, it must keep records to justify the basis for its determination and seek prior written approval of the Registrar to perform the simplified due diligence measures which it considers adequate to effectively identify and verify the identity of the customer, owner of cash or cash equivalent, owner of the precious stones, precious metals and precious product or asset-backed token, beneficial owner of an entity or a legal arrangement or any person on whose behalf the customer is acting, in any particular transaction.
- 6.3.10 Where a customer is one which falls within the exemption of regulation 6(3) of the PMLTFPF Regulations, this does not itself constitute an adequate analysis of low ML/TF/PF risks for the purpose of performing SCDD measures under regulation 8 of the PMLTFPF Regulations.
- 6.3.11 Regulated dealers can refer to [Annex E](#) for sample CDD forms which provides guidance on the collection and verification of customer's particulars and customer name screening.

#### *Reliability of Information and Documentation*

- 6.3.12 When relying on documents, the regulated dealer should be aware that the best documents to use to verify the identity of the customer are those most difficult to obtain illicitly or to counterfeit. These may include government-issued identity cards or passports, Singpass app<sup>8</sup>, MyInfo<sup>9</sup> reports from independent company registries, published or audited annual reports and other reliable sources of information. The rigour of the verification process should be commensurate with the customer's risk profile.
- 6.3.13 Where the regulated dealer obtains data, documents or information from the customer, it should ensure that such data, documents or information is current at the time they are provided to the regulated dealer. The employee of the regulated dealer who verified the identifying information of the customer should ensure that the verification process is adequately documented (e.g., the employee signed and dated the copy of the passport or identification document sighted).
- 6.3.14 If the customer is unable to produce an original document, the regulated dealer may consider accepting a copy of the document that is certified to be a true copy by a

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<sup>8</sup> The Singpass app installed and activated on the customer's mobile device is also considered a government-issued identity document bearing the photograph of a customer. Regulated dealers should view the electronic NRIC on the customer's Singpass app and retain a copy of the electronic NRIC sighted.

<sup>9</sup> Regulated dealers can use the MyInfo platform for CDD purposes of verifying the customer's identity, including name, identification number, date of birth, nationality and residential address. Regulated dealers that wish to use MyInfo for their businesses may wish to check on the eligibility to apply and submit their application via <https://www.singpass.gov.sg/myinfobusiness>. Regulated dealers should maintain proper records of data obtained from MyInfo. For the avoidance of doubt, regulated dealers should continue to subject customers who are not enrolled on MyInfo (e.g. non-Singapore residents) or who do not consent to the use of MyInfo to the existing CDD requirements.

suitably qualified person (e.g. a notary public, a lawyer or a certified public or professional accountant).

- 6.3.15 Where a document is in a foreign language, appropriate steps should be taken by the regulated dealer to be reasonably satisfied that the document does in fact provide evidence of the customer's identity. The regulated dealer should ensure that any document that is critical for the performance of any measures required under the **PMLTFPF** Regulations is translated into English by a suitably qualified translator. Alternatively, the regulated dealer may rely on a translation of such a document by an employee who is conversant in that foreign language. This is to allow all employees of the regulated dealer involved in the performance of any measures required under the **PMLTFPF** Regulations to understand the contents of the documents, for effective determination and evaluation of ML/TF/PF risks associated with the customer.
- 6.3.16 The regulated dealer must ensure that documents obtained for performing any measures required under the **PMLTFPF** Regulations are clear and legible. This is important for the establishment of a customer's identity, particularly in situations where business relations are established without face-to-face contact.
- 6.3.17 In general, the regulated dealer should exercise greater caution when dealing with an unfamiliar or new customer.

***Note on Trustees' AML/CFT/CPF Obligations under the Trustees Act***

- 6.3.18 The regulated dealer may, in the course of forming a business relationship<sup>10</sup> or entering into a transaction with a customer, come into contact with non-professional trustees, i.e., Residual Trustees<sup>11</sup>, to whom Part 7 of the Trustees Act 1967 (Trustees Act) and the Trustees (Transparency and Effective Control) Regulations 2017 (TTEC Regulations) apply.
- 6.3.19 The obligations under Part 7 of the Trustees Act and the TTEC Regulations include AML/CFT/CPF obligations that a Residual Trustee must comply with. These include the obligation to inform regulated dealers<sup>12</sup> that the Residual Trustee is acting for a relevant trust before forming a business relationship, or entering a transaction of more than \$20,000 (whether the transaction is carried out in a single operation or in multiple linked operations) with the regulated dealer. Information on the other AML/CFT/CPF obligations a Residual Trustee must comply with may be found at this link: <https://www.mlaw.gov.sg/trusts/express-trusts/> (under "Trustees' Obligations & Duties").

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<sup>10</sup> "Business Relationships" are defined broadly to include day-to-day transactions, and other types of transactions which may be formed in the course of the organisation's business.

<sup>11</sup> Residual trusts are trusts in respect of which the trustee is not a Licensed Trust Company (LTC), Private Trust Company (PTC), a licensed bank or merchant bank, a holder of a capital markets services licence; an approved trustee of a CIS; or certain government agencies, such as the Public Trustee and the Central Provident Fund Board.

<sup>12</sup> Among other "specified persons", as defined in Regulation 8 of the TTEC Regulations.

6.3.20 The regulated dealer is encouraged to share the link above with Residual Trustees that the regulated dealer may come into contact with, and report suspected breach(es) of the obligations in Part 7 of the Trustees Act and the TTEC Regulations to <https://eservices.mlaw.gov.sg/enquiry>.<sup>13</sup>

#### 6.4 Inability to Perform or Complete CDD Measures

6.4.1 The regulated dealer may choose not to perform or not to complete the required CDD measures if it has reason to:

- a. suspect that the designated transaction relates to ML/TF/PF; and
- b. believe that performing CDD will tip off the customer or any other person.

6.4.2 If the regulated dealer is unable to perform or complete any CDD, the regulated dealer must:

- a. not carry out any transaction with the customer;
- b. terminate any transaction entered into with the customer; and
- c. consider whether to submit an STR under section 45(1) of the CDSA, and section 8 or 10 of the TSOFA. The STR is submitted via [SONAR](#) accessed via <http://www.police.gov.sg/sonar>; and
- d. keep records of the following information for a period of 5 years after the date on which the intended transaction took place:
  - i. Date of intended transaction;
  - ii. The amount of the intended transaction;
  - iii. Description of the PSPMs intended to be sold or purchased under the transaction;
  - iv. The address where the intended transaction was entered into or would have been entered into;
  - v. Basis of the regulated dealer's determination on whether to submit an STR;
  - vi. A copy of all supporting documents; and

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<sup>13</sup> Under "Trustees' Anti-Money Laundering Obligations", if the suspected breach involves a LTC or PTC breaching its obligations in MAS Notice TCA-N03, please make a report at [www.mas.gov.sg/consumerfeedback-form/](http://www.mas.gov.sg/consumerfeedback-form/) instead.

- vii. The name and designation of the individual who carried out the intended transaction on behalf of the regulated dealer.

*Customers to be screened against terrorist designations and financial sanctions lists*

6.4.3 The regulated dealer should screen their customers against these lists through the following (non-exhaustive) means. Where screening results in a positive hit against the listings for terrorist designation and designated individuals and entities, regulated dealers are reminded of their obligations to stop the transaction and report to the police.

- a. Refer to MHA's website on the IMC-TD on terrorist designation and legislation for countering the financing of terrorism. Regulated dealers should subscribe to the IMC-TD mailing list to receive listings on terrorist designation (persons and entities designated as terrorists).

<https://www.mha.gov.sg/what-we-do/managing-security-threats/countering-the-financing-of-terrorism>

- b. Refer to MAS' website on targeted financial sanctions under the UN Regulations for the lists of designated individuals and entities. Regulated dealers should subscribe to the MAS mailing list to receive updated lists of designated individuals and entities.

<https://www.mas.gov.sg/regulation/anti-money-laundering/targeted-financial-sanctions/lists-of-designated-individuals-and-entities>

- c. Regulated dealers may also access the screening function in myPal<sup>14</sup> to assist them in screening against the UN Sanction lists and persons identified in the TSOFA.

6.4.4 The screening results and assessment by the regulated dealer should be documented.

## **7 Enhanced Customer Due Diligence ("ECDD")**

ECDD refers to the process where a higher level of customer due diligence is applied due to the higher ML/TF/PF risk of the customer or transactions. This is performed in addition to the CDD measures in paragraph 6.

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<sup>14</sup> Registered dealers should note that the screening function in myPal does not screen against any other databases for adverse news or politically exposed persons and should not be used for any other purposes aside from screening against the UN sanction lists, persons identified in the TSOFA and the Alert list uploaded in myPal. This module is not designed to replace CDD measures. Registered dealers are reminded that they must continue to conduct their own appropriate additional searches to ensure that they fully understand the ML/TF/PF risk posed by their customers and take appropriate mitigating measures.

## 7.1 When to Perform ECDD

### *PEP, family member or close associate of PEP*

- 7.1.1 The regulated dealer must perform ECDD measures where the customer, the person on whose behalf the customer is acting, or a BO of the customer (where the customer is a legal person) is a PEP, a family member or a close associate of a PEP. The definition of PEP is drawn from FATF Recommendations and is not intended to cover middle ranking or more junior individuals in the categories listed. In the context of Singapore, PEPs include at least Government Ministers, Members of Parliament, Nominated Members of Parliament and Non-Constituency Members of Parliament.
- 7.1.2 When determining whether a person is a “close associate” of a PEP, the regulated dealer may consider factors such as the level of influence the PEP has on such a person or the extent of his exposure to the PEP. The regulated dealer may rely on information available from public sources and information obtained through customer interaction.
- 7.1.3 The regulated dealer shall also consider the following factors when dealing with customers, persons on whose behalf the customers are acting, or BOs of customers who no longer holds a prominent public function i.e. when the status of a PEP ceases:
- a. the level of influence the former PEP could still exercise, even though he or she no longer holds a prominent public function; and
  - b. whether the PEP’s previous and current functions, in official capacity or otherwise, are linked to the same substantive matters.

### *Person (i) from a foreign country or territory which FATF has called for countermeasures or ECDD measures; or (ii) that Registrar has notified to present a high ML/TF/PF risk*

- 7.1.4 The regulated dealer must perform ECDD measures if a customer, the person on whose behalf the customer is acting, or a BO of the customer (where the customer is a legal person):
- a. is a resident of or originates from a foreign country or territory<sup>15</sup> that the FATF has called for countermeasures or ECDD measures (refer to <https://www.fatf-gafi.org/en/topics/high-risk-and-other-monitored-jurisdictions.html>); or
  - b. is a person that the Registrar has notified the regulated dealer is a person that presents a high risk of ML/TF/PF.

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<sup>15</sup> For example, a person who is a permanent resident of Singapore and a citizen of Iran should be assessed as higher ML/TF/PF risk as he originates from a foreign country on the FATF high risk country list. Similarly, a person who is a citizen of Singapore and a permanent resident of Iran should also be assessed as higher ML/TF/PF risk as he is a resident of a foreign country on the FATF high risk country list.

**Person** or transaction **determined or** assessed to present a high ML/TF/PF risk

- 7.1.5 Where the **regulated dealer has reason to believe that the** customer, the person on whose behalf the customer is acting, or a BO of the customer (where the customer is a legal person) or the transaction entered into or about to be entered into, **may present a high ML/TF/PF risk**, the regulated dealer must conduct ECDD measures to mitigate and manage those risks.
- 7.1.6 For the purpose of **determining** whether a customer, **the person on whose behalf the customer is acting, or a BO of the customer (where the customer is a legal person)** or transaction presents high ML/TF/PF risk, the regulated dealer must consider whether **the person**<sup>16</sup> is a resident of or originates from:
- a. a foreign country or territory that the FATF has placed under increased monitoring (<https://www.fatf-gafi.org/en/topics/high-risk-and-other-monitored-jurisdictions.html>); or
  - b. a foreign country or territory which the Registrar has notified the regulated dealer to be a foreign country or territory with inadequate measures to prevent ML/TF/PF.
- 7.1.7 Other factors which the regulated dealer should consider when assessing whether a customer or transaction presents high ML/TF/PF risk include, but are not limited to:
- a. **whether the customer, the person on whose behalf the customer is acting, or a BO of the customer (where the customer is a legal person) exhibits any material ML/TF/PF red flags, including those set out in Annex D, whether detected during onboarding, ongoing monitoring or before or after the transaction is entered into.**<sup>17</sup>
  - b. whether the customer, the person on whose behalf the customer is acting, or a BO of the customer (where the customer is a legal person) is from the higher risk businesses/ activities/ sectors identified in Singapore's National Risk Assessment<sup>18</sup> or by the regulated dealers;
  - c. whether the customer, the person on whose behalf the customer is acting, or a BO of the customer (where the customer is a legal person) is a resident or originates from a foreign country or territory which has relatively higher levels

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<sup>16</sup> Regulated dealers are expected to **determine** the level of ML/TF/PF risk presented by a **person** or transaction in paragraph 7.1.6 (a) and (b) as high and subject them to ECDD measures.

<sup>17</sup> For avoidance of doubt, in the circumstance where material ML/TF/PF red flags are detected, the person or transaction should be assessed to present high ML/TF/PF risk and the regulated dealer must conduct ECDD measures to mitigate and manage these risks.

<sup>18</sup> Higher risk businesses identified in the Singapore National Risk Assessment include corporate service providers and gambling operations.

of corruption and organised crime, as identified by credible bodies (e.g. reputable international bodies such as Transparency International).

7.1.8 These circumstances are not limited to designated transactions. This means that regulated dealers are required to conduct ECDD measures on all transactions where:

- a. the customer, the person on whose behalf the customer is acting, or a BO of the customer (where the customer is a legal person) is:
  - i. A PEP, family member or close associate of PEP; or
  - ii. From a foreign country or territory which FATF has called for countermeasures or ECDD measures; or
  - iii. A person that the Registrar has notified to present a high ML/TF/PF risk; or
- b. the regulated dealer has reason to believe that the customer, the person on whose behalf the customer is acting or a BO of the customer (where the customer is a legal person), or the transaction entered into or about to be entered into, may present a high ML/TF/PF risk.

7.1.9 Regulated dealers may refer to [Annex C \(revised\)](#) for a guide on when to perform CDD and ECDD measures.

## 7.2 Requirements of ECDD

7.2.1 In addition to the CDD requirements in paragraph 6, the regulated dealer must perform the following ECDD measures:

- a. obtain prior approval from an employee holding a senior managerial or executive position in the regulated dealer before entering into a transaction with a new higher risk customer, or before continuing a transaction with an existing higher risk customer;
- b. establish by reasonable means, the income level, source of wealth and source of funds of the higher risk customer. Where the customer is a legal person (refer to paragraph 6.3.3), establish the income level, source of wealth and source of funds of the BO or owners of the customer; and
- c. conduct enhanced ongoing monitoring of the transactions entered into with higher risk customers. This is to identify suspicious transactions, including transactions or patterns of transactions which are inconsistent with the customer's profile.

