

ANNEX D: PROPOSED KEY AMENDMENTS TO MAS NOTICE 3001

1 NEW REQUIREMENTS

1.1 Assessing Risks and Applying a Risk-Based Approach – Paragraphs 4.1 to 4.3

1.1.1 MAS adopts a risk-based approach (RBA) in its supervision of financial institutions. The use of an RBA in the implementation of AML/CFT controls allows for resources to be effectively allocated according to the level of risk. In this regard, MAS and other Singapore authorities undertook a money laundering and terrorism financing (ML/TF) risk assessment exercise at the national level which culminated with the publication on 10 January 2014 of the Singapore National Money Laundering and Terrorist Financing Risk Assessment Report 2013 (NRA¹). The key purpose of publishing the NRA was to help private sector stakeholders, including financial institutions, better understand the ML/TF risks in their sector, as well as those that they deal with.

1.1.2 MAS Notice 3001 will include new obligations for licensees to identify and assess the overall ML/TF risks they face as an institution, and to take commensurate steps to mitigate these risks effectively. Licensees should take into account the results of Singapore's NRA when making this assessment, and ensure that the resources and mitigating measures in place are commensurate with the ML/TF risks identified. Such risk assessments should be updated and reviewed on a regular basis.

1.2 New Products, Practices and Technologies – Paragraphs 5.1 to 5.3

MAS Notice 3001 will be amended to include new obligations on risk assessment and mitigation requirements in relation to new products, practices and technologies.

1.3 Performing Customer Due Diligence – Paragraphs 6.3

MAS Notice 3001 will include new obligations for licensees to perform customer due diligence (CDD) when (i) establishing an account relationship (as defined under paragraph 2.1) with any customer and also, when (ii) undertaking a relevant business transaction or (iii) effecting or receiving funds by domestic wire transfer or by cross-border wire transfer, for any customer who has not otherwise established an account relationship with the licensees.

¹ http://www.mas.gov.sg/~media/resource/news_room/press_releases/2014/Singapore%20NRA%20Report.pdf

In the case of an inward remittance transaction, CDD measures are to be performed on the person to whom the licensee pays out funds in cash or cash equivalent and the person on behalf of whom such funds are paid out in Singapore. (Please refer to paragraph 2.1 for the definition of 'customer'.)

1.4 Joint Account – Paragraph 6.44 and Ongoing Monitoring – Paragraphs 6.28 to 6.36

1.4.1 MAS Notice 3001 will allow licensees to open or maintain an account in the name of a person (whether a natural person, legal person or legal arrangement) or in a joint account. Licensees are required to perform CDD when establishing an account relationship with any customer, including all joint account holders as if each of them are individually customers of the licensees. Licensees must complete CDD measures before undertaking any business transaction.

1.4.2 A licensee shall implement adequate policy and procedures to monitor its account relationships with customers to ensure that the transactions are consistent with the licensee's knowledge of the customer, its business and risk profile and where appropriate, the source of funds.

1.5 Reliance by Acquiring Licensee on Identification and Verification Already Performed – Paragraph 6.41

MAS Notice 3001 will require licensees acquiring another financial institution (whether in Singapore or elsewhere) to perform CDD measures on the customers acquired with the business at the time of acquisition, except under certain conditions as stipulated in paragraph 6.41.

1.6 Performance of CDD Measures by Third Parties – Paragraphs 9.1 to 9.5

MAS Notice 3001 will now specify requirements for licensees in terms of reliance on third parties to perform CDD. A licensee shall not rely on a third party to perform the CDD measures, unless the licensee has obtained MAS' prior approval.

1.7 Provision of Remittance Services to Financial Institutions – Paragraphs 10.1 to 10.6

MAS Notice 3001 will include new obligations for licensees to conduct an assessment of the financial institution (whether in Singapore or elsewhere) which they provide remittance services to or from whom they engage remittance services.

1.8 Agency Arrangements – Paragraphs 11.1 to 11.4

MAS Notice 3001 will now specify requirements for remittance licensees when appointing an agent to provide remittance services, whether by contract with, or under the direction of the remittance licensee. The remittance licensee must include its agents in its AML/CFT programmes and monitors them for compliance, as well as maintaining a current list of the agents.

1.9 Sending or Receiving Funds by Wire Transfers – Paragraph 12.14

1.9.1 Paragraph 12 is applicable for all licensees when it effects the sending of funds by wire transfer or when it receives funds by wire transfer, i.e. when any licensee conducts a remittance transaction, whether from Singapore to another country or jurisdiction or from another country or jurisdiction to Singapore.

1.9.2 For a licensee that controls both the ordering institution and the beneficiary institution, it shall —

- a. take into account all the information from both the ordering institution and the beneficiary institution in order to determine whether an STR has to be filed; and
- b. where applicable, file an STR in any country affected by the suspicious wire transfer, and make relevant transaction information available to the relevant authorities.

2 CLARIFICATION OF EXISTING EXPECTATIONS

2.1 Reasonable Grounds for Suspicion – Paragraphs 6.2, 6.35 and 6.36

2.1.1 MAS had previously explained in its response to the feedback in its March 2013 Consultation Paper to Designate Tax Crimes as Money Laundering Predicate Offences in Singapore, its supervisory expectations with respect to deterring illicit monies arising from tax evasion, which is now part of the predicate offences pursuant to Singapore’s AML regime².

2.1.2 MAS Notice 3001 will be amended to clarify the following existing expectations:

- a. Prospective customers. Licensees should not establish account relationship or undertake a transaction for prospective customers if there are reasonable grounds to suspect that the assets or funds of the said customer are proceeds of serious offences.
- b. Existing customers. Where there are reasonable grounds to suspect that an existing customer is connected with ML/TF activities, specific steps need to be taken by the licensee, including consideration whether to continue the relationship. Should the licensee decide to retain the customer, the licensee should also take mitigating measures which are commensurate with its risk assessment.

2.2 Identification and Verification of Identity of Beneficial Owners – Paragraphs 6.19 to 6.20

2.2.1 The revised MAS Notice 3001 will provide further elaboration of the cascading measures licensees need to undertake when identifying and verifying the identity of beneficial owners of legal persons and legal arrangements.

2.2.2 For legal persons —

- a. Licensees are to take reasonable measures to identify the natural persons who ultimately own the legal person.

² <http://statutes.agc.gov.sg/aol/search/display/view.w3p?page=0;query=Compld%3Ae656bc3e-f045-429e-8eda-b16a8c26a419;rec=0;resUrl=http%3A%2F%2Fstatutes.agc.gov.sg%2Faol%2Fbrowse%2FtitleResults.w3p%3Bletter%3DC%3Btype%3DactsAll#legis>

- b. Where there is doubt as to whether the natural persons who ultimately own the legal person are the beneficial owners or where no natural persons ultimately own the legal person, licensees are to identify the natural persons who ultimately control the legal person.
- c. If no natural person has been identified after steps (a) and (b), licensees will need to identify the natural persons having executive authority in the legal person, or in equivalent or similar positions.

2.2.3 When dealing with legal arrangements, licensees will need to identify the trustee(s), settlor, protector (where applicable), beneficiaries, and any natural person exercising ultimate ownership or control over the trust, as well as take reasonable measures to verify their identities.

2.3 Customer Screening – Paragraphs 6.46 to 6.49

2.3.1 MAS Notice 3001 will be revised to clarify existing expectations for licensees to conduct customer and related parties screening. The scope of screening will include the customer, natural persons appointed to act on behalf of the customer, connected parties of the customer, beneficial owners of the customer and wire transfer originators and beneficiaries.

2.3.2 A screening process is fundamental to managing ML/TF risks. Licensees are expected to have adequate systems, procedures and processes to perform effective screening to identify any parties who are sanctioned or suspected to be involved in ML/TF activities. The screening process could also enable the licensee to identify higher risk customer relationships. Licensees need to perform screening on all their new and existing customers, as well as their beneficial owners and any connected parties, at the point of on-boarding and on an ongoing basis. Screening should be performed based on relevant ML/TF information sources, including information and lists provided by MAS and other relevant authorities in Singapore.

2.4 Politically Exposed Persons (“PEP”) – Paragraphs 8.1 to 8.4

In light of new developments in international standards and best practices with respect to PEPs, MAS Notice 3001 will further clarify requirements with respect to PEPs, their family members and close associates. This will introduce the option of adopting an RBA for certain categories of PEPs.

2.5 Other High Risk Categories – Paragraphs 8.5 to 8.7

The amended MAS Notice 3001 will set out requirements to take into account countries and jurisdictions identified by the FATF as higher risk. Licensees are also required to have processes in place to ensure compliance with regulations (e.g. MAS Regulations on Iran and the Democratic People's Republic of Korea) and directions issued by MAS under section 27A of the MAS Act (Cap. 186). Such processes would include enhanced CDD measures where relevant.

2.6 Sending or Receiving Funds by Wire Transfers – Paragraph 12 (except paragraph 12.14)

For the purpose of paragraph 12, all remittance transactions undertaken by a licensee are considered wire transfers. MAS Notice 3001 will be amended to outline requirements when effecting or receiving funds by wire transfer as an ordering institution, a beneficiary institution or an intermediary institution. The threshold for enhanced measures in relation to cross-border wire transfers will also be lowered from S\$2,000 to S\$1,500.

2.7 Record Keeping – Paragraphs 13.1 to 13.5

MAS Notice 3001 will now clarify requirements in relation to record keeping of CDD information and records relating to account relationships, transactions, wire transfers and agency arrangements.

3 DRAFT MAS NOTICE 3001

MAS Notice 3001

[] 2014

NOTICE TO HOLDERS OF MONEY-CHANGER'S LICENCE AND REMITTANCE LICENCE
MONETARY AUTHORITY OF SINGAPORE ACT, CAP. 186

**PREVENTION OF MONEY LAUNDERING AND COUNTERING THE FINANCING OF
TERRORISM - HOLDERS OF MONEY-CHANGER'S LICENCE AND REMITTANCE LICENCE**

1 INTRODUCTION

- 1.1 This Notice is issued pursuant to section 27B of the Monetary Authority of Singapore Act (Cap. 186) and applies to all holders of a money-changer's licence issued under section 7 of the Money-changing and Remittance Businesses Act (Cap. 187) ("MCRB Act") and all holders of a remittance licence issued under section 8 of the MCRB Act (hereinafter "licensees").
- 1.2 This Notice shall take immediate effect. MAS Notice 3001 dated 2 July 2007 is cancelled with effect from [].

