

Example of Entity-Based Requirements

Step 1: Do your risk assessment

- i. State the following:
 - Background of your customers
 - Countries that your customers are from
 - Products, services, transactions and delivery channels
- ii. Conduct a risk assessment of the above, e.g. low, medium or high risk
- iii. Come up with measure to address the risks

Step 2: Develop your internal policies, procedures and controls (IPPC)

- i. IPPCs should include the following:
 - Assessment of risks faced by your business
 - Appointment of compliance officer and his/her responsibilities
 - Checks to conduct when hiring employees
 - Procedure to conduct customer due diligence (CDD)
 - Procedure to complete a cash transaction report (CTR)
 - Procedure to conduct enhanced customer due diligence (ECDD)
 - Procedure to complete a suspicious transaction report (STR)
 - Staff training on AML/CFT
 - Record keeping
 - Audit of IPPC (if applicable)

Example of Transaction-Based Requirements

Step 1a: When to conduct CDD?

- i. For designated transactions that exceed S\$20,000 in cash or cash equivalent; or
- ii. Suspicion of money laundering; or
- iii. Doubts about previously obtained CDD information

Step 1b: How to conduct CDD?

- i. Obtain, record and verify customer's particulars
- ii. Obtain, record and verify beneficial owner's particulars (if any)
- iii. Check customer against listings for terrorist designation and designated individuals and entities
- iv. Check if customer is a politically exposed person (PEP)

Step 2a: When to conduct ECDD?

- i. The customer is defined as a PEP;
- ii. There is a match against the FATF list of high-risk countries; or
- iii. Customer fits the profile of a higher-risk customer based on your risk assessment

Step 2b: How to conduct ECDD?

- i. Establish customer's income level, source of wealth and funds
- ii. Obtain approval from senior management to proceed with the transaction
- iii. Perform enhanced on-going monitoring of the transactions
- iv. Any other enhanced measure(s) the dealer assesses to be proportionate to the ML/TF risk of the customer

To stop the transaction and consider filing a STR when:

You are unable to perform or complete any CDD; or when you have reason to suspect that the transaction or customer(s) involved may be connected with ML/TF

To stop the transaction and report to the police when:

You suspect that the customer is in the listings for terrorist designation and designated individuals and entities.