7.2.2 Source of wealth generally refers to the origin of the customer's and BO's entire body of wealth (i.e. total assets). This relates to how the customer and BO have acquired the wealth which is distinct from identifying the assets that they own. Source of wealth information should give an indication about the size of wealth the customer

and BO would be expected to have, and how the customer and BO acquired the wealth. The regulated dealer may obtain general information from the customer, commercial databases or other open sources. Examples of appropriate and reasonable means of establishing source of wealth are information and documents such as evidence of title, copies of trust deeds, audited accounts, salary details, tax returns and bank statements.

- 7.2.3 Source of funds refers to the origin of the particular funds or other assets which are the subject of the transactions. In order to ensure that the funds are not proceeds of crime, the regulated dealer should not limit its source of funds inquiry to identifying the financial institution from which the funds have been transferred, but more importantly, the activity that generated the funds. The information obtained should be substantive and facilitate the establishment of the original source of the funds or reason for the funds having been acquired. Examples of appropriate and reasonable means of establishing source of funds are information such as salary payments or business income.
- 7.2.4 Regulated dealers may adopt further enhanced measures if they determine that such measures are more proportionate to the ML/TF/PF risks faced. Such measures include but are not limited to:<sup>19</sup>
- a. obtaining additional information on the customer (e.g. occupation, volume of assets, information available through public databases, internet etc.) and more frequently updating the identification data of customer and BO; and
  - b. obtaining information on the reasons for intended or performed transactions.

### 7.3 How to Perform ECDD

- 7.3.1 The regulated dealer should set out clear guidance in the IPPC on when ECDD measures shall be performed. The guidance should cover how to determine if the customer, the person on whose behalf the customer is acting, or a BO of that customer is a PEP, or from higher risk countries and territories, or if the transaction or customer is assessed to present high ML/TF/PF risk as highlighted in paragraph 7.1 above.
- 7.3.2 The regulated dealer may consider referring to the following sources when conducting ECDD measures:
- a. use the internet and media as sources for determining, verifying and monitoring information;
  - b. access commercial screening databases to help identify the customer and to check against adverse news sources;

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<sup>19</sup> More examples may be found in paragraph 20 (Enhanced CDD measures) of Interpretative Note to Recommendation 10 (Customer Due Diligence) in the FATF Recommendations.



- c. refer to the FATF guidance paper on dealing with PEPs. (<https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Fatfrecommendations/Peps-r12-r22.html>)

7.3.3 The regulated dealer should ensure that the ECDD measures taken are properly documented and supported.

7.3.4 Regulated dealers are allowed to take a risk-based approach towards the level of ECDD measures to apply on customers, taking into account the specific facts and circumstances of the transaction.<sup>20</sup>

7.3.5 The details of the regulated dealer's risk-based approach and commensurate level of ECDD measures should be captured in the regulated dealer's risk assessment and IPPC and be applied in a consistent manner. While the level of the ECDD measures may vary according to the specific level of risk presented, the ECDD measures set out in paragraph 7.2.1 must be conducted on all higher risk customers and transactions per paragraph 7.1.

7.3.6 When applying paragraph 7.3.5 in practice, regulated dealers must document the ECDD measures conducted and provide this documentation to the Registrar upon request.

7.3.7 Regulated dealers should take into consideration the further guidance in **Annex H** which provides greater clarity on the Registrar's supervisory expectations in the areas of assessment of customer risk, identification of material red flags, SOW establishment and risk mitigating measures.

## 8 Simplified Customer Due Diligence ("SCDD")

SCDD refers to the process where a lower level of CDD measures is applied due to lower ML/TF/PF risk. The steps involve performing adequate measures to identify and verify the customers.

### 8.1 When to Perform SCDD

8.1.1 SCDD is intended to cover a specific segment of customers who present a low ML/TF/PF risk. Regulated dealers may, instead of performing CDD as described in

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<sup>20</sup> For example, this would mean that regulated dealers are to conduct ECDD measures on all customers from a country that the FATF subjects to increased monitoring, regardless of the transaction amount and payment mode. The regulated dealer is allowed to conduct ECDD measures according to the level of risk posed by the higher risk customers, for example from relying on a customer's work permit or employment pass to ascertain the SOW for jewellery less than \$20,000 using a debit card by a customer in the lower band, up to requesting for documents to substantiate SOW and SOF explanation for gold bars more than \$300,000 using bank transfers by a customer in the higher band.

paragraph 6, perform SCDD on a specific segment of low-risk customers if all of the following conditions are met:

- a. the regulated dealer has obtained the prior written approval of the Registrar to perform SCDD;
- b. the regulated dealer complies with any conditions imposed by the Registrar in the written approval;
- c. the regulated dealer has assessed the risk of ML/TF/PF to be low, based on an analysis of risk factors identified by the regulated dealer;
- d. the SCDD measures are appropriate and proportionate to the level of ML/TF/PF risk identified by the regulated dealer; and
- e. the regulated dealer is not allowed to perform SCDD measures on customers where ECDD measures are required instead.

## **8.2 Requirements of SCDD**

8.2.1 As part of the SCDD process, the regulated dealer must implement measures which it considers adequate to effectively identify and verify the identity of the following:

- a. customer;
- b. owner of the cash or cash equivalent;
- c. owner of the PSPM;
- d. BO of a legal person; or
- e. any person on whose behalf the customer is acting.

## **8.3 How to Perform SCDD**

8.3.1 Where the regulated dealer decides to carry out SCDD measures, the regulated dealer must record:

- a. the details of the risk assessment that formed the basis for the decision; and
- b. the SCDD measures carried out.

## **9 CDD on Existing Customers**

### **9.1 Responsibilities of the Regulated Dealer**

- 9.1.1 When dealing with existing customers, the regulated dealer is allowed to use previously obtained information when performing CDD, ECDD or SCDD on the same customer. This is, however, subject to the regulated dealer's assessment of the materiality of the risk.
- 9.1.2 Where the regulated dealer decides to use previously obtained information on existing customers, the following should be taken into account:
- a. when the CDD measures (if any) were last applied to that customer; and
  - b. whether the information previously obtained by the regulated dealer in relation to that customer is adequate.

## **10 Performance of CDD by Third Parties**

### **10.1 Responsibilities of the Regulated Dealer**

#### **10.1.1 Where the regulated dealer relies on a third party:**

- a. The regulated dealer remains ultimately responsible for compliance with the obligations to perform CDD measures and keep records under the PSPM Act.
- b. The regulated dealer must document the basis for its own opinion in paragraph 10.2.1(a) and obtain from the third party without delay all documents acquired by the third party from performing the CDD measures.

#### **10.1.2 The definition of third party, drawn from FATF standards includes:**

- a. in relation to a regulated dealer incorporated in Singapore, its branches, subsidiaries, parent entity, the branches and subsidiaries of the parent entity, and other related corporations; or
- b. in relation to a regulated dealer incorporated outside Singapore, its head office, its parent entity, the branches and subsidiaries of the head office, the branches and subsidiaries of the parent entity, and other related corporations.

#### **10.1.3 If a regulated dealer with multiple outlets across the country relies on its headquarters to perform compliance checks etc, this arrangement will fall under the definition of third party although essentially, they are all part of the same group.**

### **10.2 When Can Third Parties Be Relied Upon**

#### **10.2.1 The regulated dealer may rely on a third party to perform CDD, ECDD or SCDD measures provided that:**

- a. the regulated dealer must be satisfied that the third party's compliance to the prevention of ML/TF/PF is consistent with the FATF requirements<sup>21</sup>, has adequate measures in place, and is willing and able to provide the regulated dealer, without delay, with documents obtained from the CDD measures;
  - b. the third party is not precluded by the Registrar from acting as such; and
  - c. the regulated dealer takes appropriate steps to identify, assess and understand the ML/TF/PF risks in the countries that the third party operates in (if applicable).
- 10.2.2 Regulated dealers are not allowed to rely on a third party to conduct ongoing monitoring of transactions.

## **11 Ongoing Monitoring of Transactions**

Ongoing monitoring of transactions refers to the process where the customer profile is reviewed on a periodic basis.

### **11.1 When to Perform Ongoing Monitoring**

- 11.1.1 The regulated dealer must conduct ongoing monitoring of transactions for regular customers and for cases where the ML/TF/PF risks are assessed to be high.

### **11.2 Requirements of Ongoing Monitoring**

- 11.2.1 The regulated dealer must conduct ongoing monitoring of transactions by periodically reviewing the information and documents obtained as a result of the CDD measures. This is to ensure that transactions performed by its customers are consistent with the:

- a. regulated dealer's knowledge of the customer;
- b. nature of the customer's business;
- c. customer's income and risk profile; and
- d. customer's source(s) of funds.

### **11.3 How to Perform Ongoing Monitoring**

- 11.3.1 The regulated dealer must periodically review the adequacy of information and documents obtained as a result of the CDD measures. This is particularly so if the

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<sup>21</sup> The third-party must meet requirements which are consistent with the prevention of ML/TF/PF standards set by FATF.

customer is assessed to have higher ML/TF/PF risk and hence, the importance to ensure that the information is kept current. For example, the regulated dealer could regularly review the CDD records of higher-risk customers who transact large amounts of cash on a more frequent basis.

- 11.4** Regulated dealers should take into consideration the further guidance in **Annex H** which provides greater clarity on the Registrar's supervisory expectations in the area of ongoing monitoring of customers and their transactions.

## **12 Disclosure of Information**

### **12.1 Submitting a Cash Transaction Report ("CTR")**

- 12.1.1 A regulated dealer which enters into any designated transaction must submit a CTR to STRO within 15 business days<sup>22</sup>. The CTR (completed using Form NP 784 found at <https://www.police.gov.sg/Advisories/Commercial-Crimes/Suspicious-Transaction-Reporting-Office/Cash-Transaction-Reporting>) should be submitted electronically via [SONAR](#). Regulated dealers may refer to the instructions on the [SONAR](#) website on how to file a CTR.

- 12.1.2 A regulated dealer must not, without reasonable excuse, submit a CTR that is incomplete or inaccurate. Doing so, constitutes as an offence under the PSPM Act.

### **12.2 Submitting a Suspicious Transaction Report ("STR")**

- 12.2.1 If there are suspicions that ML/TF/PF activities are committed, the regulated dealer is required to submit an STR to STRO as soon as reasonably practicable upon the establishment of suspicion (i.e. no longer than 5 business days). STRs for higher risk cases such as targeted financial sanctions/ sanctions cases are to be filed within one business day, if not immediately. The STR should be filed electronically via [SONAR](#). Regulated dealers may refer to the instructions on the [SONAR](#) website on how to file an STR.

- 12.2.2 The regulated dealer must also submit an STR to STRO as soon as possible if there is reason to suspect that the customer, a person on whose behalf the customer is acting or a BO of that person, may be a terrorist, terrorist entity or designated person.

### **12.3 Transaction Reporting to Registrar**

- 12.3.1 The regulated dealer is required to submit a copy of the CTR and/or STR to the Registrar. To facilitate compliance with this requirement, a copy of each CTR and/or

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<sup>22</sup> Business day means a day other than a Saturday, Sunday or public holiday.

STR submitted through [SONAR](#) will be automatically routed to the Registrar. No separate action will be needed from the regulated dealer.

#### 12.4 Tipping-off and Confidentiality

- 12.4.1 Regulated dealers are reminded that it is an offence<sup>23</sup> to disclose the fact that an STR was filed.
- 12.4.2 Under **section 47** of the CDSA, the regulated dealer's disclosure will be kept confidential to protect the identity of the STR informer. Under section 10A of the TSOFA, the regulated dealer's disclosure would be kept confidential to protect the identity of the informer.
- 12.4.3 While the Registrar is unable to provide legal advice for specific situations, there is statutory protection accorded to STR filers if the STR was made in good faith. Under section 45(7) of the CDSA, where a person files a STR in good faith, he shall not be liable for any loss arising out of the disclosure or any act of omission in consequence of the disclosure and "the disclosure is not to be treated as a breach of any restriction upon the disclosure imposed by law, contract or rules of professional conduct".

### 13 **Record Keeping**

#### 13.1 Requirements of Record Keeping

- 13.1.1 The regulated dealer is required to keep relevant documents and information for a period of 5 years after the date of transaction. All records must be kept in such a manner as to permit a reconstruction of the individual transaction<sup>24</sup>. A registered dealer may also be asked to keep relevant documents and information for a prescribed period after ceasing to be a registered dealer. If the registered dealer is found to have **disposed** records during the period of the registration, the registered dealer will be liable for enforcement action against them.
- 13.1.2 For every designated transaction or other transaction (whether completed or not), the regulated dealer is required to keep records of the following information:

*For all customers*

- a. customer's identifying information;
- b. a copy of the supporting document that was relied upon for the customer's identifying information (e.g. NRIC, passport);

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<sup>23</sup> Please note section 57 of the CDSA and section 10B of the TSOFA on tipping-off.

<sup>24</sup> The records should indicate the amount and type of currency involved.

- c. whether the customer is the owner of the cash or cash equivalent received from the customer, owner of the PSPM purchased or redeemed from the customer or acting on behalf of another person;
- d. identifying information of the person the customer is acting on behalf of, if the customer is not the owner mentioned in paragraph 13.1.2(c);
- e. proof that the customer is authorised to act on behalf of that other person, if the customer is not the owner mentioned in paragraph 13.1.2(c);
- f. date of transaction or intended transaction;
- g. amount of transaction or intended transaction;
- h. description of the PSPMs sold, purchased or redeemed under the transaction or intended transaction;
- i. address where the transaction was carried out, or would have been carried out;
- j. name and designation of the employee who carried out (or would have carried out) the transaction on behalf of the regulated dealer;
- k. the reason why the regulated dealer was unable to or chose not to complete any CDD measures;
- l. supporting documents relied on in making a CTR;
- m. where ECDD or SCDD was carried out, the name and designation of the person holding the senior managerial or executive position in the regulated dealer who approved the transaction with the customer; and
- n. a copy of all CTRs.

*For customers acting on behalf of a legal person*

- a. the name of the legal person;
- b. the legal form of the legal person;
- c. proof of the legal person's existence (e.g. ACRA BizFile search);
- d. the place under which the legal person is incorporated, registered or otherwise constituted;
- e. the documents that regulate and bind the legal person (e.g. the corporate constitution of a company);

- f. if the legal person is incorporated or registered in Singapore, its UEN;
- g. if the legal person is incorporated or registered outside Singapore, its foreign incorporation or registration number;
- h. if the legal person is an entity, the identity of each individual having a senior management position in the legal person;
- i. the address of the legal person's registered office and its principal place of business.
- j. if the legal person is an entity:
  - i. the identifying information of each individual who ultimately has a controlling ownership interest in the legal person;
  - ii. if it is doubtful whether all or any of the individuals who ultimately have a controlling interest in the legal person are its BOs, or where no individual exerts control through ownership interests, the identifying information of each individual (if any) exercising control of the legal person through other means; or
  - iii. if no individual is identified under sub-paragraphs (i) and (ii), the identifying information of each individual having a senior management position in the legal person.
- k. if the legal person is a trust, the identities of:
  - i. the settlor;
  - ii. each trustee;
  - iii. the protector (if any);
  - iv. each beneficiary or class of beneficiaries; and
  - v. any other individual exercising ultimate effective control over the trust.
- l. if the legal person is a legal arrangement that is not a trust, the identity of each person holding a position equivalent or similar to any position in paragraph (k).