2 DEFINITIONS

- 2.1 For the purposes of this Notice —

"account relationship" means the opening or maintenance of an account by the licensee in the name of a person (whether a natural person, legal person or legal arrangement);

"AML/CFT" means anti-money laundering and countering the financing of terrorism;

"Authority" means the Monetary Authority of Singapore;

"beneficial owner", in relation to a customer of a licensee, means the natural person who ultimately owns or controls a customer, or the natural person on whose behalf a relevant business transaction is conducted or an account relationship is established and includes any person who exercises ultimate effective control over a legal person or legal arrangement;

"CDD measures" or "customer due diligence measures" means the measures required by paragraph 6;

“connected party” —

- (a) in relation to a legal person (other than a partnership), means any director or any natural person having executive authority in the legal person;
- (b) in relation to a legal person that is a partnership, means any partner or manager; and
- (c) in relation to a legal arrangement, means any natural person having executive authority in the legal arrangement, where applicable;

“customer”, in relation to a licensee, means a person (whether a natural person, legal person or a legal arrangement) —

- (a) with whom the licensee establishes or intends to establish account relationship; or
- (b) with whom the licensee undertakes or intends to undertake a relevant business transaction without an account being opened, including in the case of an inward remittance transaction, the person to whom the licensee pays out funds in cash or cash equivalent in Singapore and the person on behalf of whom such funds are paid out in Singapore;

“FATF” means the Financial Action Task Force;

“government entity” means a government of a country or jurisdiction, a ministry within such a government, or an agency specially established by such a government through written law;

“legal person” means an entity other than a natural person that can establish a permanent customer relationship with a financial institution or otherwise own property;

“legal arrangement” means a trust or other similar arrangement;

“licensee” means a holder of a money-changer’s licence under section 7 of the MCRB Act or a holder of a remittance licence under section 8 of the MCRB Act;

“partnership” means a partnership, a limited partnership within the meaning of the Limited Partnerships Act (Cap. 163B) or a limited liability partnership within the meaning of the Limited Liability Partnerships Act (Cap. 163A);

“personal data” has the same meaning as defined in section 2(1) of the Personal Data Protection Act 2012 (Act 26 of 2012);

“reasonable measures” means appropriate measures which are commensurate with the money laundering or terrorism financing risks;

“relevant business transaction” means —

- (a) in relation to a holder of a money-changer’s licence —
 - (i) a money-changing transaction of an aggregate value not less than S\$5,000; or
 - (ii) an inward remittance transaction from another country or jurisdiction to Singapore; or
- (b) in relation to a holder of a remittance licence, a remittance transaction, whether from Singapore to another country or jurisdiction or from another country or jurisdiction to Singapore;

“STR” means suspicious transaction report; and

“STRO” means the Suspicious Transactions Reporting Office, Commercial Affairs Department of the Singapore Police Force.

- 2.2 A reference to any threshold or value limit expressed in S\$ shall include a reference to the equivalent amount expressed in any other currency.
- 2.3 The expressions used in this Notice shall, except where defined in this Notice or where the context otherwise requires, have the same meanings as in Section 2(1) of the MCRB Act.

3 UNDERLYING PRINCIPLES

- 3.1 This Notice is based on the following principles, which shall serve as a guide for all licensees in the conduct of their operations and business activities:
 - (a) A licensee shall exercise due diligence when dealing with customers, persons appointed to act on the customer’s behalf and beneficial owners.
 - (b) A licensee shall conduct its business in conformity with high ethical standards, and guard against establishing any account relationship or undertaking any transaction, that is or may be connected with or may facilitate money laundering or terrorism financing.
 - (c) A licensee shall, to the fullest extent possible, assist and cooperate with the relevant law enforcement authorities in Singapore to prevent money laundering

and terrorism financing.

4 ASSESSING RISKS AND APPLYING A RISK-BASED APPROACH

Risk Assessment

- 4.1 A licensee shall take appropriate steps to identify, assess and understand its money laundering and terrorism financing risks in relation to —
- (a) its customers;
 - (b) the countries or jurisdictions its customers are from or in;
 - (c) the countries or jurisdictions the licensee has operations in; and
 - (d) the products, services, transactions and delivery channels of the licensee.
- 4.2 The appropriate steps referred to in paragraph 4.1 shall include —
- (a) documenting the licensee's risk assessments;
 - (b) considering all the relevant risk factors before determining the level of overall risk and the appropriate type and extent of mitigation to be applied;
 - (c) keeping the risk assessments up to date; and
 - (d) having appropriate mechanisms to provide its risk assessment information to the Authority.

Risk Mitigation

- 4.3 A licensee shall —
- (a) have policies, controls and procedures, which are approved by senior management, to enable it to manage and mitigate effectively the risks that have been identified by the licensee or notified to it by the Authority or other relevant authorities in Singapore;
 - (b) monitor the implementation of those policies, controls and procedures and enhance them if necessary;
 - (c) take enhanced measures where higher risks are identified, to manage and mitigate those higher risks; and

- (d) ensure that measures or enhanced measures taken to manage and mitigate the identified risks address the risk assessment and guidance from the Authority or relevant authorities in Singapore.

5 NEW PRODUCTS, PRACTICES AND TECHNOLOGIES

- 5.1 A licensee shall identify and assess the money laundering and terrorism financing risks that may arise in relation to —
 - (a) the development of new products and new business practices, including new delivery mechanisms; and
 - (b) the use of new or developing technologies for both new and pre-existing products.
- 5.2 A licensee shall undertake the risk assessments, prior to the launch or use to the extent permitted by this Notice, of such products, practices and technologies, and shall take appropriate measures to manage and mitigate the risks.
- 5.3 A licensee shall, in complying with the requirements of paragraphs 5.1 and 5.2, pay special attention to any —
 - (a) new products and business practices, including new delivery mechanisms; and
 - (b) new or developing technologies,that favour anonymity.

6 CUSTOMER DUE DILIGENCE (“CDD”)

Anonymous or Fictitious Person or Account

- 6.1 No licensee shall deal with any person on an anonymous basis or any person using a fictitious name.

Where There Are Reasonable Grounds for Suspicion on Prospective Customers

- 6.2 Where the licensee has reasonable grounds to suspect that the assets or funds of a prospective customer, with whom the licensee intends to establish account relationship or for whom the licensee intends to undertake transactions without an account being opened, are proceeds of a serious offence as defined in the Corruption, Drug Trafficking and other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A), or are property related to the facilitation or carrying out of any terrorism financing offence as

defined in the Terrorism (Suppression of Financing) Act (Cap. 325), the licensee shall —

- (a) not establish account relationship or undertake a transaction with the prospective customer; and
- (b) file an STR¹, and extend a copy to the Authority for information.

When CDD measures are to be Performed

6.3 A licensee shall perform CDD measures in accordance with this Notice when —

- (a) the licensee establishes an account relationship with any customer;
- (b) the licensee undertakes a relevant business transaction, for any customer who has not otherwise established an account relationship with the licensee;
- (c) the licensee effects or receives any funds by domestic wire transfer, or by cross-border wire transfer, for any customer who has not otherwise established an account relationship with the licensee;
- (d) there is a suspicion of money laundering or terrorism financing, notwithstanding that the licensee would otherwise not be required by this Notice to perform CDD measures; or
- (e) the licensee has doubts about the veracity or adequacy of any information previously obtained.

6.4 Where a licensee suspects that two or more transactions are or may be related, linked or the result of a deliberate restructuring of an otherwise single transaction into smaller transactions in order to evade the measures provided for in this Notice, the licensee shall treat the transactions as a single transaction and aggregate their values for the purpose of this Notice.

CDD Measures

(I) Identification of Customers

6.5 A licensee shall identify each customer.

6.6 For the purpose of paragraph 6.5, a licensee shall obtain and record information of the customer, including but not limited to the following:

¹ Please note in particular section 48 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act on tipping-off.

- (a) full name, including any aliases;
 - (b) unique identification number (such as an identity card number, birth certificate number or passport number, or where the customer is not a natural person, the incorporation number or business registration number);
 - (c) existing residential address, registered or business address (as may be appropriate, and if different, principal place of business) and contact telephone number(s);
 - (d) date of birth, incorporation or registration (as may be appropriate); and
 - (e) nationality or place of incorporation or registration (as may be appropriate).
- 6.7 Where the customer is a legal person or legal arrangement, the licensee shall, apart from identifying the customer, also identify the legal form, constitution and powers of the legal person or legal arrangement.
- 6.8 Where the customer is a legal person (other than a partnership), the licensee shall, apart from identifying the customer, also identify the directors and any other natural persons having executive authority in the legal person.
- 6.9 Where the customer is a partnership, the licensee shall, apart from identifying the customer, also identify the partners and managers².
- 6.10 Where the customer is a legal arrangement, the licensee shall, apart from identifying the customer, also identify the natural persons having executive authority in that legal arrangement.
- (II) Verification of Identity
- 6.11 A licensee shall verify the identity of the customer, and where the customer is a legal person or legal arrangement, verify the legal form, proof of existence, constitution and powers of the legal person or legal arrangement, using reliable, independent source documents, data or information.
- 6.12 A licensee shall retain copies of all reference source documents, data or information used to verify the identity of the customer.
- (III) Identification and Verification of Identity of Natural Persons Appointed to Act on the Customer's Behalf
- 6.13 Where the customer appoints one or more natural persons to act on his behalf in

² In the case of limited liability partnerships and limited partnerships.

establishing an account relationship or to conduct a relevant business transaction without an account being opened with the licensee or the customer is not a natural person, a licensee shall —

- (a) identify the natural persons that act or are appointed to act on behalf of the customer;
- (b) verify the identity of these persons using reliable, independent source documents, data or information; and
- (c) retain copies of all reference source documents, data or information used to verify the identity of these persons.

6.14 A licensee shall verify the due authority of such persons to act on behalf of the customer by obtaining, at least the following:

- (a) the appropriate documentary evidence authorising the appointment of such persons by the customer to act on its behalf, and
- (b) the specimen signatures of the persons appointed.

6.15 Where the customer is a Singapore Government entity, the licensee shall only be required to obtain such information as may be required to confirm that the customer is a Singapore Government entity as asserted.

(IV) Identification and Verification of Identity of Beneficial Owners

6.16 Subject to paragraph 6.21, a licensee shall inquire if there exists any beneficial owner in relation to a customer.

6.17 Where there is one or more beneficial owner in relation to a customer, the licensee shall identify the beneficial owners and take reasonable measures to verify the identities of the beneficial owners, using the relevant information or data obtained from reliable, independent sources.

6.18 Where the customer is not a natural person, the licensee shall understand the nature of the customer's business and its ownership and control structure.

6.19 For customers that are legal persons, the licensee shall identify the beneficial owners by —

- (a) identifying the natural persons (whether acting alone or together) who ultimately own the legal person;
- (b) to the extent that there is doubt under (a) as to whether the natural persons who ultimately own the legal person are the beneficial owners or where no natural

persons ultimately own the legal person, identifying the natural persons (if any) who ultimately control the legal person or have ultimate effective control of the legal person; and

- (c) where no natural persons are identified under (a) or (b) above, identifying the natural persons having executive authority in the legal person, or in equivalent or similar positions.

6.20 For customers that are legal arrangements, the licensee shall identify the beneficial owners by —

- (a) for trusts, identifying the settlor, the trustee(s), the protector (if any), the beneficiaries or class of beneficiaries, and any natural person exercising ultimate ownership, ultimate control or ultimate effective control over the trust (including through a chain of control/ownership); and
- (b) for other types of legal arrangements, identifying persons in equivalent or similar positions, as those described under paragraph (a).

6.21 A licensee shall not be required to inquire if there exists any beneficial owner in relation to a customer that is —

- (a) a Singapore Government entity;
- (b) a foreign government entity;
- (c) an entity listed on the Singapore Exchange;
- (d) an entity listed on a stock exchange outside of Singapore that is subject to —
 - (i) regulatory disclosure requirements; and
 - (ii) requirements relating to adequate transparency in respect of its beneficial owners (imposed through stock exchange rules, law or other enforceable means);
- (e) a financial institution set out in Appendix 1;
- (f) a financial institution incorporated or established outside Singapore that is subject to and supervised for compliance with AML/CFT requirements consistent with standards set by the FATF; or
- (g) an investment vehicle where the managers are financial institutions —
 - (i) set out in Appendix 1; or

- (ii) incorporated or established outside Singapore but are subject to and supervised for compliance with AML/CFT requirements consistent with standards set by the FATF,

unless the licensee has doubts about the veracity of the CDD information, or suspects that the customer, account relationship with, or relevant business transaction for the customer may be connected with money laundering or terrorism financing activities.

- 6.22 For the purposes of paragraphs 6.21(f) and 6.21(g)(ii), a licensee shall document the basis for its determination that the requirements in those paragraphs have been duly met.