**13.1.3 The regulated dealer is required to keep all records obtained through CDD measures, account files and business correspondence, and results of any analysis undertaken, for at least five years following the termination of the business relationship or after the date of the occasional transaction.**



## 13.2 Reporting Requirement

- 13.2.1 The regulated dealer must submit semi-annual returns related to its business and transactions in six-month periods with effect from 1 January 2021.
- 13.2.2 The regulated dealer is strongly encouraged to prepare the required information consistently throughout the six-month reporting period.
- 13.2.3 The semi-annual return must be submitted to the Ministry of Law via the stipulated electronic system within 1 month after the reporting period e.g. by 31 January 2027 for the reporting period from 1 July 2026 to 31 December 2026, unless otherwise advised.
- 13.2.4 For guidance on reporting requirements, regulated dealers should refer to the latest version of the Semi-Annual Return Instruction Guide available on the ACD website at <https://acd.mlaw.gov.sg/other-regulatory-requirements/#Reporting%20Requirement>.

## 13.3 Data Protection

- 13.3.1 All customer personal data collected in the course of CDD may only be used to address ML/TF/PF risks in accordance with the requirements of the PSPM Act. The data collected should not be used for unrelated purposes.
- 13.3.2 Regulated dealers, like other entities, remain subject to the requirements under the PDPA (refer to the [PDPC website](http://www.pdpc.gov.sg) for more information, accessed via <http://www.pdpc.gov.sg>).

## 14 **Additional Measures Relating to Targeted Financial Sanctions**

- 14.1 The regulated dealer must take additional measures relating to targeted financial sanctions. This means that before entering into a transaction, the regulated dealer is required to assess whether the customer, or any person on whose behalf the customer is acting, or a beneficial owner of the customer (where the customer is an entity or legal arrangement) is:
  - a. a terrorist or terrorist entity under the TSOFA;
  - b. a designated person as defined in any regulations made under the UN Act; or
  - c. a person notified by the Registrar to the regulated dealer as a person to whom the additional measures apply.

- 14.1.1 The TSOFA prohibits any person or entity from dealing with any property owned or controlled by, or providing property or financial or other related services while knowing or having reasonable grounds to believe that they will be used by or may benefit, any terrorist or terrorist entity. Sections 3 to 6 of TSOFA expressly prohibits:

- a. Providing or collecting of property for terrorist acts;
- b. Provision of property and services for terrorist purposes;
- c. Use of possession of property for terrorist purposes; and
- d. Dealing with property of terrorists or terrorist entity.

14.1.2 In accordance with sections 8 and 10 of the TSOFA, every person in Singapore and every citizen of Singapore outside of Singapore must also inform the Police **immediately** if they have:

- a. Possession, custody, or control of terrorist property;
- b. Information about such transactions or proposed transactions related to terrorist property and/or any property, funds or other assets belonging to any terrorist or terrorist entity; and/or
- c. Information which they know (or believe) may be of material assistance to preventing the commission by another person, or for an offence involving, the commission, preparation or instigation of, a TF offence.

No criminal or civil proceedings will be taken against a person for any disclosure made in good faith.

14.2 Dealings (whether direct or indirect) with any property owned or controlled by any terrorist or terrorist entity, or which an individual has reasonable grounds to believe will be used to commit any terrorist act are prohibited **with immediate effect** upon designation. If any individuals or entities are found in the terrorist designations and financial sanctions lists (refer to paragraph 6.4.3), the regulated dealer should ensure that **they do** not deal with them. If the regulated dealer has reason to suspect that the customer may be a terrorist, terrorist entity or designated person, the regulated dealer must:

- a. decline to enter into any transaction with the customer;
- b. terminate any transaction entered into with the customer;
- c. make a report to the police; and
- d. at the time of making the report to the police or immediately thereafter, submit a copy of the report to the Registrar.

14.3 Any funds or assets related to persons or entities in paragraph 14.1 should be frozen **immediately** (within 24 hours of designations) and regulated dealers must file a suspicious transaction report (**STR**). Regulated dealers should not inform individuals of assets frozen / STRs filed against them, or any other information or matter which will likely prejudice any proposed or ongoing investigation by the Police, as this would constitute tipping off the person, which is prohibited under Section 10B of the TSOFA.

## Annex A Sample Risk Assessment Form

Note: The following template contains examples which the regulated dealers may consider using in their risk assessments, and should be adapted to suit their business context. Regulated dealers should include relevant risk factors and ensure that the measures listed to manage the ML/TF/PF risks identified are aligned to their IPPC.

The ultimate responsibility and accountability for ensuring compliance with the PSPM Act and **PMLTFPF** Regulations rest with the regulated dealers' directors and senior management. As part of AML/CFT/CPF oversight and governance, regulated dealers' risk assessments must be seen and/or evaluated and signed off by the most senior member of the senior management or whoever he/she designates in the senior management team. The directors and senior management should have a good understanding of the risks that the business is exposed to, and ensure that the risk mitigating measures adopted are adequate, robust and effective.

Name of regulated dealer:	Date of risk assessment:
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### A. Customer Profile

Background	Low risk	Medium Risk	High risk	Measures to address risk [Note: The examples provided below are not exhaustive and they should at minimum contain the ECDD measures in the IPPC if risk factor is assessed to be high]
E.g. New customers transacting in cash above S\$X,000.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>E.g. Obtain compliance officer's pre-approval before completing transaction</p> <p>E.g. Request customer to pay in non-cash mode</p> <p>E.g. Enquire on the customer's occupation or business</p> <p>E.g. Understand and, where appropriate, obtain information on the purpose and intended nature of the business relationship with the customer</p>
E.g. Regular and existing customers transacting in cash above S\$X,000.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>E.g. Obtain compliance officer's pre-approval before completing transaction</p> <p>E.g. Request customer to pay in non-cash mode</p> <p>E.g. Check if transaction amount is within the same range as previous transactions. If no, to enquire on customer's reason for transacting above usual transaction range</p>

				E.g. Understand and, where appropriate, obtain information on the purpose and intended nature of the business relationship with the customer
E.g. Politically-Exposed Persons, and their family/close associates	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.g. In addition to CDD, conduct ECDD measures in accordance with Section XX of IPPC  E.g. Request customer to pay in non-cash mode  E.g. Understand and, where appropriate, obtain information on the purpose and intended nature of the business relationship with the customer
Etc.				

#### B. Customer's countries or territories of origin

Country or territory <sup>25</sup>	Low risk	Medium Risk	High risk	Measures to address risk
E.g. Higher risk jurisdictions/Jurisdictions under Increased Monitoring <sup>26</sup> (refer to FATF listing: <a href="https://www.fatf-gafi.org/en/countries/black-and-grey-lists.html">https://www.fatf-gafi.org/en/countries/black-and-grey-lists.html</a> as at DDMMYYYY) <ul style="list-style-type: none"> <li>- Country A</li> <li>- Country B</li> <li>- Country C etc.</li> <li>- &lt;Regulated dealer to populate the list and keep it updated. To refer to Registrar's Notices on Jurisdictions under Increased Monitoring&gt;</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.g. In addition to CDD, conduct ECDD measures in accordance with Section XX of IPPC

<sup>25</sup> Regulated dealers should check against the FATF public lists of high-risk and other monitored jurisdictions at <https://www.fatf-gafi.org/en/countries/black-and-grey-lists.html> and <https://www.fatf-gafi.org/en/topics/high-risk-and-other-monitored-jurisdictions.html> periodically as the lists are updated.

<sup>26</sup> This list is often externally referred to as the grey list.

Country or territory <sup>25</sup>	Low risk	Medium Risk	High risk	Measures to address risk
High risk jurisdictions subject to a Call for Action <sup>27</sup> (refer to FATF listing: <a href="https://www.fatf-gafi.org/en/countries/black-and-grey-lists.html">https://www.fatf-gafi.org/en/countries/black-and-grey-lists.html</a> as at DDMMYYYY) Democratic People's Republic of Korea (DPRK) Iran Myanmar	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E.g. In addition to CDD, conduct ECDD measures in accordance with Section XX of IPPC  E.g. For overseas buyer, enquire and observe if customer is buying products for own consumption in Singapore

### C. Products/ Services/ Delivery channels/ Mode and value of transactions

Products	Low risk	Medium Risk	High risk	Measures to address risk
E.g. Gold bullion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	E.g. Conduct all transactions through bank transfers  E.g. Conduct CDD on bullion customers even if payment through non-cash mode
E.g. Loose diamonds	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	E.g. Conduct all transactions through bank transfers  E.g. Conduct CDD on loose diamond customers even if payment through non-cash mode
E.g. Jewellery/ watch/ apparel/ accessory/ ornament or other finished product that is priced above S\$20K.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	E.g. Conduct all transactions through bank transfers  E.g. Conduct CDD on respective customers even if payment through non-cash mode
Etc	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Services	Low risk	Medium Risk	High risk	Measures to address risk
E.g. Wholesale sales	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	E.g. Conduct all transactions through bank transfers. If payments are made in cash, understand the reason.  E.g. Conduct CDD on corporate customers in accordance with the IPPC.  E.g. Ongoing monitoring of sales amounts for unusual patterns or significant increases.

<sup>27</sup> This list is often externally referred to as the black list.

Services	Low risk	Medium Risk	High risk	Measures to address risk
E.g. Retail sales	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	E.g. For payments above S\$XX in cash, conduct CDD/ECDD in accordance with the IPPC.  E.g. Conduct CDD on customers in accordance with the IPPC.
E.g. Import/Export	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	E.g. Conduct CDD on overseas suppliers and customers, verify business registration, obtain additional documentation on source of wealth, source of funds.
E.g. Online Sales	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	E.g. Conduct CDD on customers in accordance with the IPPC.
Etc	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Delivery Channels	Low risk	Medium Risk	High risk	Measures to address risk
E.g. Delivery channels: Face-to-face transaction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	E.g. Request customer to pay in non-cash mode if more than S\$XX
E.g. Delivery channels: Physical delivery to customer's house or courier etc.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	E.g. Request customer to pay in non-cash mode if more than S\$XX  E.g. Call before delivery  E.g. Customer to sign upon delivery
E.g. Delivery of products to overseas customers	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	E.g. Conduct CDD on customers even if the payment is through non-cash mode  E.g. Conduct ECDD measures in accordance with Section XX of IPPC
Etc	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Mode and Value of Transactions	Low risk	Medium Risk	High risk	Measures to address risk
E.g. Payment for gold jewellery using gold bars	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	E.g. Conduct CDD on customers making payment in gold bars  E.g. Conduct CDD on customers even if payment through non-cash mode
E.g. Payment for precious stone jewellery using digital payment tokens	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	E.g. Conduct CDD on customers making payment in digital payment tokens  E.g. Conduct CDD on customers even if payment through non-cash mode
E.g. Online Platform transactions above S\$X,000	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	E.g. Conduct CDD on customers even if payment through online platform
E.g. Transactions conducted by the customer's representative (i.e. not the customer's employee)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	E.g. Ensure that the customer's representative is authorised and conduct CDD (including screening) on representative, customer and BO of customer  E.g. Understand the relationship between the customer and his representative  E.g. Limit cash transaction amount to S\$XXXX
Etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

## Annex B Sample IPPC Document

Note: The following IPPC template is a document which regulated dealers may consider adopting. However, regulated dealers should adapt the IPPC to suit their business context and ensure that the IPPC meets the requirements of the PSPM Act and PMLTFPF Regulations.

The ultimate responsibility and accountability for ensuring compliance with the PSPM Act and PMLTFPF Regulations rest with the PSMD's directors and senior management. As part of AML/CFT/CPF oversight and governance, the IPPC must be approved by the senior management, and directors and senior management are responsible for ensuring that:

- a. Enhanced measures are taken to manage and mitigate risks, where higher risks are identified;
- b. An ongoing programme to train employees on the IPPC is put in place; and
- c. The IPPC is implemented, monitored for effectiveness and enhanced if necessary.

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### Cover Page

Document title: Internal Policies, Procedures and Control ("IPPC")

Name of regulated dealer:

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### Version Control Record

Version	Release Date	Key Changes	Author	Approved by Senior Management
1.0				
2.0				

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### Content Page

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3. Etc. ....	xx

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#### 1. Aim

- 1.1 Employees of <Name of regulated dealer> or the "regulated dealer" play an important role in protecting against money laundering, terrorism financing and proliferation financing (ML/TF/PF) risk. The following IPPC will equip you to do so, and ensure that the business is in compliance with the Precious Stones and Precious Metals (Prevention of Money Laundering, Terrorism Financing and Proliferation Financing) Act 2019 ("PSPM Act").
- 1.2 Reference should also be made to the PSPM Act and Precious Stones and Precious Metals (Prevention of Money Laundering, Terrorism Financing and Proliferation Financing) Regulations 2019 ("PMLTFPF Regulations") as well as Guidelines from the Ministry of Law and relevant government agencies.



## **2 Assessment of risks**

- 2.1 The regulated dealer shall conduct a risk assessment of its business to identify, assess and understand its ML/TF/PF risks in relation to:
- a. the profile of its customers;
  - b. the customers' country or territory of origin;
  - c. the countries or territories where the regulated dealer has operations; and
  - d. the regulated dealer's products, services, transactions, delivery channels, etc.
- 2.2 The regulated dealer shall develop measures (internal rules, processes, etc.) to address the identified risks, and ensure that all employees follow and implement such measures.
- 2.3 The regulated dealer shall ensure that its risk assessment is up-to-date by regularly reviewing it every <X months>, before launching a new product or a new business practice or before using a new or developing technology for any new or existing product.
- 2.4 The assessment must be seen and/or evaluated and signed off by the most senior member of the senior management of the regulated dealer or whosoever he/she designates in the senior management team.
- 2.5 <Additional item(s) to be decided by the regulated dealer>

## **3 Group Policy** (*Applicable to regulated dealers with branches or subsidiaries*)

- 3.1 The regulated dealer with one or more branches or subsidiaries (whether located or incorporated in Singapore or in a foreign country or for territory), shall implement a group policy consistent with the internal controls and measures in this document for preventing ML, TF and PF; and for managing and mitigating the risk of ML, TF and PF, that apply to, and are appropriate for:
- a. every such branch; and
  - b. every such subsidiary where more than 50% of the shares or other equity interests are owned by the regulated dealer.
- 3.1.1 The group policy shall be approved by the regulated dealer's senior management, to manage and effectively mitigate the risks of ML, TF and PF including making appropriate compliance management arrangements, including:
- a. in the case of the regulated dealer, the appointment of a compliance officer; and in the case of the regulated dealer's branches and subsidiaries, the appointment of a person holding a position analogous to a compliance officer; and
  - b. applying adequate screening procedures when hiring employees (refer to section 5).
- 3.2 If the regulated dealer has a branch or subsidiary in a foreign country or territory having laws for the prevention of ML, TF or PF that differ from Singapore, the more stringent law shall

be applied to that branch or subsidiary, to the extent that the law of the foreign country or territory permits. The regulated dealer shall report to the Registrar of Regulated Dealers (Registrar) if the more stringent law cannot be fully applied to the branch or subsidiary and:

- a. perform appropriate additional measures to manage the ML, TF and PF risks; and
- b. comply with any directions given by the Registrar.