(V) Information on the Purpose and Intended Nature of Account Relationship and Relevant Business Transaction

- 6.23 A licensee shall understand and obtain from the customer, when processing the application to establish an account relationship or to undertake a relevant business transaction without an account being opened, information as to the purpose and intended nature of such account relationship or relevant business transaction.

(VI) Review of Relevant Business Transactions Undertaken Without an Account Being Opened

- 6.24 Where a licensee undertakes one or more relevant business transactions with a customer, the licensee shall review the earlier relevant business transactions undertaken by that customer to ensure that the current relevant business transaction is consistent with the licensee's knowledge of the customer, its business and risk profile and where appropriate, the source of funds.

- 6.25 A licensee shall pay special attention to all complex or unusually large relevant business transactions or unusual patterns of transactions that have no apparent or visible economic or lawful purpose.

- 6.26 For the purposes of reviewing relevant business transactions, a licensee shall put in place adequate systems and processes, commensurate with the size and complexity of the licensee to —

- (a) monitor its transactions with customers; and
- (b) detect and report suspicious, complex or unusually large transactions, or unusual patterns of transactions.

- 6.27 A licensee shall, to the extent possible, inquire into the background and purpose of such relevant business transactions in paragraph 6.25 and document its findings with a view to making this information available to the relevant authorities should the need arise.

(VII) Ongoing Monitoring

- 6.28 A licensee shall monitor on an ongoing basis, its account relationships with customers.
- 6.29 A licensee shall, during the course of an account relationship with a customer, observe the conduct of the customer's account and scrutinise transactions undertaken throughout the course of the account relationship to ensure that the transactions are consistent with the licensee's knowledge of the customer, its business and risk profile and where appropriate, the source of funds.
- 6.30 A licensee shall review on an ongoing basis, the relevant business transactions undertaken before an account relationship is established against relevant business transactions undertaken after establishing an account relationship, to ensure that the latter are consistent with the licensee's knowledge of the customer, its business and risk profile and where appropriate, the source of funds.
- 6.31 A licensee shall pay special attention to all complex or unusually large transactions or unusual patterns of transactions that have no apparent or visible economic or lawful purpose.
- 6.32 For the purposes of ongoing monitoring, a licensee shall put in place adequate systems and processes, commensurate with the size and complexity of the licensee, to —
- (a) monitor its account relationships or transactions with customers; and
 - (b) detect and report suspicious, complex or unusually large transactions, or unusual patterns of transactions.
- 6.33 A licensee shall, to the extent possible, inquire into the background and purpose of the transactions in paragraph 6.31 and document its findings with a view to making this information available to the relevant authorities should the need arise.
- 6.34 A licensee shall periodically review the adequacy of existing CDD information obtained in respect of customers, natural persons appointed to act on behalf of the customers, connected parties of the customers and beneficial owners of the customers and ensure that the documents, data or information are relevant and kept up to date, particularly for higher risk categories of customers.
- 6.35 Where there are reasonable grounds for suspicion that an existing account relationship with a customer is connected with money laundering or terrorism financing, and where the licensee considers it appropriate to retain the customer —
- (a) the licensee shall substantiate the reasons for retaining the customer and shall document them; and

- (b) the customer's account relationship with the licensee shall be subjected to commensurate risk mitigation measures, including enhanced ongoing monitoring.

6.36 Where the licensee assesses the customer or the account relationship with the customer referred to in paragraph 6.35 to be of high risk, the licensee shall conduct enhanced CDD, which shall include obtaining the approval of the licensee's senior management to retain the customer.

Non-Face-to-Face Verification

6.37 No licensee shall establish an account relationship with a customer or undertake a relevant business transaction without an account being opened for a customer, without face-to-face contact with the customer, except with the prior approval in writing of the Authority which may attach such conditions and qualifications as it thinks fit.

6.38 Subject to paragraph 6.37, a licensee shall put in place policies and procedures to address any specific risks associated with non-face-to-face account relationships or non-face-to-face relevant business transactions undertaken without an account being opened.

6.39 A licensee shall implement the policies and procedures referred to in paragraph 6.38 when establishing an account relationship with a customer, undertaking relevant business transactions without an account being opened and when conducting ongoing due diligence.

6.40 Where there is no face-to-face contact, the licensee shall carry out CDD measures that are as stringent as those that would be required to be performed if there were face-to-face contact.

Reliance by Acquiring Licensee on Identification and Verification Already Performed

6.41 When a licensee ("acquiring licensee") acquires, either in whole or in part, the business of another financial institution (whether in Singapore or elsewhere), the acquiring licensee shall perform CDD measures on the customers acquired with the business at the time of acquisition except where the acquiring licensee has —

- (a) acquired at the same time all corresponding customer records (including CDD information) and has no doubt or concerns about the veracity or adequacy of the information so acquired; and
- (b) conducted due diligence enquiries that have not raised any doubt on the part of the acquiring licensee as to the adequacy of AML/CFT measures previously adopted in relation to the business or part thereof now acquired by the acquiring licensee.

Where CDD Measures are Not Completed

- 6.42 For the purposes of paragraph 6.43, a reference to the completion of CDD measures is a reference to the situation when the licensee has obtained, screened and verified all necessary CDD information under paragraphs 6, 7 and 8 of this Notice, and where the licensee has received satisfactory responses to all inquiries in relation to such necessary CDD information.
- 6.43 Where the licensee is unable to complete CDD measures, it shall not commence or continue an account relationship with any customer, or undertake any relevant business transaction without an account being opened for any customer. The licensee shall consider if the circumstances are suspicious so as to warrant the filing of an STR.

Joint Account

- 6.44 In the case of a joint account, a licensee shall perform CDD measures on all of the joint account holders as if each of them were individually customers of the licensee.

Existing Customers

- 6.45 A licensee shall apply CDD measures to its existing customers based on its own assessment of materiality and risk, taking into account any CDD measures previously applied to such existing customers, when such CDD measures were last applied, and the adequacy of data or information obtained.

Customer Screening

- 6.46 A licensee shall screen a customer, natural persons appointed to act on behalf of a customer, connected parties of a customer and beneficial owners of a customer against relevant money laundering and terrorism financing information sources, as well as lists and information provided by the Authority and any relevant authorities in Singapore for the purposes of determining if there are any money laundering or terrorism financing risks in relation to the customer.
- 6.47 A licensee shall screen the persons referred to in paragraph 6.46 —
- (a) when, or as soon as reasonably practicable after, the licensee establishes an account relationship with the customer;
 - (b) when the licensee undertakes any relevant business transaction for any customer who has not otherwise established an account relationship with the licensee;
 - (c) when the licensee effects or receives any funds by domestic wire transfer or by cross-border wire transfer for a customer who has not otherwise established an

account relationship with the licensee;

- (d) on a periodic basis after the licensee establishes an account relationship with the customer; and
- (e) when there are any changes or updates to —
 - (i) the lists and information provided by the Authority and any relevant authorities in Singapore to the licensee; or
 - (ii) natural persons appointed to act on behalf of a customer, connected parties of a customer or beneficial owners of a customer.

6.48 A licensee shall screen all wire transfer originators and wire transfer beneficiaries as defined in paragraph 12 of this Notice, against lists and information provided by the Authority and any relevant authorities in Singapore for the purposes of determining if there are any money laundering or terrorism financing risks in relation to the customer.

6.49 The results of screening and assessment by the licensee shall be documented.

7 SIMPLIFIED CUSTOMER DUE DILIGENCE

7.1 No licensee shall perform simplified CDD measures in relation to a customer, any natural person appointed to act on behalf of a customer, any connected party of a customer and any beneficial owner of a customer, except with the prior approval in writing of the Authority which may attach such conditions and qualifications as it thinks fit.

7.2 Subject to paragraphs 7.1 and 7.5, a licensee may perform such simplified CDD measures as it considers adequate to effectively identify and verify the identity of a customer, any natural person appointed to act on behalf of a customer, any connected party of a customer and any and beneficial owner of a customer, if it is satisfied that the risks of money laundering and terrorism financing are low.

7.3 The assessment of low risks shall be supported by an adequate analysis of risks by the licensee, taking into account any information that may be provided by the Authority, and other relevant authorities in Singapore.

7.4 The simplified CDD measures shall be commensurate with the level of risk, based on the risk factors identified by the licensee.

7.5 No licensee shall perform simplified CDD measures in the following circumstances:

- (a) where the customers are from or in countries and jurisdictions identified by the

FATF as higher risk countries or jurisdictions;

- (b) where the customers are from or in countries and jurisdictions known to have inadequate AML/CFT measures, as determined by the licensee for itself or notified to licensees generally by the Authority or by other foreign regulatory authorities; or
- (c) where the licensee suspects that money laundering or terrorism financing is involved.

7.6 Subject to paragraphs 7.3 and 7.4, a licensee may perform simplified CDD measures in relation to a customer that is a financial institution set out in Appendix 2.

7.7 Where the licensee performs simplified CDD measures in relation to a customer, any natural person appointed to act on behalf of a customer, any connected party of a customer and any beneficial owner of a customer, it shall document —

- (a) the details of its risk assessment; and
- (b) the nature of the simplified CDD measures.

8 ENHANCED CUSTOMER DUE DILIGENCE

Politically Exposed Persons

8.1 For the purposes of paragraph 8 —

“close associate” means a natural person who is closely connected to a politically exposed person, either socially or professionally;

“domestic politically exposed person” means a natural person who is or has been entrusted domestically with prominent public functions;

“family member” means a natural person who is related to a politically exposed person directly or is married to the politically exposed person;

“foreign politically exposed person” means a natural person who is or has been entrusted with prominent public functions by a foreign country;

“international organisation” means an entity established by formal political agreements between member countries that have the status of international treaties, whose existence is recognised by law in member countries and who is not treated as a resident institutional unit of the country in which it is located;

“international organisation politically exposed person” means a natural person who is or has been entrusted with prominent public function by an international organisation;

“politically exposed person” means a domestic politically exposed person, foreign politically exposed person or international organisation politically exposed person; and

“prominent public functions” includes the roles held by a head of state, a head of government, government ministers, senior civil or public servants, senior judicial or military officials, senior executives of state owned corporations, senior political party officials, members of the legislature and senior management of international organisations.

- 8.2 A licensee shall, in addition to performing CDD measures specified in paragraph 6, perform enhanced CDD measures in relation to politically exposed persons, legal persons or legal arrangements owned or controlled by politically exposed persons, including but not limited to the following:
- (a) implement appropriate internal risk management systems, policies, procedures and controls to determine if a customer, any natural person appointed to act on behalf of a customer, any connected party of a customer or any beneficial owner of a customer is a politically exposed person;
 - (b) obtain approval from the licensee’s senior management to establish or continue an account relationship with a customer or undertake any relevant business transaction where the customer, any natural person appointed to act on behalf of a customer, any connected party of a customer or any beneficial owner of a customer is a politically exposed person or subsequently becomes a politically exposed person;
 - (c) establish, by appropriate and reasonable means, the source of wealth and source of funds of the customer or any beneficial owner of the customer; and
 - (d) conduct, during the course of an account relationship with, or when undertaking relevant business transactions without an account being opened for the customer, enhanced monitoring of the account relationship or relevant business transactions.
- 8.3 The licensee shall ensure that the enhanced CDD requirements for a politically exposed person in paragraph 8.2 shall also apply to family members and close associates of such a politically exposed person.
- 8.4 A licensee may adopt a risk-based approach in determining whether to perform enhanced CDD or the extent of enhanced CDD to be performed for —

- (a) domestic politically exposed persons, their family members and close associates;
- (b) international organisation politically exposed persons, their family members and close associates; or
- (c) politically exposed persons who have stepped down from their prominent public functions, taking into consideration the level of influence such persons may continue to exercise after stepping down from their prominent public functions, their family members and close associates,

except in cases where their account relationships with the licensee or relevant business transactions undertaken by the licensee present a higher risk for money laundering or terrorism financing.