3.3 For the purpose of conducting customer due diligence or managing the risk of ML, TF and PF, the regulated dealer shall have measures to share information among the branches and subsidiaries, if there are adequate safeguards to protect confidentiality and use of information that is shared, including safeguards to prevent tipping-off, and to the extent permitted by the law of the foreign country or territory that the dealer's branch or subsidiary is in.

3.4 Such measures to share information shall include the provision, to the regulated dealer's group-level compliance, audit, and AML/CFT functions, of customer, account, and transaction information from its branches and subsidiaries within the group, when necessary for AML/CFT purposes. The information to be shared within the regulated dealer's group should include information and analysis of transactions or activities which appear unusual.<sup>28</sup>

3.5 Similarly, branches and subsidiaries shall receive such information from group-level compliance, audit, and/or AML/CFT functions when relevant and appropriate to risk management.

3.6 <Additional item(s) to be decided by the regulated dealer >

#### **4 Appointment of a Compliance Officer**

4.1 The regulated dealer shall appoint a management level employee who is fit and proper to be the Compliance Officer for all anti-money laundering/countering the financing of terrorism/countering proliferation financing ("AML/CFT/CPF") efforts, including the design and execution of the IPPC. In the case of a sole proprietorship, the sole proprietor is the designated Compliance Officer. The responsibilities of the Compliance Officer shall be as follows:

- a. Trained/be familiar with the PSPM Act, PMLTFPF Regulations, relevant regulations and Guidelines issued by the Ministry of Law and relevant government agencies;
- b. Ensure that the regulated dealer is in full compliance with the PSPM Act and its regulations;
- c. Be responsible for day-to-day operation of the regulated dealer's AML/CFT measures;
- d. Be the main point-of-contact with the Registrar of Regulated Dealers under the Ministry of Law and law enforcement authorities. The compliance officer shall

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<sup>28</sup> Subject to section 57 of the CDSA and section 10B of the TSOFA on tipping-off, information shared may include an STR, the underlying information of the STR, or the fact that an STR was filed.

ensure that he/she is reasonably contactable and should appoint a covering officer (in writing to the covering officer), where possible;

- e. Ensure that remedial actions are taken in a timely and effective manner when there are instances of non-compliance;
- f. Regularly conduct internal audits of all compliance procedures/processes related to AML/CFT/CPF of the regulated dealer (if applicable, refer to section 15); and
- g. <Additional item(s) to be decided by the regulated dealer>

## **5 Conduct employee checks when hiring employees (Not applicable to sole proprietorships)**

5.1 The regulated dealer shall check each employee before hiring, against the following information sources:

- a. Ministry of Home Affairs Inter Ministry Committee-Terrorist Designation (“IMC-TD”) webpage for listings on terrorist designation (persons designated as terrorists) : <https://www.mha.gov.sg/what-we-do/managing-security-threats/countering-the-financing-of-terrorism>;
- b. Monetary Authority of Singapore (“MAS”) webpage for sanctions listings on designated individuals: <https://www.mas.gov.sg/regulation/anti-money-laundering/targeted-financial-sanctions/lists-of-designated-individuals-and-entities>;
- c. Public sources like the internet, or against commercial databases, to check if a prospective employee has any adverse/negative news which may pose an ML/TF/PF risk to the dealer, e.g. history of dishonest behaviour;
- d. Declaration made by potential employee that such a person:
  - i. was not convicted of any offence involving fraud or dishonesty; and
  - ii. is not an undischarged bankrupt.
- e. <Additional item(s) to be decided by the regulated dealer>

## **6 Customer Due Diligence (“CDD”)**

6.1 CDD is the process of obtaining customer’s identifying information, recording the information and verifying who they are before transacting with them. The objective is to help regulated dealers determine the ML/TF/PF risks and take appropriate measures to address them.

6.2 The regulated dealer must perform CDD measures in any of the following circumstances:

- a. before entering into a designated transaction;
- b. where the regulated dealer has reason to suspect ML/TF/PF;

- c. where the regulated dealer has reason to doubt the veracity or adequacy of information from earlier CDD measures;
- d. under the following prescribed circumstances:
  - i. before entering into a transaction involving payment in gold (except in the form of jewellery) exceeding S\$20,000;
  - ii. before entering into a transaction involving payment in digital payment tokens exceeding S\$20,000.

## 7 Procedures to conduct CDD

7.1 Employees of the regulated dealer shall follow the following procedures when conducting CDD:

- a. The employee shall complete the CDD forms as in [Annex E](#) for the following customer types:

Customer Type	CDD Forms
Individual acting for himself	<ul style="list-style-type: none"> <li>Customer (Individual) – Form A1</li> <li>Documentation of Screening Conducted – Form B</li> </ul>
Individual acting on behalf of another individual	<ul style="list-style-type: none"> <li>Customer (Individual) – Form A1</li> <li>Person on behalf Customer is Acting On (Cash Owner – Individual) – Form A2</li> <li>Documentation of Screening Conducted – Form B</li> </ul>
Individual acting on behalf of another corporate/ legal arrangement	<ul style="list-style-type: none"> <li>Customer (Individual) – Form A1</li> <li>Particulars of Person on behalf Customer is Acting On (Cash Owner – Corporate / Legal Arrangement) – Form A3</li> <li>Particulars of BO(s) of Corporate / Legal Arrangement – Form A4</li> <li>Documentation of Screening Conducted – Form B</li> </ul>

- b. The documents which the employee can use to verify the identity of the customer are:

Customer Type	CDD document used to verify customer identity
Individuals (customers and BOs of corporate/ Legal arrangement)	<ul style="list-style-type: none"> <li>National Identity Card</li> <li>Passport</li> <li>&lt;Additional item(s) to be decided by the regulated dealer&gt;</li> </ul>
Corporate/Legal arrangement	<ul style="list-style-type: none"> <li>Records in an independent company registry on ownership and directorship</li> <li>Certificate of incumbency, certificate of good standing, share register, as appropriate</li> <li>Certificate of incorporation</li> <li>&lt;Additional item(s) to be decided by the regulated dealer&gt;</li> </ul>

<b>Customer Type</b>	<b>CDD document used to verify customer identity</b>
<b>&lt;Additional item(s) to be decided by the regulated dealer&gt;</b>	<b>&lt;Additional item(s) to be decided by the regulated dealer&gt;</b>

- c. Where the employee obtains data, documents or information from the customer, he should ensure that such data, documents or information is current and valid at the time they are provided to the regulated dealer.
- d. The employee who sighted and took copies of the identification document, should sign and date the copy of the document to document the verification process.
- e. If the customer is unable to produce an original document, the employee may consider accepting a copy of the document that is certified to be a true copy by a suitably qualified person (e.g. a notary public, a lawyer or certified public or professional accountant).
- f. Where a document is in a foreign language, appropriate steps should be taken by the regulated dealer to be reasonably satisfied that the document does in fact provide evidence of the customer's identity. The employee should ensure that any document that is critical for the performance of any measures required under the Regulations is translated into English by a suitably qualified translator. Alternatively, a translation of such a document by an employee who is conversant in that foreign language may be relied upon. This is to allow all employees of the regulated dealer involved in the performance of any measures required under the Regulations to understand the contents of the documents, for effective determination and evaluation of ML/TF/PF risks associated with the customer.
- g. The employee should ensure that documents obtained for performing any measures required under the Regulations are clear and legible. This is important for the establishment of a customer's identity, particularly in situations where business relations are established without face-to-face contact.

**7.2 Employees of the regulated dealer shall adhere to the following procedures when conducting screening of their customers:**

- a. The employee shall check each customer before entering into a transaction against the following information sources:
  - i. Ministry of Home Affairs: IMC-TD website (<https://www.mha.gov.sg/what-we-do/managing-security-threats/countering-the-financing-of-terrorism>);
  - ii. UN sanctions lists from the Monetary Authority of Singapore website (<https://www.mas.gov.sg/regulation/anti-money-laundering/targeted-financial-sanctions/lists-of-designated-individuals-and-entities>); and
  - iii. Financial Action Task Force ("FATF") list of high-risk countries (<https://www.fatf-gafi.org/en/countries/black-and-grey-lists.html>).
- b. The employee shall update the supervisor (if any) and/or managerial-level employee (if any) and/or compliance officer if there are any matches of the names of customer

(individual), person(s) on whose behalf the customer is acting or corporate customer and BO(s) of corporate customer to lists in paragraph 7.2(a)(i) and (ii). The regulated dealer must stop the transaction and report to the police if the match is assessed to be a true match.

- c. The employee shall update the supervisor (if any) and/or managerial-level employee (if any) and/or compliance officer if the customer, the person on whose behalf the customer is acting, or a BO of the corporate customer is a Politically-Exposed Person (“PEP”) or if they are from countries in list in paragraph 7.2(a)(iii). The regulated dealer shall continue with ECDD measures (refer to paragraph 9).
- d. The employee shall document the results of the screening and assessment.

7.3 In the case that CDD in regulations 5 to 6 of the **PMLTFPF** Regulations cannot be completed, the regulated dealer shall terminate the transaction, consider if the circumstances are suspicious so as to warrant the filing of a suspicious transaction report (“STR”) and document the basis for its determination, including where the customer is reluctant, unable or unwilling to provide any information requested by the regulated dealer.

7.4 Where the regulated dealer forms a suspicion of ML/TF/PF and reasonably believes that performing any of the measures as required in regulations 5 to 6 of the **PMLTFPF** Regulations will tip-off a customer, the person on whose behalf the customer is acting, or a BO of that person, the regulated dealer may stop performing those measures. The regulated dealer shall document the basis for assessment and file an STR.

7.5 <Additional item(s) to be decided by the regulated dealer>

## 8 Procedures to complete a Cash Transaction Report (“CTR”)

8.1 The following procedure shall apply for the regulated dealer and employees when completing a CTR:

- a. The regulated dealer shall designate an employee e.g. Compliance Officer or employee/s to complete a CTR.
- b. The employee who is communicating with the customer and/or conducting CDD shall inform the supervisor on the necessity to lodge a CTR.
- c. The designated employee tasked with completing the CTR shall submit Form NP 784 at the Suspicious Transaction Reporting Office (“STRO”) Online Notices And Reporting Platform (“**SONAR**”) at <http://www.police.gov.sg/sonar> within 15 business days.
- d. The designated employee shall check all the inputted information to ensure accuracy. Submitting an incomplete or inaccurate CTR without reasonable excuse constitutes as an offence under the PSPM Act.
- e. <Additional item(s) to be decided by the regulated dealer>

## 9 Enhanced Customer Due Diligence (“ECDD”)

9.1 Where the ML/TF/PF risks are identified to be higher, the regulated dealer is expected to take ECDD measures to mitigate and manage those risks.

9.2 The regulated dealer must conduct ECDD measures in any of the following circumstances where the customer, the person on whose behalf the customer is acting, or a beneficial owner of the customer (where the customer is an entity or legal arrangement):

- a. is a PEP, a family member or a close associate of a PEP;
- b. is a resident of or originates from a country on the FATF list of high-risk countries ([www.fatf-gafi.org/countries/#high-risk](http://www.fatf-gafi.org/countries/#high-risk)); and
- c. is assessed to have higher ML/TF/PF risks.

9.3 A customer, the person on whose behalf the customer is acting, or a beneficial owner of the customer (where the customer is an entity or legal arrangement) is assessed to be of higher ML/TF/PF risk when he is:

- a. a resident of or originates from a foreign country or territory that the FATF has placed under increased monitoring or the Registrar has notified to be with inadequate measures to prevent ML/TF/PF;
- b. in higher risk business/ activities **<to be decided by the regulated dealer>**
- c. exhibits the following behaviour or transaction pattern **<to be decided by the regulated dealer. Regulated dealer can consider the red flag indicators in Annex D>**
- d. from countries or territories which have relatively higher levels of corruption and/or organised crimes, as identified by credible bodies (e.g. reputable international bodies such as Transparency International).
- e. **<Additional item(s) to be decided by the regulated dealer>**

## 10 Procedures to conduct ECDD

10.1 The ECDD measures to be conducted include:

- a. obtaining the approval of a person holding a senior managerial or executive position in the regulated dealer before —
  - (i) in the case of a new customer, entering into a transaction with the customer;
  - or
  - (ii) in the case of an existing customer, continuing to transact with the customer.
- b. taking reasonable measures to establish the income level, source of wealth, and the source of funds, of the customer and, if the customer is an entity or a legal arrangement, of the beneficial owner or owners of the customer **<regulated dealer should elaborate on the “reasonable measures”>**;

- c. conducting enhanced ongoing monitoring of the transactions entered into with the customer so as to identify suspicious transactions, including transactions or patterns of transactions that are inconsistent with the customer's profile.
  - d. **<Additional item(s) to be decided by the regulated dealer>**
- 10.2 Employees of the regulated dealer shall follow the following procedure when conducting ECDD:
  - a. The employee shall complete the ECDD form as shown in [Annex F](#).
  - b. The employee shall update the supervisor (if any) and managerial-level employee (if any) if ECDD cannot be completed.
  - c. **<Additional item(s) to be decided by the regulated dealer>**
- 10.3 The regulated dealer shall assign an employee to conduct enhanced and regular (the time-frame to be decided by the regulated dealer) checks of higher risk customers.
- 10.4 **<Additional item(s) to be decided by the regulated dealer>**
- 11 Ongoing Monitoring**
  - 11.1 The regulated dealer must conduct ongoing monitoring of transactions for regular customers and for cases where the money laundering, terrorism financing or proliferation financing risk are assessed to be high.
  - 11.2 The regulated dealer shall conduct ongoing monitoring of transaction by reviewing **on a [period/frequency to be determined by regulated dealer, based on a risk-based approach]**, the information and documents obtained as a result of the CDD measures for regular customers and also in cases where there is a higher risk of money laundering, terrorism financing or proliferation financing.
  - 11.3 The following procedures shall apply when the regulated dealer and employees are conducting annual reviews on the customers:
    - a. The employee shall review the transactions with the customer and assess if the transactions are consistent with its knowledge of the customers, **nature of the customer's business**, customers' income and risk profile and customers' source(s) of funds. Where transactions are inconsistent with the known profile, the employee should check with the customer if its profile and business have changed.
    - b. The employee should review the identifying documents collected to ensure that they are still valid and current. Where the documents are outdated, the employee should request an updated document from the customer.
    - c. The ongoing monitoring procedures performed should be properly documented.



## **12 Procedure to complete an STR**

12.1 The following procedure shall apply for the regulated dealer and employees when completing an STR:

- a. The regulated dealer shall designate an employee e.g. Compliance Officer or employees tasked to complete an STR;
- b. The employee who is communicating with the customer and/or conducting CDD or ECDD shall inform the supervisor on the necessity to complete an STR (a discussion may be necessary);
- c. The designated employee tasked with completing a STR shall submit it via [SONAR](#) as soon as reasonably practicable upon the establishment of suspicion (i.e. no longer than 5 business days). STRs for higher risk cases such as targeted financial sanctions/sanctions cases are to be filed within one business day, if not immediately; and
- d. The designated employee shall check all the inputted information to ensure accuracy and/or get clearance from the compliance officer.
- e. **<Additional item(s) to be decided by the regulated dealer>**

12.2 The employee is reminded that under Section 57 of the CDSA, it is an offence to disclose a STR that was filed or to tip off the customers.