Other High Risk Categories

8.5 A licensee shall perform the appropriate enhanced CDD measures in paragraph 8.2 for such other categories of customers, account relationships or transactions as the licensee may assess or is notified by the Authority or other relevant authorities in Singapore, to present a higher risk for money laundering and terrorism financing. In particular, the licensee shall increase the degree and nature of monitoring of the account relationship and transactions with the customer, in order to determine whether they appear unusual or suspicious.

8.6 A licensee shall give particular attention to account relationship with and transactions for any customer and any beneficial owner of a customer from or in countries and jurisdictions —

- (a) identified by the FATF as higher risk countries or jurisdictions; or
- (b) known to have inadequate AML/CFT measures, as determined by the licensee for itself or notified to licensees generally by the Authority or other foreign regulatory authorities,

and shall perform enhanced CDD measures that are commensurate to the risks identified for the account relationship and transactions.

8.7 A licensee shall, in taking enhanced CDD measures to manage and mitigate any higher risks that have been identified by the licensee or notified to it by the Authority or other relevant authorities in Singapore, ensure that the enhanced CDD measures take into account the requirements of any laws, regulations or directions administered by the Authority, including but not limited to the regulations or directions issued by the Authority under section 27A of the Monetary Authority of Singapore Act (Cap. 186).

9 PERFORMANCE OF CDD MEASURES BY THIRD PARTIES

9.1 For the purposes of paragraph 9, "third party" means —

- (a) a financial institution set out in Appendix 2; or
- (b) a financial institution which is subject to and supervised by a foreign authority for compliance with AML/CFT requirements consistent with standards set by the FATF (other than a holder of a money-changer's licence or a holder of a remittance licence, or equivalent licences).

9.2 Subject to paragraph 9.3, a licensee shall not rely on a third party to perform the CDD measures in paragraph 6 of this Notice unless —

- (a) the licensee has obtained the prior written approval of the Authority, which may include such conditions and qualifications as it thinks fit; and
- (b) the following requirements are met:
 - (i) the licensee is satisfied that the third party it intends to rely upon is subject to and supervised for compliance with AML/CFT requirements consistent with standards set by the FATF, and has adequate measures in place to comply with those requirements;
 - (ii) the licensee takes appropriate steps to identify, assess and understand the money laundering and terrorism financing risks particular to the countries or jurisdictions that the third party operates in;
 - (iii) the third party is not one which licensees have been specifically precluded by the Authority from relying upon; and
 - (iv) the third party is able and willing to provide, without delay, upon the licensee's request, any document obtained by the third party with respect to the CDD measures applied on the licensee's customer, which the licensee would be required or would want to obtain.

9.3 No licensee shall rely on a third party to conduct review of relevant business transactions undertaken without an account being opened or ongoing monitoring of account relationships with its customers.

9.4 Where a licensee relies on a third party to perform the CDD measures, it shall —

- (a) document the basis for its satisfaction that the requirements in paragraph 9.2(b)(i) and (b)(ii) have been met, except where the third party is a financial institution set out in Appendix 2; and

- (b) immediately obtain from the third party the CDD information which the third party had obtained.

9.5 For the avoidance of doubt, notwithstanding the reliance upon a third party, the licensee shall remain responsible for its AML/CFT obligations in this Notice.

10 PROVISION OF REMITTANCE SERVICES TO FINANCIAL INSTITUTIONS

10.1 Paragraph 10 applies to a licensee when —

- (a) it provides the following remittance services to a financial institution, whether in Singapore or elsewhere:
 - (i) in relation to a remittance licensee, the transmission of funds from Singapore to another country or jurisdiction, or from another country or jurisdiction to Singapore;
 - (ii) in relation to a money-changer's licensee, an inward remittance transaction from another country or jurisdiction to Singapore; or
- (b) it engages a financial institution, whether in Singapore or elsewhere, to facilitate the provision of remittance services.

10.2 For the purposes of this paragraph, a "shell financial institution" means a financial institution incorporated, formed or established in a country or jurisdiction where the financial institution has no physical presence and which is unaffiliated with a regulated financial group that is subject to effective consolidated supervision.

10.3 Without prejudice to the requirements under paragraph 6, where a licensee provides remittance services to a financial institution or engages a financial institution for its remittance services, as set out in paragraph 10.1, it shall —

- (a) assess the suitability of the financial institution by taking the following steps:
 - (i) gather adequate information about the financial institution to understand fully the nature of its business, including making appropriate inquiries on its management, its major business activities and the countries or jurisdictions in which it operates;
 - (ii) determine from any available sources the reputation of the financial institution and the quality of supervision over the financial institution, including whether it has been the subject of money laundering or terrorism financing investigation or regulatory action; and
 - (iii) assess the financial institution's AML/CFT controls and ascertain that

they are adequate and effective, having regard to the AML/CFT measures of the country or jurisdiction in which the financial institution operates;

- (b) clearly understand and document the respective AML/CFT responsibilities of each financial institution; and
 - (c) obtain approval from the licensee's senior management before providing remittance services to a new financial institution.
- 10.4 The licensee shall document the basis for its satisfaction that the requirements in paragraph 10.3 are met.
- 10.5 No licensee shall provide remittance services to a financial institution, or engage a financial institution to facilitate the provision of remittance services, if the financial institution does not have adequate controls against criminal activities or that is not effectively supervised by the relevant authorities, or a shell financial institution.
- 10.6 A licensee shall also take appropriate measures to satisfy itself that the other financial institution does not permit its account to be used by a shell financial institution.

11 AGENCY ARRANGEMENTS

- 11.1 For the purposes of paragraph 11, "agent" means any natural person or legal person (that is not a financial institution) that contracts with or is under the direction of a remittance licensee to assist in the provision of remittance business, but does not itself carry out remittance business.
- 11.2 A remittance licensee shall not appoint an agent unless the following requirements are met:
- (a) the agency arrangement is documented in writing and is approved by the senior management of the remittance licensee;
 - (b) the remittance licensee takes appropriate steps to identify, assess and understand the money laundering and terrorism financing risks particular to the countries or jurisdictions that the agent operates in;
 - (c) the agent is not one on which remittance licensees have been specifically precluded by the Authority from appointing; and
 - (d) the remittance licensee includes all agents in its AML/CFT programme and monitors them for compliance with its programme.

- 11.3 The licensee shall document the basis for its satisfaction that the requirements in paragraph 11.2 are met.
- 11.4 A licensee shall maintain a current list of its agents that it engages and shall make the list accessible to the Authority and to the relevant authorities in the countries or jurisdictions where the agents operate, upon request.

12 SENDING OR RECEIVING FUNDS BY WIRE TRANSFERS

- 12.1 Paragraph 12 shall apply to a licensee when it effects the sending of funds by wire transfer or when it receives funds by wire transfer on the account of the wire transfer originator or the wire transfer beneficiary but shall not apply to a transfer and settlement between the licensee and another financial institution where the licensee and the other financial institution are acting on their own behalf as the wire transfer originator and the wire transfer beneficiary.

- 12.2 For the purposes of paragraph 12 —

“batch transfer” is a transfer comprised of a number of individual wire transfers that are being sent by a wire transfer originator to the same financial institutions, irrespective of whether the individual wire transfers are intended ultimately for one or more wire transfer beneficiaries;

“beneficiary institution” means the financial institution that receives the wire transfer from the ordering financial institution, directly or through an intermediary financial institution, and makes the funds available to the wire transfer beneficiary;

“cross-border wire transfer” means a wire transfer where the ordering institution and the beneficiary institution are located in different countries or jurisdictions and includes any chain of wire transfer in which at least one of the financial institutions involved is located in a different country or jurisdiction;

“customer identification number” means a number which uniquely identifies the wire transfer originator to the ordering institution and which is a different number from the unique transaction reference number;

“domestic wire transfer” means a wire transfer where the ordering institution and beneficiary institution are located in the same country or jurisdiction and also refers to any chain of wire transfer that takes place entirely within a country, even though the system used to transfer the payment message may be located in another country or jurisdiction;

“intermediary institution” means the financial institution that receives and transmits a wire transfer on behalf of the ordering institution and the beneficiary institution, or

another intermediary institution;

“ordering institution” means the financial institution that initiates the wire transfer and transfers the funds upon receiving the request for a wire transfer on behalf of the wire transfer originator;

“straight-through processing” means payment transactions that are conducted electronically without the need for manual intervention;

“unique transaction reference number” refers to a combination of letters, numbers or symbols, determined by the payment service provider, in accordance with the protocols of the payment and settlement system or messaging system used for the wire transfer;

“wire transfer” refers to any transaction carried out on behalf of a wire transfer originator through a financial institution by electronic means with a view to making an amount of funds available to a beneficiary person at a beneficiary financial institution, irrespective of whether the originator and the beneficiary are the same person;

“wire transfer beneficiary” means the natural person, legal person or legal arrangement who is identified by the wire transfer originator as the receiver of the wire transfer funds; and

“wire transfer originator” means the account holder who allows the wire transfer from that account, or where there is no account, the natural person, legal person or legal arrangement that places the wire transfer order with the ordering financial institution to perform the wire transfer.

Responsibility of the Ordering Institution

(I) Identification and Recording of Information

12.3 Before effecting a wire transfer, every licensee that is an ordering institution shall —

- (a) identify the wire transfer originator and verify his or its identity, as the case may be (if the licensee has not already done so by virtue of paragraph 6); and
- (b) record adequate details of the wire transfer so as to permit its reconstruction, including but not limited to, the date of the wire transfer, the type and amount of currency transferred and the value date.

(II) Cross-Border Wire Transfers Below or Equal To S\$1,500

12.4 In a cross-border wire transfer where the amount to be transferred is below or equal to S\$1,500, every licensee which is an ordering institution shall include in the message or payment instruction that accompanies or relates to the wire transfer the following:

- (a) the name of the wire transfer originator;
- (b) the wire transfer originator's account number (or unique transaction reference number assigned by the ordering institution where no account number exists);
- (c) the name of the wire transfer beneficiary; and
- (d) the wire transfer beneficiary's account number (or unique transaction reference number assigned by the ordering institution where no account number exists).

(III) Cross-border Wire Transfers Exceeding S\$1,500

12.5 For the purposes of paragraphs 12.6 and 12.8, the customer identification number refers to a record held by the ordering institution which contains at least one of the following:

- (a) the customer's existing residential address, registered or business address (as may be appropriate, and if different, principal place of business);
- (b) a unique identification number for the customer (such as an identity card number, birth certificate number or passport number, or where the customer is not a natural person, the incorporation number or business registration number); or
- (c) the date and place of birth, incorporation or registration of the customer (as may be appropriate).

12.6 In a cross-border wire transfer where the amount to be transferred exceeds S\$1,500, every licensee which is an ordering institution shall include in the message or payment instruction that accompanies or relates to the wire transfer the information required by paragraphs 12.4(a) to 12.4(d) of this Notice and any of the following:

- (a) the wire transfer originator's existing residential address, registered or business address (as may be appropriate, and if different, principal place of business);
- (b) the wire transfer originator's unique identification number (such as an identity card number, birth certificate number or passport number, or where the customer is not a natural person, the incorporation number or business registration number);
- (c) the date and place of birth, incorporation or registration of the customer (as may be appropriate); or
- (d) the customer identification number.

12.7 Where several individual cross-border wire transfers from a single wire transfer originator are bundled in a batch file for transmission to wire transfer beneficiaries, a licensee which is an ordering institution shall be exempted from the requirements of paragraph 12.5 in respect of originator information, provided that —

- (a) the batch transfer includes the wire transfer originator's account number or unique transaction reference number; and
- (b) the batch transfer file contains the —
 - (i) wire transfer originator information required by paragraph 12.6 of this Notice and which has been verified, and
 - (ii) wire transfer beneficiary information required by paragraph 12.6 of this Notice and which is fully traceable within the beneficiary country.

(III) Domestic Wire Transfers

12.8 In a domestic wire transfer, every licensee that is an ordering institution shall either —

- (a) include in the message or payment instruction that accompanies or relates to the wire transfer the following:
 - (i) the name of the wire transfer originator;
 - (ii) the wire transfer originator's account number (or unique transaction reference number assigned by the ordering institution where no account number exists); and
 - (iii) any of the following:
 - (A) the wire transfer originator's existing residential address, registered or business address (as may be appropriate, and if different, principal place of business);
 - (B) the wire transfer originator's unique national identification number (such as an identity card number, birth certificate number or passport number, or where the customer is not a natural person, the incorporation number or business registration number);
 - (C) the date and place of birth, incorporation or registration of the customer (as may be appropriate); or
 - (D) the customer identification number; or

- (b) include only the wire transfer originator's account number (or unique transaction reference number where no account number exists), provided —
 - (i) that these details will permit the transaction to be traced back to the wire transfer originator or wire transfer beneficiary;
 - (ii) the ordering institution is in a position to make the remaining wire transfer originator information listed in paragraph 12.8(a) available within 3 working days of a request being made by the beneficiary institution or by the Authority or relevant authorities; and
 - (iii) the ordering institution is in a position to make the remaining wire transfer originator information listed in paragraph 12.8(a) available immediately upon request by law enforcement authorities.

12.9 All wire transfer originator and beneficiary information collected by the ordering institution shall be documented.

12.10 Where the licensee is unable to comply with the requirements in paragraphs 12.3 to 12.8 or where there is any suspicion of money laundering or terrorism financing, the ordering institution shall not execute the wire transfer.

Responsibility of the Beneficiary Institution

12.11 A licensee that is a beneficiary institution shall take reasonable measures, including post-event monitoring or real-time monitoring where feasible, to identify cross-border wire transfers that lack the required wire transfer originator or required wire transfer beneficiary information.

12.12 For cross-border wire transfers where the beneficiary institution pays out funds in cash or cash equivalent to the wire transfer beneficiary in Singapore, a beneficiary institution shall identify and verify the identity of the wire transfer beneficiary if the identity has not been previously verified.

12.13 A licensee that is a beneficiary institution shall implement appropriate internal risk-based policies, procedures and controls for determining —

- (a) when to execute, reject, or suspend a wire transfer lacking required wire transfer originator or wire transfer beneficiary information; and
- (b) the appropriate follow-up action.

- 12.14 For a licensee that controls both the ordering institution and the beneficiary institution, it shall —
- (a) take into account all the information from both the ordering institution and the beneficiary institution in order to determine whether an STR has to be filed; and
 - (b) where applicable, file an STR in any country affected by the suspicious wire transfer, and make relevant transaction information available to the relevant authorities.

Responsibility of Intermediary Institution

- 12.15 A licensee that is an intermediary institution shall retain all the required wire transfer originator and wire transfer beneficiary information accompanying the wire transfer.
- 12.16 Where technical limitations prevent the required wire transfer originator or wire transfer beneficiary information accompanying a cross-border wire transfer from remaining with a related domestic wire transfer, a record shall be kept, for at least five years, by the receiving intermediary institution of all the information received from the ordering institution or another intermediary institution.
- 12.17 An intermediary institution shall take reasonable measures, which are consistent with straight-through processing, to identify cross-border wire transfers that lack the required wire transfer originator or wire transfer beneficiary information.
- 12.18 An intermediary institution shall implement appropriate internal risk-based policies, procedures and controls for determining —
- (a) when to execute, reject, or suspend a wire transfer lacking required wire transfer originator or wire transfer beneficiary information; and
 - (b) the appropriate follow-up action.

13 RECORD KEEPING

- 13.1 A licensee shall prepare, maintain and retain documentation on all its account relationships with and transactions for its customers such that —
- (a) all requirements imposed by law (including this Notice) are met;
 - (b) any individual transaction undertaken by the licensee can be reconstructed (including the amounts and types of currency involved) so as to provide, if necessary, evidence for prosecution of criminal activity;
 - (c) the Authority or other relevant authorities in Singapore and the internal and

external auditors of the licensee are able to review the licensee's account relationships, transactions, records and CDD information and assess the level of compliance with this Notice; and

- (d) the licensee can satisfy, within a reasonable time or any more specific time period imposed by law or by the requesting authority, any enquiry or order from the relevant authorities in Singapore for information.

13.2 Subject to paragraph 13.4 and any other requirements imposed by law, a licensee shall, when setting its record retention policies, comply with the following document retention periods:

- (a) for CDD information (including the results of screening and the licensee's assessment of the results), and other documents relating to the account relationships, wire transfers and relevant business transactions undertaken without an account being opened, as well as account files, business correspondence and results of any analysis undertaken, a period of at least 5 years following the termination of such account relationships or completion of such wire transfers or relevant business transactions; and
- (b) for records relating to a transaction, including any information needed to explain and reconstruct the transaction, a period of at least 5 years following the completion of the transaction.

13.3 A licensee may retain documents, data and information as originals or copies, in paper or electronic form or on microfilm, provided that they are admissible as evidence in a Singapore court of law.

13.4 A licensee shall retain records of documentation, data and information on all its account relationships with or transactions for a customer pertaining to a matter which is under investigation or which has been the subject of an STR, in accordance with any request or order from STRO or from other relevant authorities in Singapore.

13.5 A licensee shall retain records of documentation, data and information in relation to all its agency arrangements.

14 PERSONAL DATA

14.1 For the purposes of paragraph 14, "individual" means a natural person, whether living or deceased.

14.2 Subject to paragraph 14.3 and for the purposes of complying with this Notice, a licensee shall not be required to provide an individual customer, an individual appointed to act on behalf of a customer, an individual connected party of a customer or an individual

beneficial owner of a customer, with —

- (a) any access to personal data about the individual that is in the possession or under the control of the licensee;
- (b) any information about the ways in which the personal data of the individual under subparagraph (a) has been or may have been used or disclosed by the licensee; and
- (c) any right to correct an error or omission of the personal data about the individual that is in the possession of or under the control of the licensee.

14.3 A licensee shall, as soon as reasonably practicable, upon the request of an individual customer, an individual appointed to act on behalf of a customer, an individual connected party of a customer or an individual beneficial owner of a customer, provide the requesting individual with the right to —

- (a) access the following types of personal data of that individual, that is in the possession or under the control of the licensee:
 - (i) his full name, including any alias;
 - (ii) his unique identification number (such as an identity card number, birth certificate number or passport number);
 - (iii) his existing residential address and contact telephone number(s);
 - (iv) his date of birth;his nationality;
 - (v) subject to section 21(2) and (3) read with the Fifth Schedule to the Personal Data Protection Act 2012 (Act 26 of 2012), any other personal data of the respective individual provided by that individual to the licensee; and
- (b) subject to section 22(7) and the Sixth Schedule to the Personal Data Protection Act, correct an error or omission in relation to the types of personal data set out in paragraphs (a)(i) to (vi), provided the licensee is satisfied that there are reasonable grounds for such request.

14.4 For the purposes of complying with this Notice, a licensee may, whether directly or through a third party, collect, use and disclose personal data of an individual customer, an individual appointed to act on behalf of a customer, an individual connected party of a customer or an individual beneficial owner of a customer, without the respective individual's consent.

15 SUSPICIOUS TRANSACTIONS REPORTING

- 15.1 A licensee shall keep in mind the provisions in the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A)³ and in the Terrorism (Suppression of Financing) Act (Cap. 325) that provide for the reporting to the authorities of transactions suspected of being connected with money laundering or terrorism financing and implement appropriate internal policies, procedures and controls for meeting its obligations under the law, including the following:
- (a) establish a single reference point within the organisation to whom all employees are instructed to promptly refer all transactions suspected of being connected with money laundering or terrorism financing, for possible referral to STRO via STRs; and
 - (b) keep records of all transactions referred to STRO, together with all internal findings and analysis done in relation to them.
- 15.2 A licensee shall promptly submit reports on suspicious transactions (including attempted transactions), regardless of the amount of the transaction, to STRO, and extend a copy to the Authority for information.
- 15.3 A licensee shall consider if the circumstances are suspicious so as to warrant the filing of an STR and document the basis for its determination where —
- (a) the licensee is for any reason unable to complete CDD measures; or
 - (b) the customer is reluctant, unable or unwilling to provide any information requested by the licensee, decides to withdraw a pending application to establish account relationship or a pending transaction, or to terminate existing account relationship.

16 INTERNAL POLICIES, COMPLIANCE, AUDIT AND TRAINING

- 16.1 A licensee shall develop and implement adequate internal policies, procedures and controls, taking into consideration its money laundering and terrorism financing risks and the size of its business, to help prevent money laundering and terrorism financing and communicate these to its employees.
- 16.2 The policies, procedures and controls shall include, amongst other things, CDD measures, record retention, the detection of unusual and/or suspicious transactions and the obligation to make STRs.

³ Please note in particular section 48 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act on tipping-off.

Compliance

- 16.3 A licensee shall develop appropriate compliance management arrangements, including at least, the appointment of a management level officer as the AML/CFT compliance officer.
- 16.4 A licensee shall ensure that the AML/CFT compliance officer, as well as any other persons appointed to assist him, has adequate resources and timely access to all customer records and other relevant information which they require to discharge their functions.
- 16.5 If a licensee's resources do not make it practicable to appoint an AML/CFT compliance officer, the responsibilities of the AML/CFT compliance officer outlined in this Notice shall be directly assumed by the licensee's senior management.

Audit

- 16.6 A licensee shall maintain an audit function that is adequately resourced and independent, and which will be able to regularly assess the effectiveness of the licensee's internal policies, procedures and controls, and its compliance with regulatory requirements.

Employee Hiring

- 16.7 A licensee shall have in place screening procedures to ensure high standards when hiring employees and appointing officers⁴.

Training

- 16.8 A licensee shall take all appropriate steps to ensure that its employees and officers (whether in Singapore or elsewhere) are suitably qualified, and regularly and appropriately trained on —
- (a) AML/CFT laws and regulations, and in particular, CDD measures, detecting and reporting of suspicious transactions;

⁴ "Officer" –

- (a) in relation to a licensee that is a legal person (other than a partnership), means any director or any member of the committee of management of the legal person;
- (b) in relation to a licensee that is a partnership, means any partner or manager; and
- (c) in relation to a licensee that is a legal arrangement, means any member of the committee of management of the legal arrangement, where applicable.

- (b) prevailing techniques, methods and trends in money laundering and terrorism financing; and
- (c) the licensee's internal policies, procedures and controls on AML/CFT and the roles and responsibilities of employees and officers in combating money laundering and terrorism financing.

Endnotes on History of Amendments

1. MAS Notice 3001 dated 2 July 2007 with effect from 2 July 2007.
 - (a) MAS Notice 3001 (Amendment) 2009 with effect from 3 July 2009.
 - (b) MAS Notice 3001 (Amendment) 2009 with effect from 2 December 2009.
 - (c) MAS Notice 3001 (Amendment) 2013 with effect from 23 January 2013.
 - (d) MAS Notice 3001 (Amendment) 2014 with effect from 1 July 2014.
2. MAS Notice 3001 dated 2 July 2007 cancelled with effect from (xxxx).
3. MAS Notice 3001 dated (xxxx)with effect from (xxxx).