## **13 Record keeping**

13.1 The Regulated Dealer shall keep copies of documents with the following information for a period of **5 years**:

*For all customers*

- a. Customer's identifying information;
- b. A copy of the supporting document that was relied upon for the customer's identifying information (e.g. NRIC, passport);
- c. Whether the customer is the owner of the cash or cash equivalent received from the customer, owner of the PSPM purchased or redeemed from the customer or acting on behalf of another person;
- d. Identifying information of the person the customer is acting on behalf of, if the customer is not the owner mentioned in paragraph 13.1 (c);
- e. Proof that the customer is authorised to act on behalf of that other person, if the customer is not the owner mentioned in paragraph 13.1 (c);
- f. Date of transaction or intended transaction;
- g. Amount of transaction or intended transaction;

- h. Description of the PSPMs sold, purchased or redeemed under the transaction or intended transaction;
- i. Address where the transaction was carried out, or would have been carried out;
- j. Name and designation of the individual who carried out (or would have carried out) the transaction on behalf of the regulated dealer; and
- k. The reason why the regulated dealer was unable to or chose not to complete any CDD measures;
- l. Supporting documents relied on in making a CTR;
- m. Where ECDD or SCDD was carried out, the name and designation of the person holding the senior managerial or executive position in the regulated dealer who approved the transaction with the customer.
- n. A copy of all CTRs.

*For customers acting on behalf of a legal person*

- o. the name of the legal person;
- p. the legal form of the legal person;
- q. proof of the legal person's existence (e.g. ACRA BizFile search);
- r. the place under which the legal person is incorporated, registered or otherwise constituted;
- s. the documents that regulate and bind the legal person (e.g. the corporate constitution of a company);
- t. if the legal person is incorporated or registered in Singapore, its unique entity number (UEN No.);
- u. if the legal person is incorporated or registered outside Singapore, its foreign incorporation or registration number;
- v. if the legal person is an entity, the identity of each individual having a senior management position in the legal person;
- w. the address of the legal person's registered office and its principal place of business.
- x. if the legal person is an entity:
  - (i) the identifying information of each individual who ultimately has a controlling ownership interest in the legal person;
  - (ii) if it is doubtful whether all or any of the individuals who ultimately have a controlling interest in the legal person are its beneficial owners, or where no

- individual exerts control through ownership interests, the identifying information of each individual (if any) exercising control of the legal person through other means; or
- (iii) if no individual is identified under sub-paragraphs (i) and (ii), the identifying information of each individual having a senior management position in the legal person.

y. if the legal person is a trust, the identities of:

- (i) the settlor;
- (ii) each trustee;
- (iii) the protector (if any);
- (iv) each beneficiary or class of beneficiaries; and
- (v) any other individual exercising ultimate effective control over the trust.

z. if the legal person is a legal arrangement that is not a trust, the identity of each person holding a position equivalent or similar to any position in paragraph (y).

13.2 A registered dealer may also be asked to keep relevant documents and information for a prescribed period after ceasing to be a registered dealer. If the registered dealer is found to have disposed records during the period of the registration, the registered dealer will be liable for enforcement action against them.

#### **14 Staff training on AML/CFT/CPF**

14.1 The regulated dealer shall ensure that its employees attend **ongoing** training on AML/CFT/CPF matters. The training can be conducted internally or through the engagement of external training providers.

14.2 The regulated dealer shall record the names of the employees who have undergone training and the courses attended (with date/s of courses attended).

14.3 **<Additional item(s) to be decided by the regulated dealer>**

#### **15 Audit of IPPC** *(Applicable to regulated dealers who conduct **one or more** designated transactions)*

15.1 The regulated dealer shall conduct an independent audit of its IPPC to assess the effectiveness of measures taken to prevent ML/TF/PF. This includes the following:

- a. Determine the adequacy and relevance of the IPPC;
- b. Assess employees' compliance with the IPPC; and
- c. Assess whether instances of non-compliance are reported to senior management on a timely basis.

15.2 The regulated dealer shall state that the frequency of such audits is every **X** month.

15.3 The auditing unit must be adequately independent of the business arm.

15.4 <Additional item(s) to be decided by the regulated dealer>

**16 Tipping-off and Confidentiality**

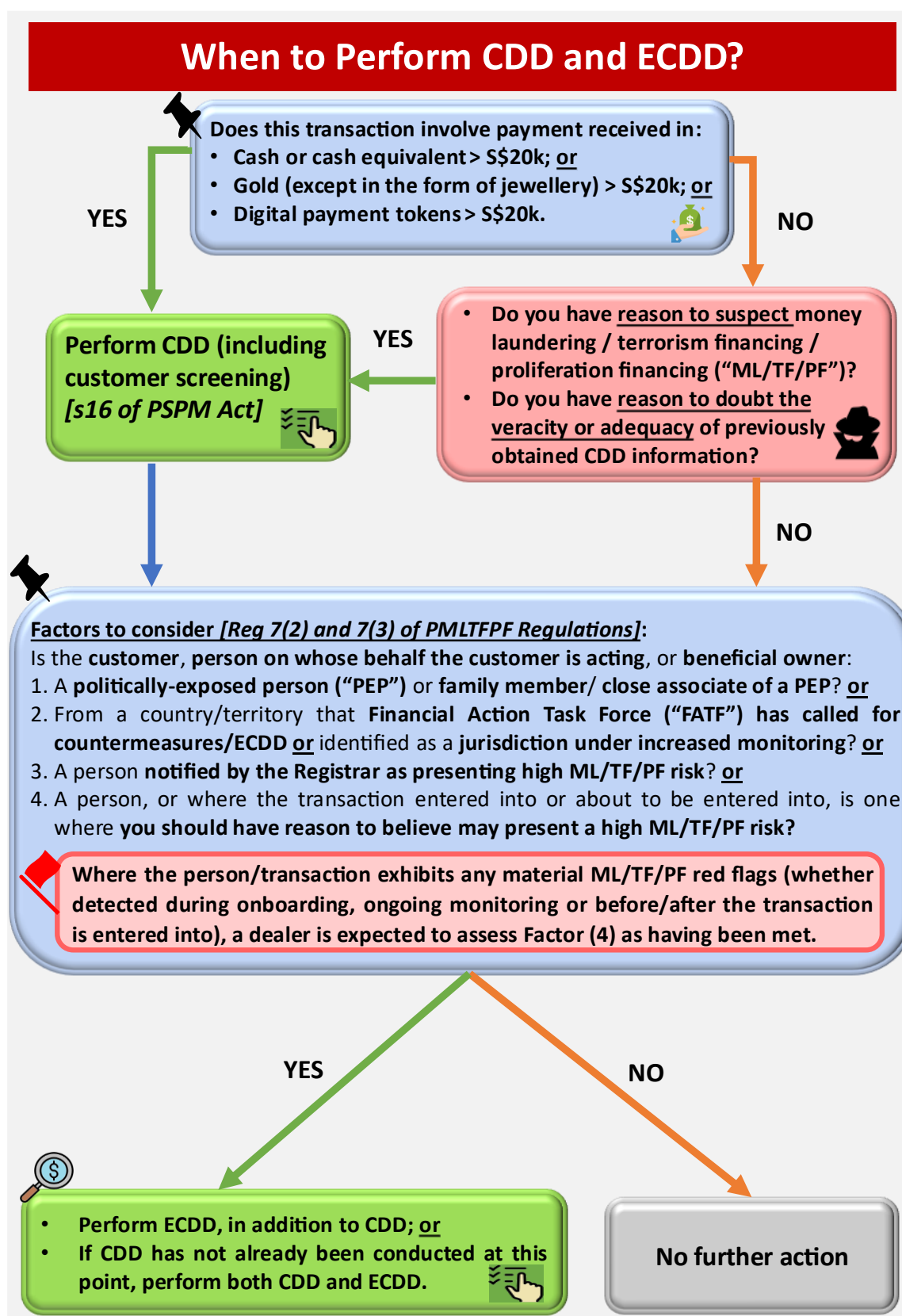
16.1 Employees of the regulated dealer are reminded that it is an offence<sup>29</sup> to disclose the fact that an STR was filed.

**17 Additional procedures (deemed necessary by the regulated dealer)**

17.1 XXX

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<sup>29</sup> Please note section 57 of the CDSA and section 10B of the TSOFA on tipping-off.



**Note:** Regulated dealers may refer to Paragraph 7 and **Annex H** of the Guidelines for Regulated Dealers for more details on ECDD including taking a risk-based approach towards the level of ECDD measures depending on the specific facts and circumstances of the transaction.

## Annex D Red Flag Indicators for Regulated Dealers

### General Comments

Any person, who in the course of trade, profession, business, or employment, knows or has reasonable grounds to suspect that any property may be connected to a criminal activity, is required to file a Suspicious Transaction Report (“STR”) to the Suspicious Transaction Reporting Office (“STRO”). Failure to file a STR may constitute a criminal offence. The reporting requirement is set out in Section 45 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 (also commonly known as CDSA).

Every person in Singapore and every Singapore citizen outside Singapore also have a duty to provide information on property and financial transactions belonging to terrorist and acts of terrorism financing to the Police. This legal obligation is set out in Sections 8 and 10 of the Terrorism (Suppression of Terrorism) Act 2002 (“TSOFA”). Failure to provide information may constitute a criminal offence. The disclosure of terrorism financing information can be made to STRO in a STR.

The list of red flag indicators below are meant to help PSMDs identify some of the circumstances that could be suspicious in nature. They could indicate that property may represent proceeds of money laundering (“ML”) or terrorism financing (“TF”) or proliferation financing (“PF”) or used/intended to be used in connection with ML, TF or PF.

While each individual indicator may not be sufficient by itself to suggest ML or TF or PF, a combination of the indicators may indicate a suspicious transaction. The list is not exhaustive. It may be updated due to changing circumstances and new methods of laundering money or financing terrorism. Please refer to STRO’s website for the latest list of red flags.

PSMDs should check the plausibility of a customer’s declarations regarding such transactions. PSMDs should not accept every explanation offered by the customer without scrutiny.

There may be reasonable grounds to suspect any customer who is reluctant to provide normal information and documents required routinely by the PSMD before entering into a designated transaction. PSMDs should pay attention to customers who provide minimal, false or misleading information.

### Red Flag Indicators: Customers

A “customer” in this context means a person with whom a regulated dealer enters into or intends to enter into a transaction. Precious stones, precious metals and precious products are collectively referred to as “PSPM” in the red flag indicators. Where a customer is mentioned in the red flag indicators, the red flag indicators also apply to persons on whose behalf the customer is acting and BOs of the customers (where the customer is a legal person).

### Transaction Patterns

- i) Transactions that are not consistent with the expected or known profile of the customer:

- (a) Transactions, **single or cumulative** that appear to be beyond the means of the customer based on his/her stated or known occupation or income, experience in the industry or known share capital or period of incorporation; **or**
    - (b) Transactions that appear to be more than the usual amount or quantity for a typical customer of the business; or
    - (c) Transaction purposes that are not in line with the known or expected operations of the business.
  - ii) Unusually large amounts of cash, traveller's cheques, cashier's cheques or precious metals, e.g. gold bars or precious stones, e.g. diamonds, digital payment tokens involved in the transactions.
  - iii) Unusually large or frequent transactions that are made in a foreign currency.
  - iv) Transactions in which third parties are involved, either as payers or recipients of payment or PSPM, without apparent legitimate business purpose. For example:
    - (a) Payments received from a third party, who is not the owner of the funds, without legitimate business purpose; **or**
    - (b) Payments received from multiple third parties for the same transaction; **or**
    - (c) Payments of proceeds made to third parties overseas, although the transaction is between a domestic buyer and seller, and without apparent legitimate business purpose; **or**
    - (d) PSPM delivered to a third party, who is not the owner or payer of funds, without legitimate business purpose; or
    - (e) Refunds paid to a third party, who is not the owner or payer of funds, without legitimate business purpose.
- Note: Payments may be in the form of third-party cheques, a third-party credit card, precious metals, e.g. gold bars or precious stones, e.g. diamonds and digital payment tokens.
- v) Transactions with no apparent business purpose among associates or trading accounts for PSPM and asset-backed tokens traded using bullion, investment or asset-backed token.
  - vi) Large transactions which are cancelled shortly after deposits or full payment are made, resulting in the refunds. For example, the customer may pay for the transaction in cash and request the refund be issued in the form of a cheque. Conversely, the transaction may be made with a credit card and the customer request for the refund to be in cash or other means.
  - vii) Overpayment of transactions with a request to refund excess in cash or to a third party.

- viii) Transactions involving virtual assets, especially where ownership of the virtual assets cannot be easily traced to the customer.
- ix) Transactions involving the use of stolen or fraudulent payment instruments, for example a payment card that appears stolen or altered or not issued in the customer's name. Some other possible indicators of suspicious online payment 'card-not-present' transactions could include:
  - (a) Same shipping address, but different payment cards: Multiple online orders with mismatched payment card information could signify a criminal attempting to use a series of stolen or fraudulent payment cards while the cards are still active; or
  - (b) Same payment account, but different shipping addresses: Some criminals may share stolen payment card information with accomplices, or order PSPM for them and ask for the PSPM to be shipped to various different shipping addresses; or
  - (c) Same Internet Protocol address (IP address): Online orders made from the same IP address, especially at or around the same time, but with different payment cards could signify criminals attempting to use fraudulent payment cards; or
  - (d) Reattempting with smaller transaction amount: When an online order is flagged as a potential fraud and declined, criminals may attempt to quickly purchase another item that cost less. This may indicate a form of card testing to try identifying the card's limit and available balance of the account.
- x) Transactions involving unusual or complex payment arrangements, without apparent legitimate business purpose.
- xi) The transaction involves containers whose numbers have been changed or ships that have been renamed.
- xii) The shipment of goods takes a circuitous route or the financial transaction is structured in a circuitous manner.
- xiii) The transaction involves the shipment of goods inconsistent with normal geographic trade patterns or consumer patterns (e.g. the country involved would not normally export or import such goods).
- xiv) Significant transactions which are not in line with the regulated dealer's understanding of the customer's profile.
- xv) Unusually large or frequent transactions by customers which appear to be incompatible with the customers' low share capital or short period of incorporation.
- xix) Multiple cash purchases by the same customer within a short timeframe, especially on the same day, without reasonable business explanation.
- xx) Payments made using cryptocurrencies or virtual assets such as Bitcoin, especially for high-value transactions.