Appendix 1 —

1. Financial institutions that are licensed, approved, registered (including a fund management company registered under paragraph 5(1)(i) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg. 10)) or regulated by the Authority but do not include —
 - (a) holders of stored value facilities, as defined in section 2(1) of the Payment Systems (Oversight) Act (Cap. 222A); and
 - (b) a person (other than a person referred to in paragraphs 2 and 3) who is exempted from licensing, approval or regulation by the Authority under any Act administered by the Authority, including a private trust company exempted from licensing under section 15 of the Trust Companies Act (Cap. 336) read with regulation 4 of the Trust Companies (Exemption) Regulations (Rg. 1);
2. Persons exempted under section 23(1)(f) of the Financial Advisers Act (Cap. 110) read with regulation 27(1)(d) of the Financial Advisers Regulations (Rg. 2); and
3. Persons exempted under section 99(1)(h) of the Securities and Futures Act (Cap. 289) read with paragraph 7(1)(b) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations.

Appendix 2—

1. Banks in Singapore licensed under section 7 of the Banking Act (Cap.19);
2. Merchant banks approved under section 28 of the Monetary Authority of Singapore Act (Cap. 186);
3. Finance companies licensed under section 6 of the Finance Companies Act (Cap. 108);
4. Financial advisers licensed under section 6 of the Financial Advisers Act (Cap. 110) except those which only provide advice by issuing or promulgating research analyses or research reports, whether in electronic, print or other form, concerning any investment product;
5. Holders of a capital markets services licence under section 82 of the Securities and Futures Act (Cap. 289);
6. Fund management companies registered under paragraph 5(1)(i) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg. 10);
7. Persons exempted under section 23(1)(f) of the Financial Advisers Act read with regulation 27(1)(d) of the Financial Advisers Regulations (Rg. 2) except those which only provide advice by issuing or promulgating research analyses or research reports, whether in electronic, print or other form, concerning any investment product;
8. Persons exempted under section 99(1)(h) of the Securities and Futures Act read with paragraph 7(1)(b) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations;
9. Approved trustees approved under section 289 of the Securities and Futures Act;
10. Trust companies licensed under section 5 of the Trust Companies Act (Cap. 336);
11. Direct life insurers licensed under section 8 of the Insurance Act (Cap. 142); and
12. Insurance brokers registered under the Insurance Act which, by virtue of such registration, are exempted under section 23(1)(c) of the Financial Advisers Act except those which only provide advice by issuing or promulgating research analyses or research reports, whether in electronic, print or other form, concerning any investment product.

4 DRAFT MAS NOTICE 3001 (TRACKED CHANGES)

MAS Notice 3001

~~2 July 2007~~ []

~~Last revised on 1 July 2014~~

~~(Refer to endnotes for history of amendments)~~

NOTICE TO HOLDERS OF MONEY-CHANGER'S LICENCE AND REMITTANCE LICENCE
MONETARY AUTHORITY OF SINGAPORE ACT, CAP. 186

PREVENTION OF MONEY LAUNDERING AND COUNTERING THE FINANCING OF
TERRORISM - HOLDERS OF MONEY-CHANGER'S LICENCE AND REMITTANCE LICENCE

1 INTRODUCTION

1.1 This Notice is issued pursuant to section 27B of the Monetary Authority of Singapore Act (Cap. 186) and applies to all holders of a money-changer's licence ~~and all holders of a remittance licence ("licensee")~~ issued under ~~section~~sections 7 and 7A of the Money-changing and Remittance Businesses Act (Cap. 187) ~~("MCRB Act") and all holders of a remittance licence issued under section 8 of the MCRB Act (hereinafter "licensees"). respectively.~~

1.2 This Notice shall take immediate effect. MAS Notice 3001 dated 2 July 2007 is cancelled with effect from [].

2 DEFINITIONS

2.1 For the purposes of this Notice —

"account relationship" means the opening or maintenance of an account by the licensee in the name of a person (whether a natural person, legal person or legal arrangement);

"AML/CFT" means anti-money laundering and countering the financing of terrorism;

"Authority" means the Monetary Authority of Singapore;

"beneficial owner", in relation to a customer of a licensee, means the natural person who ultimately owns or controls a customer, or the natural person on whose behalf a relevant business transaction is ~~being~~ conducted or an account relationship is

established and includes ~~any~~the person who exercises ultimate effective control over a legal person~~body corporate~~ or legal arrangement~~unincorporate~~;

~~“company” includes a body corporate formed or established outside Singapore under the law of the country or jurisdiction;~~

“CDD measures” or “customer due diligence measures” means the measures~~process of identifying the customer and obtaining information~~ required by paragraph 64;

“connected party” —

(a) in relation to a legal person (other than a partnership), means any director or any natural person having executive authority in the legal person;

(b) in relation to a legal person that is a partnership, means any partner or manager; and

(c) in relation to a legal arrangement, means any natural person having executive authority in the legal arrangement, where applicable;

“customer”, in relation to a licensee, means a person (whether a natural person, legal person or a legal arrangement) —

(a) with whom the licensee establishes or intends to establish account relationship; or

(b) ~~with~~for whom the licensee undertakes or intends to undertake a relevant business transaction without an account being opened, including in the case of an inward remittance transaction, the person to whom the licensee pays out funds in cash or cash equivalent in Singapore and the person on behalf of whom such funds are paid out in Singapore;

“FATF” means the Financial Action Task Force;

“government entity” means a government of a country or jurisdiction, a ministry within such a government, or an agency specially established by such a government through written law;

“legal person” means an entity other than a natural person that can establish a permanent customer relationship with a financial institution or otherwise own property;

“legal arrangement” means a trust or other similar arrangement;

"licensee" means a holder of a money-changer's licence under section 7 of the MCRB Act or a holder of a remittance licence under section 8 of the MCRB Act; sections 7 and 7A of the Money Changing and Remittance Businesses Act (Cap. 187) respectively;

"partnership" means a partnership, a limited partnership within the meaning of the Limited Partnerships Act (Cap. 163B) or a limited liability partnership within the meaning of the Limited Liability Partnerships Act (Cap. 163A);

"personal data" has the same meaning as defined in section 2(1) of the Personal Data Protection Act 2012 (Act 26 of 2012);

"reasonable measures" means appropriate measures which are commensurate with the money laundering or terrorism financing risks;

"relevant business transaction" means —

- (a) in relation to a holder of a money-changer's licence —
 - (i) a money-changing transaction of an aggregate value not less than S\$5,000; or
 - (ii) an inward remittance transaction from another country or jurisdiction to Singapore; or
- (b) in relation to a holder of a remittance licence, a remittance transaction, whether from Singapore to another country or jurisdiction or from another country or jurisdiction to Singapore;

"STR" means suspicious transaction report; and

"STRO" means the Suspicious Transactions Reporting Office, Commercial Affairs Department of the Singapore Police Force.

2.2 A reference to any threshold or value limit expressed in S\$ shall include a reference to the equivalent amount expressed in any other currency.

~~2.3 — The expressions used in this Notice shall, except where defined in this Notice or where a reference to the completion of CDD measures is a reference to the situation when the licensee has received satisfactory responses to all inquiries.~~

~~2.42.3 Unless the context otherwise requires, have the same meanings as in Section 2(1) of the MCRB Act. a reference to a financial institution supervised by the Authority does not include a person who is exempted from licensing, approval or regulation by the~~

Authority.

3 UNDERLYING PRINCIPLES

3.1 This Notice is based on the following principles, which shall serve as a guide for all licensees in the conduct of their operations and business activities:

- (a) Aa licensee ~~shall~~must exercise due diligence when dealing with customers, persons appointed to act on the customer's behalf and beneficial owners.
- (b) Aa licensee ~~shall~~must conduct its business in conformity with high ethical standards, and guard against establishing any account relationship or undertaking any relevant business transaction, that is or may be connected with or may facilitate money laundering or terrorism~~terrorist~~ financing.
- (c) Aa licensee ~~shall, should, whenever possible and~~ to the fullest extent possible, assist and cooperate with the relevant law enforcement authorities in Singapore to prevent~~in preventing~~ money laundering and terrorism~~terrorist~~ financing.

4 ASSESSING RISKS AND APPLYING A RISK-BASED APPROACH

Risk Assessment

4.1 A licensee shall take appropriate steps to identify, assess and understand its money laundering and terrorism financing risks in relation to —

- (a) its customers;
- (b) the countries or jurisdictions its customers are from or in;
- (c) the countries or jurisdictions the licensee has operations in; and
- (d) the products, services, transactions and delivery channels of the licensee.

4.2 The appropriate steps referred to in paragraph 4.1 shall include —

- (a) documenting the licensee's risk assessments;
- (b) considering all the relevant risk factors before determining the level of overall risk and the appropriate type and extent of mitigation to be applied;
- (c) keeping the risk assessments up to date; and

(d) having appropriate mechanisms to provide its risk assessment information to the Authority.

Risk Mitigation

4.3 A licensee shall —

(a) have policies, controls and procedures, which are approved by senior management, to enable it to manage and mitigate effectively the risks that have been identified by the licensee or notified to it by the Authority or other relevant authorities in Singapore;

(b) monitor the implementation of those policies, controls and procedures and enhance them if necessary;

(c) take enhanced measures where higher risks are identified, to manage and mitigate those higher risks; and

(d) ensure that measures or enhanced measures taken to manage and mitigate the identified risks address the risk assessment and guidance from the Authority or relevant authorities in Singapore.

5 NEW PRODUCTS, PRACTICES AND TECHNOLOGIES

5.1 A licensee shall identify and assess the money laundering and terrorism financing risks that may arise in relation to —

(a) the development of new products and new business practices, including new delivery mechanisms; and

(b) the use of new or developing technologies for both new and pre-existing products.

5.2 A licensee shall undertake the risk assessments, prior to the launch or use to the extent permitted by this Notice, of such products, practices and technologies, and shall take appropriate measures to manage and mitigate the risks.

5.3 A licensee shall, in complying with the requirements of paragraphs 5.1 and 5.2, pay special attention to any —

(a) new products and business practices, including new delivery mechanisms; and

(b) new or developing technologies,

that favour anonymity.

46 CUSTOMER DUE DILIGENCE ("CDD")

Anonymous or Fictitious Person or Account

6.1 No licensee shall deal with any person on an anonymous basis or any person using a fictitious name.

Where There Are Reasonable Grounds for Suspicion on Prospective Customers

6.2 Where the licensee has reasonable grounds to suspect that the assets or funds of a prospective customer, with whom the licensee intends to establish account relationship or for whom the licensee intends to undertake transactions without an account being opened, are proceeds of a serious offence as defined in the Corruption, Drug Trafficking and other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A), or are property related to the facilitation or carrying out of any terrorism financing offence as defined in the Terrorism (Suppression of Financing) Act (Cap. 325), the licensee shall

—

(a) not establish account relationship or undertake a transaction with the prospective customer; and

(b) file an STR¹, and extend a copy to the Authority for information.

When CDD ~~measures~~ Measures are to be Performed

4.16.3 A licensee shall perform CDD measures in accordance with this Notice when —

(a) the licensee establishes an account relationship with any customer;

(a)(b) the licensee undertakes a relevant business transaction, for any customer who has not otherwise established an account relationship with the licensee;

(c) the licensee effects or receives any funds by domestic wire transfer, or by cross-border wire transfer, for any customer who has not otherwise established an account relationship with the licensee;

(b)(d) there is a suspicion of money laundering or ~~terrorism~~terrorist financing, notwithstanding that the licensee would otherwise not be required by this Notice

¹ Please note in particular section 48 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act on tipping-off.

to perform CDD measures; or

~~(e)~~(e) the licensee has doubts about the veracity or adequacy of any information previously obtained.

~~CDD Measures where Relevant Business Transactions are Established~~

~~(1) Identification of Customers~~

~~4.2 A licensee shall identify each customer for whom the licensee undertakes a relevant business transaction.~~

~~4.36.4~~ Where a licensee suspects that two or more ~~relevant business~~ transactions are or may be related, linked or the result of a deliberate restructuring of an otherwise single ~~relevant business~~ transaction into smaller transactions in order to evade the ~~measure thresholds~~ provided for in this Notice, the licensee shall ~~aggregate them and~~ treat ~~the transactions~~ them as a single ~~relevant business~~ transaction ~~and aggregate their values~~ for the ~~purpose~~ purposes of this Notice.

CDD Measures

(1) Identification of Customers

6.5 A licensee shall identify each customer.

4.46.6 For the purpose of paragraph 6.54.2, a licensee shall obtain and record information of the customer, including but not limited to the following:

full

- (a) ~~Full~~ name, including any aliases;
- (b) ~~unique~~Unique identification number (such as an identity card number, birth certificate number or passport number, or where the customer is not a natural person, the incorporation number or business registration number);
- (c) ~~existing~~Existing residential address, registered or business address (as may be appropriate, and if different, principal place of business) and contact telephone number(s);
- (d) ~~date~~Date of birth, incorporation or registration (as may be appropriate); and
- (e) ~~nationality~~Nationality or place of incorporation or registration (as may be appropriate).

4.56.7 Where the customer is a legal person or legal arrangementcompany, the licensee shall, apart from identifying the customer, also identify the legal form, constitution and powers directors of the legal person or legal arrangementcompany.

6.8 Where the customer is a legal person (other than a partnership), the licensee shall, apart from identifying the customer, also identify the directors and any other natural persons having executive authority in the legal person.

~~or a limited liability~~

4.66.9 Where the customer is a partnership, the licensee shall, apart from identifying the customer, also identify the partners and managers².

4.76.10 Where the customer is a legal arrangement~~any other body corporate or unincorporate~~, the licensee shall, apart from identifying the customer, also ~~identify~~establish the ~~natural identity of the~~ persons having executive authority in that legal arrangement~~body corporate or unincorporate~~.

(II) Verification of Identity

4.86.11 A licensee shall verify the identity of the customer, and where the customer is a legal person or legal arrangement, verify the legal form, proof of existence, constitution and powers of the legal person or legal arrangement, using reliable, independent source documents, data or information. ~~sources.~~

4.96.12 A licensee shall retain copies of all reference source documents, data or information used to verify the identity of the customer.

(III) Identification and Verification of Identity of Natural Persons Appointed to Act on the Customer's Behalf

4.106.13 Where the customer appoints one or more natural persons to act on his behalf in establishing an account relationship or to conduct ~~to undertake~~ relevant business transaction without an account being opened~~transactions~~ with the licensee, or the customer is not a natural person, a licensee shall —

- (a) identify the natural persons that act or are appointed to act on behalf of the customer;
- (b) verify the identity of these persons using reliable, independent source documents, data or information~~sources~~; and
- (c) retain copies of all reference source documents, data or information used to verify the identity of these persons.

4.11 — A licensee shall verify the due authority of such persons to act on behalf of the customer .

² In the case of limited liability partnerships and limited partnerships.

~~4.126.14~~ A licensee shall ~~verify the due authority of such persons to act~~ by obtaining, at least including but not limited to the following:

- (a) the appropriate documentary evidence authorising the appointment of such persons by that the customer ~~has appointed the persons~~ to act on its behalf, and
- (b) the specimen signatures of the persons appointed.

~~4.136.15~~ Where the customer is a Singapore ~~Government~~government entity, the licensee shall only be required to obtain such information as may be required to confirm that the customer is a Singapore ~~Government~~government entity as asserted.

(IV) Identification and Verification of Identity of Beneficial Owners

~~4.146.16~~ Subject to paragraph ~~6.214.17~~, a licensee shall inquire if there exists any beneficial owner in relation to a customer.

~~4.156.17~~ Where there is one or more beneficial owner in relation to a customer, the licensee shall identify the beneficial owners and take reasonable measures to ~~obtain information sufficient to identify and~~ verify the identities of the beneficial owners, using the relevant information or data obtained from reliable, independent sources.

~~4.166.18~~ Where the customer is not a natural person, the licensee shall ~~take reasonable measures to~~ understand the nature of the customer's business and its ownership and control structure ~~of the customer.~~

~~6.19~~ For customers that are legal persons, the licensee shall identify the beneficial owners by —

- (a) identifying the natural persons (whether acting alone or together) who ultimately own the legal person;
- (b) to the extent that there is doubt under (a) as to whether the natural persons who ultimately own the legal person are the beneficial owners or where no natural persons ultimately own the legal person, identifying the natural persons (if any) who ultimately control the legal person or have ultimate effective control of the legal person; and
- (c) where no natural persons are identified under (a) or (b) above, identifying the natural persons having executive authority in the legal person, or in equivalent or similar positions.

~~6.20~~ For customers that are legal arrangements, the licensee shall identify the beneficial owners by —

(a) for trusts, identifying the settlor, the trustee(s), the protector (if any), the beneficiaries or class of beneficiaries, and any natural person exercising ultimate ownership, ultimate control or ultimate effective control over the trust (including through a chain of control/ownership); and

(b) for other types of legal arrangements, identifying persons in equivalent or similar positions, as those described under paragraph (a).

4.176.21 _____ A licensee shall not be required to inquire if there exists any beneficial owner in relation to a customer that is —

(a) a Singapore ~~Government~~government entity;

(b) a foreign government entity;

(c) an entity listed on the Singapore Exchange;

(d) _____ an entity listed on a stock exchange outside of Singapore that is subject to _____

~~(d)(i) _____~~ regulatory disclosure requirements; and

(ii) requirements relating to adequate transparency in respect of its beneficial owners (imposed through stock exchange rules, law or other enforceable means);

(e) a financial institution set out in Appendix 1;

~~(e) _____ a financial institution supervised by the Authority (other than a holder of a money changer's licence or a holder of a remittance licence, unless specifically notified by the Authority);~~

(f) a financial institution incorporated or established outside Singapore that is subject to and supervised for compliance with AML/CFT requirements consistent with standards set by the FATF; or

(g) an investment vehicle where the managers are financial institutions —

~~(i) _____ set out in Appendix 1 supervised by the Authority;~~ or

(i) _____
(ii) incorporated or established outside Singapore but are subject to and supervised for compliance with AML/CFT requirements consistent with standards set by the FATF,

unless the licensee has doubts about the veracity of the CDD information, or suspects that the customer, account relationship with, or relevant business transaction for the customer may be connected with money laundering or terrorism~~terrorist~~ financing

activities.

4.186.22 For the purposes of paragraphs 6.214.17(f) and 6.214.17(g)(ii), a licensee shall document the basis for its determination that the requirements in those paragraphs have been duly met.

(V) Information on the Purpose and Intended Nature of Account Relationship and Relevant Business Transaction

6.23 A licensee shall understand and obtain from the customer, when processing the application to establish an account relationship or to undertake a Review of relevant business transaction without an account being opened, information as to the purpose and intended nature of such account relationship or relevant business transaction.transactions

(VI) Review of Relevant Business Transactions Undertaken Without an Account Being Opened

4.196.24 Where a licensee undertakesenters into one or more relevant business transactions with a customer, the licensee shall review the earlier relevant business transactions undertaken by that customer to ensure that the current relevant business transaction is consistent with the licensee's knowledge of the customer, its business and risk profile and where appropriate, the source of funds. -

4.206.25 A licensee shall pay special attention to all complex or unusually large relevant business transactions or unusual patterns of transactions that have no apparent or visible economic or lawful purpose.

6.26 For the purposes of reviewing relevant business transactions, a licensee shall put in place adequate systems and processes, commensurate with the size and complexity of the licensee to —

(a) monitor its transactions with customers; and

(b) detect and report suspicious, complex or unusually large transactions, or unusual patterns of transactions.

4.216.27 A licensee shall, to the extent possible, inquire into the background and purpose of such relevant business transactions in paragraph 6.254.20 and document its~~their~~ findings with a view to making this information available to the relevant ~~competent~~ authorities should the need arise.

(VII) Ongoing Monitoring

6.28 A licensee shall monitor on an ongoing basis, its account relationships with customers.

- 6.29 A licensee shall, during the course of an account relationship with a customer, observe the conduct of the customer's account and scrutinise transactions undertaken throughout the course of the account relationship to ensure that the transactions are consistent with the licensee's knowledge of the customer, its business and risk profile and where appropriate, the source of funds.
- 6.30 A licensee shall review on an ongoing basis, the relevant business transactions undertaken before an account relationship is established against relevant business transactions undertaken after establishing an account relationship, to ensure that the latter are consistent with the licensee's knowledge of the customer, its business and risk profile and where appropriate, the source of funds.
- 6.31 A licensee shall pay special attention to all complex or unusually large transactions or unusual patterns of transactions that have no apparent or visible economic or lawful purpose.
- 6.32 For the purposes of ongoing monitoring, a licensee shall put in place adequate systems and processes, commensurate with the size and complexity of the licensee, to —
- (a) monitor its account relationships or transactions with customers; and
 - (b) detect and report suspicious, complex or unusually large transactions, or unusual patterns of transactions.
- 6.33 A licensee shall, to the extent possible, inquire into the background and purpose of the transactions in paragraph 6.31 and document its findings with a view to making this information available to the relevant authorities should the need arise.
- 6.34 A licensee shall periodically review the adequacy of existing CDD information obtained in respect of customers, natural persons appointed to act on behalf of the customers, connected parties of the customers and beneficial owners of the customers and ensure that the documents, data or information are relevant and kept up to date, particularly for higher risk categories of customers.
- 6.35 Where there are reasonable grounds for suspicion that an existing account relationship with a customer is connected with money laundering or terrorism financing, and where the licensee considers it appropriate to retain the customer —
- (a) the licensee shall substantiate the reasons for retaining the customer and shall document them; and
 - (b) the customer's account relationship with the licensee shall be subjected to commensurate risk mitigation measures, including enhanced ongoing monitoring.

6.36 Where the licensee assesses the customer or the account relationship with the customer referred to in paragraph 6.35 to be of high risk, the licensee shall conduct enhanced CDD, which shall include obtaining the approval of the licensee's senior management to retain the customer.

Non-Face-to-Face Verification

4.226.37 No licensee shall establish an account relationship with a customer or undertake any relevant business transaction without an account being opened for a customer, without face-to-face contact with the customer, except with the prior approval in writing of the Authority which may attach such conditions and qualifications as it thinks fit.

6.38 Subject to paragraph 6.37, a licensee shall put in place policies and procedures to address any specific risks associated with non-face-to-face account relationships or non-face-to-face relevant business transactions undertaken without an account being opened.

6.39 A licensee shall implement the policies and procedures referred to in paragraph 6.38 when establishing an account relationship with a customer, undertaking relevant business transactions without an account being opened and when conducting ongoing due diligence.

6.40 Where there is no face-to-face contact, the licensee shall carry out CDD measures that are as stringent as those that would be required to be performed if there were face-to-face contact.