## Customer Behaviour

- i) The customer appears to be structuring amounts to avoid customer identification or reporting threshold. For example, numerous transactions by a customer, especially over a short period of time, such that the amount of each transaction is not substantial (e.g. below the regulatory threshold for CDD), but the cumulative total of which is substantial.  
Note: especially if just below S\$20,000 cash reporting threshold.
- ii) The customer makes enquiries about refund policies and requests for large refunds subsequently.
- iii) The customer is suspected to be using forged, fraudulent or false identity documents for due diligence and record keeping purposes, e.g. the customer presents identification documents with recent issue dates.
- iv) The customer is unusually concerned with the PSMD's anti-money laundering, countering the financing of terrorism and countering proliferation financing ("AML/CFT/CPF") policies.
- v) The customer fails to provide sufficient explanation and/or documents for the source of funds for his transaction. For example, the customer attempts to use a third-party cheque or credit card in which the source of funds or underlying ownership cannot be easily traced to the customer or is questionable.
- vi) The customer attempts to maintain a high degree of secrecy with respect to the transaction. For example:
  - (a) To request that normal business records not to be kept; or
  - (b) The customer is unable or unwilling to provide information for due diligence and record keeping purposes; or
  - (c) The customer is unable or unwilling to identify beneficial owners or controlling interest, where this would be commercially expected; or
  - (d) The customer is vague or refuses to provide information on the reason for buying or selling PSPM, or about the origin of the items.
- vii) The customer or the declared owner of the funds is traced to adverse news related to ML/TF/PF, corruption, tax evasion or crime. For example, the person is named in a reliable source (which can include a media or other open sources) that the person is suspected of being involved in illegal activity, or detected when screened against UN Security Council Resolutions (UNSCRs).
- viii) The customer appears to be related to a high-risk country or territory or entity that is associated with money laundering or terrorism activities or a person that has been designated as terrorists.

- ix) The customer makes unusually large purchases of PSPM or dramatically increases purchases of PSPM for no apparent reason or is willing to sell PSPM at a rate significantly lower than their typical sale value.
- x) The customer is employed by a PSMD but is dealing in his personal capacity.
- xi) The customer uses alternative addresses for delivery such as a General Post Office (GPO), private service provider mailbox or third parties to receive purchases.
- xii) The customer appears to be in a hurry to complete the transaction.
- xiii) The customer purchases PSPM without consideration for the value, size and/or colour of the PSPM or other costs (e.g. the extra expense of rush shipping) in the transaction.
- xiv) The customer appears distressed or receives phone calls while making purchases, or is accompanied by others who appear suspicious (e.g. lurking outside the premise and closely monitoring the customer) or aggressive or is withholding any documents or funds and is in doubt when asked for further details.
- xv) The customer requests to alter the transaction after being asked for identity documents.
- xvi) The customer makes unnecessary self-disclosure that his funds are clean and not involved in any money-laundering activities.
- xvii) The customer pays excessively for an item beyond its expected selling price in an auction.
- xviii) The customer insists on using cash to pay for excessively high value transactions when there was no apparent economic reason.
- xix) The customer provides inconsistent information, including in trade documents and financial flows (e.g. in the names, companies, addresses, ports of call and final destination).
- xx) The customer provides unclear information regarding the identity of its ultimate beneficial owners.
- xxi) Geographical inconsistencies (e.g. local customer but used foreign bank accounts to make large payments).
- xxii) Significant discrepancies in customers' representations against independently sourced documents, such as corporate documents on shareholdings/ directorship.
- xxiii) Incongruent description of nature of business stated in Company's business licence or website vis-à-vis customers' representation.
- xxiv) Documents furnished by customers appeared to be tampered or potentially fraudulent.
- xxv) Customers holding multiple nationalities without legitimate reasons.

- xxvi) The customer is reluctant or unable to produce physical credit cards for verification, appears unfamiliar with card details, or provides payment information without having the physical card present.
- xxvii) The customer attempts to resell substantial quantities of PSPM.
- xxviii) The customer cancels or abandons transactions at the final stages without reasonable explanation, particularly after expressing strong interest or urgency to complete the purchase.
- xxix) The customer requests to split payment using multiple cards without apparent reason.

## **Red Flag Indicators: Suppliers**

### **Transaction Patterns**

- i) Transactions that are not consistent with the usual profile of a supplier:
  - (a) Over or under-invoicing, structured, complex, or multiple invoice requests, and high-dollar shipments that are over or underinsured; or
  - (b) Transactions which are excessive, given the amount or quality, or potential profit from the sale of PSPM; or
  - (c) Consignment size or type of PSPM shipped appears inconsistent with the capacity of the exporter or importer. For example, the shipment or transshipment that does not make economic sense; or
  - (d) Misclassification of gold purity, weight, origin and value on customs declaration forms; or
  - (e) The transaction involves the use of front or shell companies, which have no real operating activity. For example, the entity's ownership structure appears to be doubtful or obscure or the entity refuses to provide additional information when requested.
- ii) Transactions in which third parties are involved, either as payers or recipients of payment or PSPM, without apparent legitimate purpose:
  - (a) Funds paid to a third party who is not related to the supplier, without legitimate business purpose; or
  - (b) PSPM delivered from a third party who is not related to the supplier, without legitimate business purpose.
- iii) Transactions involving virtual assets, especially where ownership of the virtual assets cannot be easily traced to the regulated dealer and supplier.
- iv) The transaction involves containers whose numbers have been changed or ships that have been renamed.

- v) The shipment of goods takes a circuitous route or the financial transaction is structured in a circuitous manner.
- vi) The transaction involves the shipment of goods inconsistent with normal geographic trade patterns or consumer patterns (e.g. the country involved would not normally export or import such goods).

### **Supplier Behaviour**

- i) The supplier is unable to provide information for due diligence and record keeping purposes.
- ii) The supplier is suspected to be using forged, fraudulent or false identity documents for due diligence and record keeping purposes.
- iii) The supplier's origins of the PSPM appear to be fictitious, doubtful or cannot be explained. For example, the supplier sells a large amount of PSPM that originate or are known to be traded from areas not known for their production i.e. trading centres.
- iv) The supplier is unusually concerned with the PSMD's AML/CFT/CPF policies.
- v) The supplier attempts to maintain a high degree of secrecy with respect to the transaction. For example:
  - (a) Request that normal business records not to be kept; or
  - (b) Unwillingness to identify beneficial owners or controlling interests, where this would be commercially expected; or
  - (c) Request for payments to be made through money services businesses or other non-bank financial institutions for no apparent legitimate business purposes; or
  - (d) Is vague or refuses to provide information on the reason for selling or buying PSPM, or about the origin of the items.
- vi) (For diamonds only) Rough diamonds are not accompanied by a valid Kimberley Process (KP) certificate. For example:
  - (a) No KP certificate attached to the shipment of rough diamonds; or
  - (b) The KP certificate is or appears to be forged; or
  - (c) The KP certificate has a long validity period.
- vii) The supplier is traced to adverse news or crime. For example, the person is named in a reliable source (which can include a media or other open sources) that the person is suspected of being involved in illegal activity, or detected when screened against UNSCRs.

- viii) The supplier appears to be related to a high-risk country or territory or entity that is associated with risk for money laundering or terrorism activities or a person that has been designated as terrorists.
- ix) The supplier transports the PSPM through a country or territory that is designated as 'high risk for money laundering or terrorism activities' for no apparent economic reason.
- x) The location to which the PSPM are moved directly to or from storage, is different from the supplier's listed address.
- xi) The supplier uses alternative addresses as a General Post Office (GPO), private service provider mailbox which appears to be concealing its whereabouts.
- xii) The supplier appears to be in a hurry to complete transaction or is willing to sell PSPM at a rate significantly lower than their typical sale value.
- xiii) The supplier does not appear to understand the PSPM industry, or lacks the appropriate equipment or finances to engage in regulated activity in the PSPM industry.
- xiv) The supplier appears to be uninterested in or uninformed about the structure or transactions of their PSPM business.
- xv) Other indicators that may warrant closer scrutiny. For example, the supplier offers products such as loose diamonds that retain their wholesale value because they can be easily liquidated. The supplier may insist on offering products through non-face-to-face means (telephone, mail internet). These delivery channels may pose higher risks, as it may make it more difficult to identify the supplier.
- xvi) Suppliers provide inconsistent information, including in trade documents and financial flows (e.g. in the names, companies, addresses, ports of call and final destination).

### **Red Flag Indicators: Proliferation Financing<sup>30</sup>**

The following are some of the red flag indicators that could alert PSMDs to customers and transactions that are possibly associated with PF-related activities:

- i) The customer is vague and resistant to providing additional information when asked.
- ii) The customer's activity does not match its business profile or the end-user information does not match the end-user's business profile.
- iii) The transaction involves designated individuals or entities.
- iv) The transaction involves higher risk countries or jurisdictions, or involves other entities with known deficiencies in AML, CFT or CPF controls, or involves possible shell companies.
- v) The transaction involves containers whose numbers have been changed or ships that have been renamed.
- vi) The shipment of goods takes a circuitous route or the financial transaction is structured in a circuitous manner.
- vii) The transaction involves the shipment of goods inconsistent with normal geographic trade patterns or consumer patterns (e.g. the country involved would not normally export or import such goods).
- viii) There are inconsistencies in the information provided, including in trade documents and financial flows (e.g. in the names, companies, addresses, ports of call and final destination).

The FATF has also provided guidance on measures to combat PF and PSMDs may wish to refer to the [FATF website](#) for additional information.

### **Red Flag Indicators: Sanctions Evasion Activity**

- i) Involvement of items controlled under weapons of mass destruction export control regimes or national control regimes.
- ii) Involvement of a person connected with a country of PF concern (e.g. a dual-national), and/or dealing with complex equipment for which he/she lacks technical background.
- iii) Use of cash or precious metals (e.g. gold) in transactions for industrial items.
- iv) Involvement of a small trading, brokering or intermediary company, often carrying out business inconsistent with their normal business.
- v) Involvement of a customer or counterparty, declared to be a commercial business, whose transactions suggest they are acting as a money-remittance business.

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<sup>30</sup> Red flag indicators compiled from MAS's Guidelines to MAS Notice 626 on Prevention of Money Laundering and Countering the Financing of Terrorism, and Sound Practices to Counter Proliferation Financing.

- vi) Transactions between companies on the basis of “ledger” arrangements that obviate the need for international financial transactions.
- vii) Customers or counterparties to transactions are linked (e.g. they share a common physical address, IP address or telephone number, or their activities may be coordinated).
- viii) Involvement of a university in a country of PF concern.
- ix) Evidence that documents or other representations (e.g. relating to shipping, customs, or payment) are fake or fraudulent.
- x) Use of personal account to purchase industrial items<sup>31</sup>.

### Red Flag Indicators: Misuse of Shell and Front Companies<sup>32</sup>

Shell companies are companies (also known as “Legal Persons”) with no operations, assets or business activities. Although all companies start as shell companies, many become fully operational and carry out legitimate business activities. Others may remain as shell companies serving legitimate purposes such as transaction vehicles for corporate mergers or to protect names from being used by others. Generally, a company used for illegitimate or illicit purposes **may become apparent only** after its incorporation.

Not all companies that are being misused for money laundering are shell companies. Front companies with a portfolio of businesses, comprising a mix of legitimate and illicit activities, are often used. This makes it challenging to identify the true nature of companies.

When carrying out transactions with Legal Persons, PSMDs should watch out for the following signs of illicit activities.

#### Pass-Through Transactions

Pass-through transactions create additional layers in attempts to mask the proceeds from illicit activities. Transactions that pass through Legal Persons with no real economic purpose or plausible explanations are risk indicators that the Legal Person may be misused for money laundering.

#### Round-Tripping Activities

Round-tripping activities are a series of transactions where original funds are passed through entities but eventually returned to original entity, with the pass-through activity serving no apparent economic purpose. The objective is to create the impression that money is derived from legitimate commercial activities.

#### Hidden Relationships

<sup>31</sup> Industrial items may include precious metals in commercial quantities, industrial equipment, manufacturing tools such as metal refining equipment, or other items typically used for commercial rather than personal purposes.

<sup>32</sup> Red flag indicators compiled from MAS’s Risk of Misuse of Legal Persons and ABS’s Legal Persons – Misuse Typology and Best Practices.

Relationships between Legal Persons may be hidden using nominee shareholders/ directors with complex structures involving listed companies. Such relationships are usually not apparent and PSMDs should be alert to the need for such overly complex relationships or the mixed use of personal and corporate funds in the purchase of PS/PM/PP.

#### **Use of Similar Name Entities**

Front companies may be set up, without significant assets or business activity, using similar names to establish entities. The purpose is to give an impression of legitimacy through association, and fake documents may be produced to allow transfer of funds through these front companies.



## Red Flag Indicators: GST Missing Trader Fraud (“MTF”) Involving Precious Metals<sup>33</sup>

IRAS has observed MTF arrangements involving Investment Precious Metals (“IPM”) gold bars that are exempted from GST. Syndicates will transform the IPM gold bar into scrap gold by melting, cutting or defacing them for onward sale to businesses down the supply chain. A supplier fails to account for or pay the GST charged on his sales (this supplier is referred to as the “**Missing Trader**”), while businesses along the supply chain continue to claim credit of input tax or refund of GST on their purchases. A list of non-exhaustive warning signs and the due diligence checks are provided below.

### Warning Signs

- **High-value deals offered by newly established supplier**, with minimal experience in the industry.
- **Very quick turnaround of high-volume transactions**, making the business appear unrealistically lucrative.
- **Back-to-back purchase to sale arrangement** with a fixed gold price between the supplier and customers, making the business practically risk free with little or no exposure to price volatility.
- **Out of the norm credit terms**. For example, supplier delivers the gold to you first, and only requires you to make payment to them after you receive the payment from the customer.
- **Too good to be true deals recommended by unfamiliar introducer**.
- **Scrap gold bars in condition or volume that is not ordinarily traded in the market**. For example, buying or selling cut or defaced IPM gold bars or cast scrap gold bars in large quantity.
- **Supplier/ introducer is evasive** when being asked about the source of its gold supply.
- **Material changes in the transactions with existing suppliers or customers**. For example, significant increase in transaction volume or transaction value, or changes in the nature of goods trade.

Note: The above risk indicators and due diligence checks are not exhaustive.

### Due Diligence Checks

- **Are your immediate supplier and customer legitimate?** Obtain business incorporation details, perform credit checks, request for trade references and verify whether they are credible, and visit their business premises.
- **Is the business arrangement valid?** Understand whether there are valid business reasons for IPM gold bars to be defaced or cut and sold as scrap gold bars, whether there are reasonable explanations for the high volume and/or low price of the scrap gold bars relative to the market price and demand, whether the absence of price volatility risk is in line with commercial practice, and whether there is any value for you to be part of the back-to-back purchase to sales arrangement when the customer could have purchased the goods directly from the supplier.

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<sup>33</sup> Red flag indicators compiled from IRAS’s Beware of GST Missing Trader Fraud Involving Precious Metals.

- **Is the payment arrangement highly favourable?** Is there commercial justification for the payment to be made to the supplier only after payment is received from the customer.
- **Are the scrap gold bars authentic?** Question the source of the scrap gold bars and whether there is a reasonable explanation for them to be defaced IPM gold bars.
- **Is the introducer legitimate and credible?** Obtain more information on the introducer. For example, his/her experience in the trade, and the reason for him/her to offer you the deals instead of carrying out the deals himself/herself.
- **Is there a valid reason for material changes in the transactions?** Be alert to unusual changes when transacting with existing suppliers and customers. For example, question whether there is any reasonable explanation for the significant increase in the transaction volume and value.

## Annex E Sample CDD Forms

Note: Regulated dealers may consider adopting the following forms to document the CDD measures taken. Regulated dealers remain responsible for ensuring that the forms meet the requirements of PMLTFPF Regulations.

<b>Customer Due Diligence ("CDD")</b>	
<b>FORM A1 – Particulars of Customer (Individual)</b>	
Name of regulated dealer:	Date:
Name of employee:	Signature of employee:

INFORMATION REQUIRED			Example of Supporting Document
1.	Transaction number		Invoice
2.	Date/Time of transaction		
3.	Transaction value		
4.	Description of PSPM sold/purchased		
5.	Full name (including any alias)		Copy of original identifying document sighted
6.	Date of birth		
7.	Residential address		
8.	Citizenship		
9.	Type of identification document	<input type="checkbox"/> NRIC <input type="checkbox"/> Passport <input type="checkbox"/> Others:	
10.	Identification number		
11.	Date of identification expiry (if applicable)		Customer's declaration or regulated dealer's documentation of enquiry with customer
12.	Occupation		
13.	Contact number		
14.	Is the customer acting on behalf of any other individual? Tick the relevant box:  * If customer is acting for another individual, employee to also complete Form A2 with details of the individual who is the cash owner.  ^ If customer is acting for a corporate (e.g. a company or sole proprietorship)/ legal arrangement, employee to also complete Form A3 with details on the corporate or legal arrangement and A4 on the details of beneficial owners of the corporate or legal arrangement.	<input type="checkbox"/> Customer is acting for himself  <input type="checkbox"/> Customer is acting on behalf of person (cash or PSPM owner is an individual) * (Go to Form A2)  <input type="checkbox"/> Customer acting on behalf of a corporate or legal arrangement (cash or PSPM owner is a corporate) ^ (Go to Form A3 and A4)	
15.	Purpose of business relationship		
16.	Customer Risk Assessment (low, medium or high ML/TF/PF risk) [Please refer to Form B]		Form B

<b>Customer Due Diligence ("CDD")</b>	
<b>FORM A2 – Particulars of Person on behalf Customer is Acting On (Cash Owner – Individual)</b>	
Name of regulated dealer:	Date:
Name of employee:	Signature of employee:

INFORMATION REQUIRED			Example of Supporting Document
1.	Is the customer authorised to act on behalf of the other person or the real owner of the cash or cash equivalent?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Letter of authorisation/ document proof
2.	Transaction number		Invoice
3.	Date/Time of transaction		
4.	Transaction value		
5.	Description of PSPM sold/purchased		
6.	Full name (including any alias)		
7.	Date of birth		Copy of original identifying document sighted
8.	Residential address		
9.	Citizenship		
10.	Type of identification document	<input type="checkbox"/> NRIC <input type="checkbox"/> Passport <input type="checkbox"/> Others:	
11.	Identification number		
12.	Date of identification expiry (if applicable)		Customer's declaration or regulated dealer's documentation of enquiry with customer
13.	Occupation		
14.	Contact number		
15.	Purpose of business relationship		

<b>Customer Due Diligence ("CDD")</b>	
<b>FORM A3 –Particulars of Person on behalf Customer is Acting On (Cash Owner – Corporate / Legal Arrangement)</b>	
Name of regulated dealer:	Date:
Name of employee:	Signature of employee:

INFORMATION REQUIRED			Example of Supporting Document
1.	Transaction number		Invoice
2.	Date/Time of transaction		
3.	Transaction value		
4.	Description of PSPM sold		
5.	Is the customer authorised to act on behalf of the other person or the real owner of the cash or cash equivalent?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Letter of authorisation/ document proof
6.	Full name of entity		ACRA BizFile report or certificate of incorporate or any other corporate documents from reliable and independent sources
7.	Date of incorporation or registration		
8.	Country or territory of incorporation or registration		
9.	UEN/Incorporation no./Registration no.		
10.	Date of identification expiry (if applicable)		
11.	Main business activity:		
12.	Type of legal entity	<input type="checkbox"/> Sole proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Limited partnership <input type="checkbox"/> Limited liability partnership <input type="checkbox"/> Company <input type="checkbox"/> Corporation <input type="checkbox"/> Others:	
13.	Proof of legal entity's existence (e.g. ACRA BizFile search)		
14.	Registered office address		
15.	Name of senior management of the legal entity	* To include all senior management here.	
16.	Document(s) that regulate and bind the entity (e.g. the corporate constitution of a company)		Customer's declaration or regulated dealer's documentation of enquiry with customer
17.	Principal address of business (if different from registered office address)		
18.	Telephone number		
19.	Email address		
20.	Nature of business of the legal entity		
21.	Purpose of business relationship		
22.	Customer Risk Assessment (low, medium or high ML/TF/PF risk)		Form B

INFORMATION REQUIRED			Example of Supporting Document
	[Please refer to Form B]		
Details of beneficial owners should be filled in Form A4.			

<b>Customer Due Diligence ("CDD")</b>	
<b>FORM A4– Particulars of Beneficial Owner(s) of Corporate Customer/ Legal Arrangement</b>	
Name of regulated dealer:	Date:
Name of employee:	Signature of employee:

<b>INFORMATION REQUIRED</b> <Details for beneficial owners who have control over the corporate/ legal arrangement should be identified and verified>			<b>Example of Supporting Document</b>
1.	Full name of <b>BENEFICIAL OWNER 1</b> (including any alias)		<b>Copy of original identifying document sighted</b>
2.	Date of birth		
3.	Residential address		
4.	Citizenship		
5.	Type of identification document	<input type="checkbox"/> <b>NRIC</b> <input type="checkbox"/> <b>Passport</b> <input type="checkbox"/> <b>Others:</b>	
6.	Identification number:		
7.	Date of identification expiry (if applicable)		
8.	Occupation		<b>Customer's declaration or regulated dealer's documentation of enquiry with customer</b>
9.	Contact number		
1.	Full name of <b>BENEFICIAL OWNER 2</b> (including any alias)		<b>Copy of original identifying document sighted</b>
2.	Date of birth		
3.	Residential address		
4.	Citizenship		
5.	Type of identification document	<input type="checkbox"/> <b>NRIC</b> <input type="checkbox"/> <b>Passport</b> <input type="checkbox"/> <b>Others:</b>	
6.	Identification number		
7.	Date of identification expiry (if applicable)		
8.	Occupation		<b>Customer's declaration or regulated dealer's documentation of enquiry with customer</b>
9.	Contact number		
1.	Full name of <b>BENEFICIAL OWNER 3</b> (including any alias)		<b>Copy of original identifying document sighted</b>
2.	Date of birth		
3.	Residential address		
4.	Citizenship		

<b>INFORMATION REQUIRED</b> <Details for beneficial owners who have control over the corporate/ legal arrangement should be identified and verified>			<b>Example of Supporting Document</b>
5.	Type of identification document	<input type="checkbox"/> <b>NRIC</b> <input type="checkbox"/> <b>Passport</b> <input type="checkbox"/> <b>Others:</b>	
6.	Identification number		
7.	Date of identification expiry (if applicable)		
8.	Occupation		<b>Customer's declaration or regulated dealer's documentation of enquiry with customer</b>
9.	Contact number		
1.	Full name of <b>BENEFICIAL OWNER 4</b> (including any alias)		<b>Copy of original identifying document sighted</b>
2.	Date of birth		
3.	Residential address		
4.	Citizenship		
5.	Type of identification document	<input type="checkbox"/> <b>NRIC</b> <input type="checkbox"/> <b>Passport</b> <input type="checkbox"/> <b>Others:</b>	
6.	Identification number		
7.	Date of identification expiry (if applicable)		<b>Customer's declaration or regulated dealer's documentation of enquiry with customer</b>
8.	Occupation		
9.	Contact number		
1.	Full name of <b>BENEFICIAL OWNER 5</b> (including any alias)		<b>Copy of original identifying document sighted</b>
2.	Date of birth		
3.	Residential address		
4.	Citizenship		
5.	Type of identification document	<input type="checkbox"/> <b>NRIC</b> <input type="checkbox"/> <b>Passport</b> <input type="checkbox"/> <b>Others:</b>	
6.	Identification number		
7.	Date of identification expiry (if applicable)		<b>Customer's declaration or regulated dealer's documentation of enquiry with customer</b>
8.	Occupation		
9.	Contact number		



## Customer Due Diligence ("CDD")

**FORM B – Screen all names and citizenship of customer (individual), corporate customer and beneficial owner(s) of corporate customer obtained from CDD against the lists on:**

- Terrorist designation
- Sanctions lists on designated individuals and entities
- FATF public list of high-risk and other monitored jurisdictions

**\*Note: This form should not be shown to the customer.**

Name of regulated dealer:

Date:

Name of employee:

Signature of employee:

### B1. Check Against Lists on Terrorist Designation and Designated Individuals and Entities

1.	Ministry of Home Affairs ("MHA")'s website on the Inter-Ministry Committee on Terrorist Designation ("IMC-TD") on terrorist designation (persons and entities designated as terrorists):  <a href="https://www.mha.gov.sg/what-we-do/managing-security-threats/countering-the-financing-of-terrorism">https://www.mha.gov.sg/what-we-do/managing-security-threats/countering-the-financing-of-terrorism</a>	<b>Any match?</b> <input type="checkbox"/> Yes/ <input type="checkbox"/> No  <b>*Important: If yes, to stop transaction and lodge a police report.</b>
2.	Monetary Authority of Singapore ("MAS")'s website on targeted financial sanctions under the United Nations Regulations ("UN Regulations") for the lists of designated individuals and entities:  <a href="https://www.mas.gov.sg/regulation/anti-money-laundering/targeted-financial-sanctions/lists-of-designated-individuals-and-entities">https://www.mas.gov.sg/regulation/anti-money-laundering/targeted-financial-sanctions/lists-of-designated-individuals-and-entities</a>	<b>Any match?</b> <input type="checkbox"/> Yes/ <input type="checkbox"/> No  <b>*Important: If yes, to stop transaction and lodge a police report.</b>

### B2. Politically Exposed Person ("PEP")

1.	Is the customer a PEP?	<input type="checkbox"/> Yes/ <input type="checkbox"/> No  <b>*Important: If yes; to proceed with ECDD.</b>
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### B3. Check against FATF Public List of High-Risk and Other Monitored Jurisdictions

1.	FATF public list on high-risk and other monitored jurisdictions:  <a href="https://www.fatf-gafi.org/en/countries/black-and-grey-lists.html">https://www.fatf-gafi.org/en/countries/black-and-grey-lists.html</a>	<b>Client from high-risk or monitored jurisdiction?</b> <input type="checkbox"/> Yes/ <input type="checkbox"/> No  <b>*Important: If yes, to proceed with ECDD.</b>
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### B4. Higher-Risk Customer Based on Risk Assessment Conducted by Regulated Dealer

1.	Does the customer fit the profile of a higher-risk customer based on their own risk assessment conducted by regulated dealer?	<input type="checkbox"/> Yes/ <input type="checkbox"/> No  <b>*Important: If yes; to proceed with ECDD.</b>
----	---	---

## Annex F Sample ECDD Form

<b>Enhanced Customer Due Diligence ("ECDD")</b>	
<p><b>*Note:</b> This form should <u>not</u> be shown to the customer.</p> <p>Where ECDD is conducted, to attach completed (1) CDD Form A, (2) CDD Form B and (3) ECDD Form, together with copies of all supporting documents.</p>	
Name of regulated dealer:	Date:
Name of employee:	Signature of employee:

<b>A.</b>	<b>Income Level, Source of Wealth, Source of Funds and purpose of business transaction</b>	
1.	<p>Establish the following (by reasonable means e.g. internet scanning and careful enquiries with the customer):</p> <ul style="list-style-type: none"> <li>a. income level;</li> <li>b. source of wealth (i.e. source of overall assets);</li> <li>c. source of funds (i.e. source of the funds used to pay for the transaction); and</li> <li>d. purpose of business relationship</li> </ul>	<p><b>Income level:</b></p> <p><b>Source of wealth:</b></p> <p><b>Source of funds:</b></p> <p><b>Purpose of business transaction:</b></p> <p><b>Source of information / Documents obtained:</b></p> <p><b>*Important:</b> To consider terminating the transaction if unable to establish source of income and lodge STR.</p>
<b>B.</b>	<b>Prior Approval from an Employee of Senior Managerial/Executive Position</b>	
1.	<p>Obtain prior approval from an employee holding a senior managerial or executive position before establishing/continuing dealings with a higher-risk customer.</p>	<p><input type="checkbox"/> <b>Approve</b></p> <p><input type="checkbox"/> <b>Not approve</b></p> <p><b>Reasons for approving / not approving:</b></p> <p><b>*Important:</b> To terminate the transaction if approval is not given.</p> <p><b>Signature of employee of senior managerial/executive position:</b></p> <p><b>Name:</b></p> <p><b>Designation:</b></p> <p><b>Date:</b></p>
<b>C.</b>	<b>Enhanced Ongoing Monitoring (To be carried out at later date(s), determined by the regulated dealer)</b>	
1.	<p>Conduct enhanced ongoing monitoring on the transactions performed by that higher-risk customer i.e. consider regularly checking against all sections of CDD and ECDD.</p>	<p><b>Date of recheck:</b></p> <p><b>Remarks:</b></p> <p><b>Signature:</b></p> <p><b>Name of employee:</b></p> <p><b>Designation:</b></p> <p><b>Date:</b></p>

## **Annex G    Guidance on Non Face-to-Face (“F2F”) Identity Verification**

### **General Comments**

The Ministry of Law supports the use of technology by regulated dealers for identity verification when carrying out CDD. This could be through using the Singpass app, MyInfo, video conferencing or third-party verification.

Regulated dealers need to ensure that the ML/TF/PF risks are adequately assessed and managed through a risk-based approach. Additional checks should be applied to manage the risk of impersonation. When non F2F identity verification is used, the process should be as robust as measures performed in-person.

Regulated dealers who choose to deploy non F2F identity verification are still required to ensure compliance with record keeping requirements. Where available, technological solutions that can detect possible fraudulent/tampered documents or impersonation should be adopted.

We have listed our guidance below when using non F2F identity verification.

#### **Singpass app**

The Singpass app installed and activated on the individual’s mobile device is also considered a government-issued identity document bearing the photograph of a customer. Regulated dealers should view the electronic NRIC on the customer’s Singpass app and retain a copy of the electronic NRIC sighted.

#### **MyInfo**

Regulated dealers may use the MyInfo platform for CDD purposes to verify the individual’s identity, including name, NRIC number, date of birth, nationality and residential address. Regulated dealers should maintain proper records of data obtained from MyInfo.

#### **Video Conferencing**

Real-time video conferencing that is comparable to F2F communication should be used to sight the original identification documents. This is in addition to obtaining electronic or scanned copies of identification documents. Signatures should also be collected through a secure digital signature using a set of Public Key Infrastructure-based credentials issued by a certified Certificate Authority under the Electronic Transaction Act. Where available, biometric technologies should be considered to incontrovertibly link the transaction to the individual.

#### **Third-Party Verification**

Regulated dealers may rely on third-parties (e.g., payment service providers regulated by MAS) to perform CDD measures if all the following conditions are met:

- a. Satisfied that the third party to be relied on:
  - i. is subject to and supervised for compliance with requirements for the prevention of money laundering and the financing of terrorism consistent with standards set by the FATF;
  - ii. has adequate measures in place to comply with those requirements; and

- iii. is willing and able to provide, without delay, on the regulated dealer's request, any document acquired by the third party as a result of the customer due diligence measures performed for the regulated dealer;
- b. the third party is not precluded from acting as such by the Registrar;
- c. appropriate steps are taken to identify, assess and understand the risks of money laundering and the financing of terrorism in the countries or territories that the third party operates in (if applicable);
- d. the third party is not relied upon to conduct ongoing monitoring; and
- e. basis of the assessment for (a) is documented and all the CDD documents acquired by third party is obtained.

Regulated dealers remain responsible for compliance with the obligations to conduct CDD, even if they rely on third parties for the performance of CDD measures.

## Annex H Additional Guidance on Assessment of Customer Risk, Identification of Material Red Flags, SOW Establishment, Risk Mitigating Measures and Ongoing Monitoring of Customers and their Transactions

### General Comments

To further strengthen the AML/CFT/CPF controls in the PSMD sector, this annex outlines additional supervisory expectations for regulated dealers to the Guidance Paper issued on 16 Jun 2021<sup>34</sup>. Observations from more recent AML/CFT/CPF inspections of regulated dealers have highlighted areas where a more robust and consistent approach should be taken in relation to the regulated dealers' application of their AML/CFT/CPF controls in certain areas.

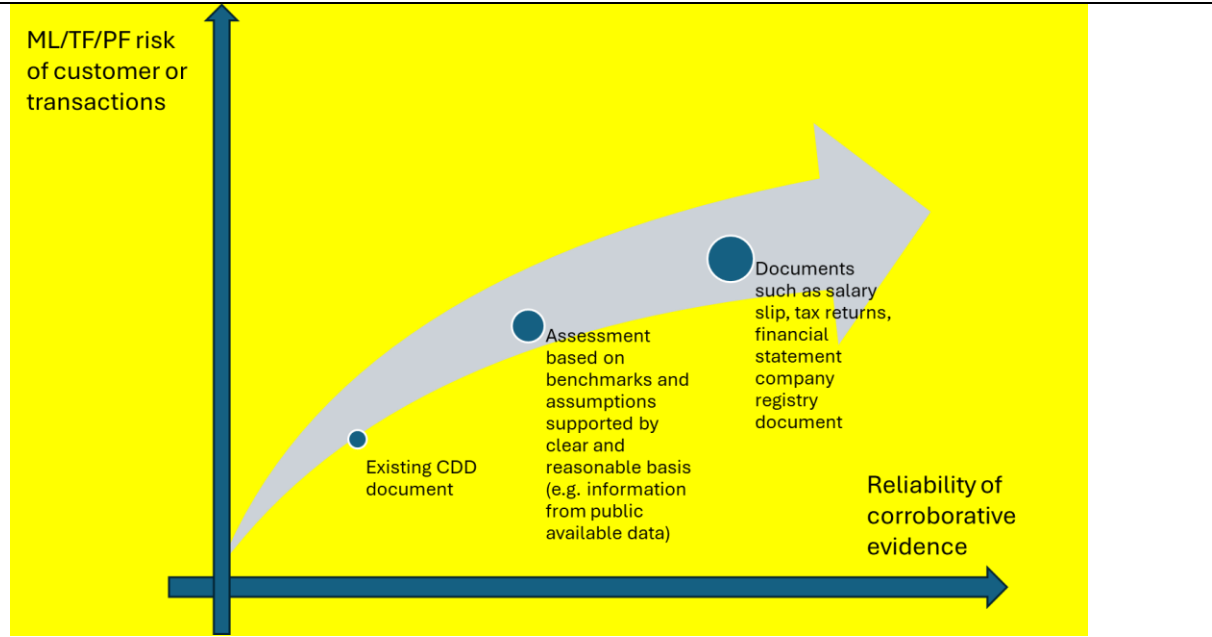
While this set of further guidance does not impose new regulatory requirements on regulated dealers, regulated dealers should benchmark against the practices and supervisory expectations set out here in a risk-based and proportionate manner, and conduct a gap analysis, taking into account the risk profile of their business activities and customers. Where gaps are identified, regulated dealers should remediate or enhance their AML/CFT/CPF framework and controls in a timely manner. Senior management should exercise close oversight of the gap analysis and ensure the effective implementation of follow-up actions, as appropriate. This will enable regulated dealers and MinLaw to work hand in hand to counter ML/TF/PF risks.

<b>A</b>	<b>Assessment of Customer Risk</b> <ul style="list-style-type: none"><li>Consider ML/TF/PF risks emanating from customers with ML/TF/PF red flags.</li></ul>
	<ul style="list-style-type: none"><li>Regulated dealers should have a <b>good understanding of their customers' profiles</b> in order to conduct a proper ML/TF/PF risk assessment of the customer before entering into a transaction and during ongoing monitoring of the business relationship with the customer.</li><li>Regulated dealers <b>should exercise vigilance</b> in identifying material ML/TF/PF red flags as part of their CDD process which will help safeguard their interest and reputation.</li><li><b>Clear guidance should be set out for your staff to take reasonable steps to identify and escalate material red flags</b> of customers and transactions to detect potential suspicious ML/TF/PF activities promptly.</li><li>Where there are doubts about the legitimacy of documents/representations obtained from or made by the customer, <b>further follow-up actions</b>, such as conducting additional inquiry and independent due diligence on the customer (such as obtaining corporate ownership information from independent sources), and/or taking additional risk mitigation measures (such as terminating the transaction, exiting the business relationship and/or filing an STR), <b>should be triggered</b>. The follow-up actions taken and the corresponding assessment should be <b>properly substantiated and documented</b>.</li><li>In circumstance <b>where material ML/TF/PF red flags are detected, the customer or transaction should be assessed to present high ML/TF/PF risk</b> and the regulated dealer must conduct ECDD measures to mitigate and manage these risks.</li></ul>

<sup>34</sup> [Guidance Paper](#) on Strengthening AML/CFT Controls in the Precious Stones and Precious Metals (PSPM) Sector dated June 2021.

<b>A</b>	<b>Assessment of Customer Risk</b> <ul style="list-style-type: none"> <li>Consider ML/TF/PF risks emanating from customers with ML/TF/PF red flags.</li> </ul>
<ul style="list-style-type: none"> <li><b>Regulated dealers should also convey their expectations of the roles and responsibilities of the three lines of defence</b> in relation to the detection of potentially fraudulent or tampered documents, so that staff are aware of and understand their individual ownership and accountability.</li> <li><b>Regulated dealers are not expected to act as investigators</b> but should be alert to material red flags when reviewing the CDD documents and information collected from customers.</li> <li><b>Regulated dealers should be alert to material red flags</b> that may warrant further due diligence measures or enquiries. Material red flags may include: <ul style="list-style-type: none"> <li>Significant discrepancies in customers' representations against independently sourced documents, such as corporate documents on shareholdings/ directorship;</li> <li>Significant transactions which are not in line with the regulated dealer's understanding of the customer's profile;</li> <li>Incongruent description of nature of business stated in Company's business licence or website vis-à-vis customers' representation</li> <li>Transactions, single or cumulative, which appear to be beyond the means of the customer based on the stated or known occupation, income or business profile</li> <li>Unusually large or frequent transactions by customers which appear to be incompatible with the customers' low share capital or short period of incorporation</li> <li>Payments are received from a third party or multiple third parties for the same transaction</li> <li>Transactions involved unusual or complex payment arrangements without a legitimate business purpose</li> <li>Documents furnished by customers appeared to be tampered or potentially fraudulent</li> <li>Customers holding multiple nationalities without legitimate reasons</li> <li>Customers who refuse to provide requested information</li> <li>Connected to adverse news related to ML/TF/PF, corruption, tax evasion</li> </ul> <p>(Refer to Annex D of the Guidelines for more ML/TF/PF red flags)</p> </li> <li>Customers <b>should not be assessed to be presenting low ML/TF/PF risks solely based on</b> negative screening results, payments through credit cards, bank transfers, cheques or remittance from licensed remittance agents in Singapore.</li> <li>Regulated dealers should <b>conduct ongoing monitoring of customers and their transactions</b> to detect inconsistencies against the customers' known profile.</li> <li><b>Proper documentation of customer risk assessment</b> should be maintained, particularly for customers and transactions assessed to present high ML/TF/ PF risks.</li> </ul> <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p>Examples of material red flags that were followed up by regulated dealers include:</p> <ul style="list-style-type: none"> <li>When a customer came back on the same day to purchase more gold bars in cash which was deem unusual.</li> <li>Purchase of gold bars paid using Bitcoin.</li> </ul> <p>After performing further due diligence measures, STRs were filed by the regulated dealers in relation to some of these customers.</p> </div>	

<b>B</b>	<b>Source of Wealth (SOW) establishment</b> <ul style="list-style-type: none"> <li>Apply rigor in assessing the plausibility of SOW, commensurate with the level of ML/TF/PF risks</li> </ul>
<ul style="list-style-type: none"> <li><b>Establishing SOW is important to ensure the legitimacy of the customer's SOW.</b> Regulated dealers should apply rigor in assessing the plausibility of customers' SOW and avoid overreliance on customers' representations. Where regulated dealers are unable to establish SOW that is of higher risk or a significant portion of a customer's wealth, closer senior management oversight and enhanced monitoring are needed.</li> <li><b>For PEPs and other higher risk categories of customers,</b> regulated dealers establish customers' SOW by (i) obtaining a base set of SOW information; and (ii) assessing whether there are any ML/TF/PF risk concerns that will warrant and can be addressed by further corroborative checks.</li> <li>SOW establishment entails minimally obtaining a base set of SOW information from the customer which gives an indication about the origin and size of wealth the customer and beneficial owner would be expected to have and how the customer and beneficial owner acquired the wealth. Where there is heightened ML/TF/PF risk, the regulated dealer should corroborate SOW by obtaining additional documents and/or information to independently verify the SOW information of the customer. Regulated dealers <b>should not rely solely on the customer's representations.</b></li> <li>Regulated dealers <b>should not assume that all funds received through financial institutions are legitimate</b> and should conduct further inquiry and obtain information to identify the activity that generated the funds, such as salary payments or sales proceeds.</li> </ul> <p>Regulated dealers are allowed to take a risk-based approach towards the level of ECDD measures to apply on the customers.</p> <ul style="list-style-type: none"> <li>Regulated dealers are allowed to take a risk-based approach towards the extent of checks and corroboration.</li> </ul>	



For example,

- For transactions of unusually high amounts or customer accounts with unusually high spending which exhibit material red flags, the customer and/or beneficial owners' SOW should be corroborated using more reliable corroborative evidence, such as salary slips, tax returns, audited financial statements, company registry information, casino winning receipt.
- For transactions of lower amounts with customers from countries on the FATF closing monitoring list without any material red flags, the SOW can be corroborated against their work permits or employment pass.
- Where assumptions and benchmarks are used with reasonable basis, regulated dealers should ensure that they are relevant and appropriate for the customer's profile and circumstances. For instance, for when determining the income level of a customer, regulated dealers should obtain the salary range of the occupation in a similar size company. The basis for the benchmarks and assumptions used should be documented.
- Regulated dealers should exercise reasonable judgment in determining which documents and/or information are critical for SOW corroboration. For example, documents from many years ago may no longer be easily available and not be of high relevance to the customer's SOW.

#### Good practice

A regulated dealer noted that the payments for a customer's jewellery were to be received from a third-party company. The regular dealer enquired on the relationship between the customer and the company and requested the customer to furnish the company ownership reports to support his claim that he owned the company.



## Annex I Offences/Breaches under the PSPM Act and Regulations

Regulated dealers shall comply with the requirements set out in the Precious Stones and Precious Metals (Prevention of Money Laundering, Terrorism Financing and Proliferation Financing) Act 2019 and the Precious Stones and Precious Metals (Prevention of Money Laundering, Terrorism Financing and Proliferation Financing) Regulations 2019.

For non-compliance with the above, regulated dealers may be liable for the following offences:

### 1. Offences/Breaches under Precious Stones and Precious Metals (Prevention of Money Laundering, Terrorism Financing and Proliferation Financing) Act 2019

Offence/Breach	Section	Nature of Offence/Breach	Maximum Penalty
Unregistered dealing	Sec 6(2)	Acting as or holding out to be a regulated dealer without registration	Fine not exceeding \$75,000 or to imprisonment for a term not exceeding 3 years or to both, and in the case of a continuing offence, to a further fine not exceeding \$7,500 for every day or part of a day during which the offence continues after conviction
Regulatory breach	Sec 10	Regulatory breaches such as failure to comply with any condition of registration	Cancel registration, or suspend the registration for a period not exceeding 6 months, and/or financial penalty not exceeding \$100,000
Customer due diligence ("CDD"), enhanced customer due diligence ("ECDD") and ongoing monitoring	Sec 16(6)	Non-compliance with CDD requirements	Fine not exceeding \$100,000
Cash transaction report ("CTR")	Sec 17(4)	Non-compliance with CTR requirements	Fine not exceeding \$20,000 or to imprisonment for a term not exceeding 2 years or to both
Cash transaction report ("CTR")	Sec 17(1A)	Incomplete or inaccurate submission of CTR	Fine not exceeding \$20,000 or to imprisonment for a term not exceeding 2 years or to both
Record keeping	Sec 18(5)	Contravention of record keeping requirements for regulated dealers	Fine not exceeding \$100,000

Record keeping	Sec 18(1A)	Contravention of record keeping requirements for former regulated dealers	Fine not exceeding \$100,000
Risk assessment and internal policies, procedures and controls ("IPPC")	Sec 19(3)	Contravention of risk assessment and IPPC requirements	Fine not exceeding \$100,000
Sanctions	Sec 20(2)	Contravention of measures related to targeted financial sanctions	Fine not exceeding \$100,000
Suspicious transaction report ("STR")	Sec 21(3)	Non-compliance with STR requirements	Fine not exceeding \$20,000
Written directions	Sec 22(5)	Non-compliance with Registrar's written directions	Fine not exceeding \$20,000
Providing false information	Sec 27	Provision of false information to Registrar or authorised officer	Fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both
Obstructing investigation	Sec 28	Obstruction of investigation	Fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both

## 2. Offences under Precious Stones and Precious Metals (Prevention of Money Laundering, Terrorism Financing and Proliferation Financing) Regulations 2019

Offence	Regulation	Nature of Offence	Maximum Penalty
Notification of change in place of business	Reg 20(4)	Non-compliance with requirements to notify change in place of business	Fine not exceeding \$20,000
Notification of change in particulars & circumstances	Reg 21(4)	Contravention of requirements to notify change in particulars and circumstances	Fine not exceeding \$75,000

Regulated dealers are also required to comply with the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act ("CDSA"), in particular Section 57 Tipping-off (Fine not exceeding \$250,000 or to imprisonment not exceeding 3 years or to both).