Reliance by Acquiring Licensee on Identification and Verification Already Performed

6.41 When a licensee ("acquiring licensee") acquires, either in whole or in part, the business of another financial institution (whether in Singapore or elsewhere), the acquiring licensee shall perform CDD measures on the customers acquired with the business at the time of acquisition except where the acquiring licensee has —

(a) acquired at the same time all corresponding customer records (including CDD information) and has no doubt or concerns about the veracity or adequacy of the information so acquired; and

(b) conducted due diligence enquiries that have not raised any doubt on the part of the acquiring licensee as to the adequacy of AML/CFT measures previously adopted in relation to the business or part thereof now acquired by the acquiring licensee.

Where Time for Completion of CDD Measures are Not Completed —

6.42 For the purposes of paragraph 6.43, a reference to the completion of CDD measures is a reference to the situation when the licensee has obtained, screened and verified all

necessary CDD information under paragraphs 6, 7 and 8 of this Notice, and where the licensee has received satisfactory responses to all inquiries in relation to such necessary CDD information.

~~4.23~~ ~~No licensee shall undertake any relevant business transaction unless the licensee completes the CDD measures as specified in Paragraph 4.~~

~~4.24~~~~6.43~~ Where the licensee is unable to complete CDD measures, it shall not commence or continue an account relationship with any customer, or undertake any relevant business transaction without an account being opened for any customer. The licensee shall consider if the circumstances are suspicious so as to warrant the filing of an STR.

Joint Account

~~6.44~~ In the case of a joint account, a licensee shall perform CDD measures on all of the joint account holders as if each of them were individually customers of the licensee.

Existing Customers

~~4.25~~~~6.45~~ A licensee shall ~~apply~~~~perform such~~ CDD measures ~~as may be appropriate~~ to its existing customers based on having regard to its own assessment of materiality and risk, taking into account any CDD measures previously applied to such existing customers, when such CDD measures were last applied, and the adequacy of data or information obtained.

Customer Screening

~~6.46~~ A licensee shall screen a customer, natural persons appointed to act on behalf of a customer, connected parties of a customer and beneficial owners of a customer against relevant money laundering and terrorism financing information sources, as well as lists and information provided by the Authority and any relevant authorities in Singapore for the purposes of determining if there are any money laundering or terrorism financing risks in relation to the customer.

~~6.47~~ A licensee shall screen the persons referred to in paragraph 6.46 —

(a) when, or as soon as reasonably practicable after, the licensee establishes an account relationship with the customer;

(b) when the licensee undertakes any relevant business transaction for any customer who has not otherwise established an account relationship with the licensee;

(c) when the licensee effects or receives any funds by domestic wire transfer or by

cross-border wire transfer for a customer who has not otherwise established an account relationship with the licensee;

(d) on a periodic basis after the licensee establishes an account relationship with the customer; and

(e) when there are any changes or updates to —

(i) the lists and information provided by the Authority and any relevant authorities in Singapore to the licensee; or

(ii) natural persons appointed to act on behalf of a customer, connected parties of a customer or beneficial owners of a customer.

6.48 A licensee shall screen all wire transfer originators and wire transfer beneficiaries as defined in paragraph 12 of this Notice, against lists and information provided by the Authority and any relevant authorities in Singapore for the purposes of determining if there are any money laundering or terrorism financing risks in relation to the customer.

6.49 The results of screening and assessment by the licensee shall be documented.

57 SIMPLIFIED CUSTOMER DUE DILIGENCE

5.1.7.1 No licensee shall perform simplified CDD measures in relation to ~~at~~the customer, ~~any~~ natural person appointed to act on behalf of ~~at~~the customer, ~~any connected party of a customer and any~~ ~~or~~ beneficial owner ~~of a customer~~, except with the prior approval in writing of the Authority which may attach such conditions and qualifications as it thinks fit.

7.2 Subject to paragraphs 7.1 and 7.5, a licensee may perform such simplified CDD measures as it considers adequate to effectively identify and verify the identity of a customer, any natural person appointed to act on behalf of a customer, any connected party of a customer and any and beneficial owner of a customer, if it is satisfied that the risks of money laundering and terrorism financing are low.

7.3 The assessment of low risks shall be supported by an adequate analysis of risks by the licensee, taking into account any information that may be provided by the Authority, and other relevant authorities in Singapore.

7.4 The simplified CDD measures shall be commensurate with the level of risk, based on the risk factors identified by the licensee.

7.5 No licensee shall perform simplified CDD measures in the following circumstances:

(a) where the customers are from or in countries and jurisdictions identified by the FATF as higher risk countries or jurisdictions;

~~5.2.(b) where the customers~~The Authority shall not grant the approval if the customers, natural persons appointed to act on behalf of the customer or beneficial owners are from or in countries and jurisdictions known to have inadequate AML/CFT measures, as determined by the licensee for itself or notified to licensees generally by the Authority or by other foreign regulatory authorities;or:

~~5.3. — where~~Subject to paragraph 5.2, the licensee suspectsAuthority may refuse to grant the approval under paragraph (1) if the Authority is satisfied that —

(a)(c) the risks of money laundering or terrorismterrorist financing is involved. are high; and

~~7.6~~ Subject to paragraphs 7.3 and 7.4, a licensee may performthe simplified CDD measures in relation to a proposed by the licensee will not effectively identify and verify the identity of the customer that is a financial institution set out in Appendix 2.

~~(b)7.7~~ Where the licensee performs simplified CDD measures in relation to a customer, any, natural person appointed to act on behalf of atthe customer, any connected party of a customer and any or beneficial owner of a customer, it shall document —:

(a) the details of its risk assessment; and

(b) the nature of the simplified CDD measures.

68 ENHANCED CUSTOMER DUE DILIGENCE

Politically Exposed Persons

~~6.1.8.1~~ For the purposes of paragraph ~~86~~ —

“close associate” means a natural person who is closely connected to a “politically exposed person, either socially or professionally;” means —

“domestic politically exposed person” means a natural person who is or has been entrusted domestically with prominent public functions;

“family member” means a natural person who is related to a politically exposed person directly whether in Singapore or is married to the politically exposed person;

(a) “foreign politically exposed person” means a natural person who is or has been entrusted with prominent public functions by a foreign country;

“international organisation” means an entity established by formal political agreements between member countries that have the status of international treaties, whose existence is recognised by law in member countries and who is not treated as a resident institutional unit of the country in which it is located;

“international organisation politically exposed person” means a natural person who is or has been entrusted with prominent public function by an international organisation;

“politically exposed person” means a domestic politically exposed person, foreign politically exposed person or international organisation politically exposed person; and

[MAS Notice 3001 (Amendment) 2009]

~~(b) — immediate family members of such a person; or~~

~~(c) — close associates of such a person.~~

“prominent public functions” includes the roles held by a head of state, a head of government, government ministers, senior civil or public servants, senior judicial or military officials, senior executives of state owned corporations, ~~and~~ senior political party officials, members of the legislature and senior management of international organisations.

6.2.8.2 A licensee shall, in addition to performing ~~the~~ CDD measures specified in paragraph 64, perform enhanced CDD measures in relation to politically exposed persons, legal persons or legal arrangements owned or controlled by politically exposed persons, including but not limited to the following:

(a) implement appropriate internal risk management systems, policies, procedures and controls to determine if a customer, any natural person appointed to act on behalf of a customer, any connected party of a customer or any beneficial owner of a customer is a politically exposed person;

(b) obtain approval from the licensee’s senior management to establish or continue an account relationship with a customer or undertake any ~~the~~ relevant business transaction, where the customer, any natural person appointed to act on behalf of a customer, any connected party of a customer or any ~~or a~~ beneficial owner of a customer is a politically exposed person or subsequently becomes a politically exposed person; ~~and~~

~~(c)~~ establish, by appropriate and reasonable means, the source of wealth and source of funds of ~~the~~ any customer or any beneficial owner of the customer; and

~~(d)~~ conduct, during the course of an account relationship with, or when undertaking relevant business transactions without an account being opened for the

customer, enhanced monitoring of the account relationship or relevant business transactions.

8.3 The licensee shall ensure that the enhanced CDD requirements for a politically exposed person in paragraph 8.2 shall also apply to family members and close associates of such a politically exposed person.

8.4 A licensee may adopt a risk-based approach in determining whether to perform enhanced CDD or the extent of enhanced CDD to be performed for —

(a) domestic politically exposed persons, their family members and close associates;

(b) international organisation politically exposed persons, their family members and close associates; or

(c) politically exposed persons who have stepped down from their prominent public functions, taking into consideration the level of influence such persons may continue to exercise after stepping down from their prominent public functions, their family members and close associates,

(e) except in cases where their account relationships with the licensee or relevant business transactions undertaken by the licensee present a higher risk for money laundering or terrorism financing.

Other High Risk Categories

6.3-8.5 A licensee shall perform the appropriate enhanced CDD measures in paragraph 8.2 for such other categories of customers, account relationships or relevant business transactions as the licensee may assess or is notified by the Authority or other relevant authorities in Singapore, consider to present a higher risk for money laundering and terrorism terrorist financing. In particular, the licensee shall increase the degree and nature of monitoring of the account relationship and transactions with the customer, in order to determine whether they appear unusual or suspicious.

8.6 A licensee shall give particular attention to account relationship with and relevant business transactions for with any customer and any beneficial owner of a customer person from or in countries and jurisdictions —

(a) identified by the FATF as higher risk countries or jurisdictions; or

6.4.(b) known to have inadequate AML/CFT measures, as determined by the licensee for itself or notified to licensees generally by the Authority or other foreign regulatory authorities.

and shall perform enhanced CDD measures that are commensurate to the risks identified for the account relationship and transactions.

8.7 A licensee shall, in taking enhanced CDD measures to manage and mitigate any higher risks that have been identified by the licensee or notified to it by the Authority or other relevant authorities in Singapore, ensure that the enhanced CDD measures take into account the requirements of any laws, regulations or directions administered by the Authority, including but not limited to the regulations or directions issued by the Authority under section 27A of the Monetary Authority of Singapore Act (Cap. 186).

9 PERFORMANCE OF CDD MEASURES BY THIRD PARTIES

9.1 For the purposes of paragraph 9, "third party" means —

- (a) a financial institution set out in Appendix 2; or
- (b) a financial institution which is subject to and supervised by a foreign authority for compliance with AML/CFT requirements consistent with standards set by the FATF (other than a holder of a money-changer's licence or a holder of a remittance licence, or equivalent licences).

9.2 Subject to paragraph 9.3, a licensee shall not rely on a third party to perform the CDD measures in paragraph 6 of this Notice unless —

- (a) the licensee has obtained the prior written approval of the Authority, which may include such conditions and qualifications as it thinks fit; and
- (b) the following requirements are met:
 - (i) the licensee is satisfied that the third party it intends to rely upon is subject to and supervised for compliance with AML/CFT requirements consistent with standards set by the FATF, and has adequate measures in place to comply with those requirements;
 - (ii) the licensee takes appropriate steps to identify, assess and understand the money laundering and terrorism financing risks particular to the countries or jurisdictions that the third party operates in;
 - (iii) the third party is not one which licensees have been specifically precluded by the Authority from relying upon; and
 - (iv) the third party is able and willing to provide, without delay, upon the licensee's request, any document obtained by the third party with respect to the CDD measures applied on the licensee's customer, which

the licensee would be required or would want to obtain.

9.3 No licensee shall rely on a third party to conduct review of relevant business transactions undertaken without an account being opened or ongoing monitoring of account relationships with its customers.

9.4 Where a licensee relies on a third party to perform the CDD measures, it shall —

- (a) document the basis for its satisfaction that the requirements in paragraph 9.2(b)(i) and (b)(ii) have been met, except where the third party is a financial institution set out in Appendix 2; and
- (b) immediately obtain from the third party the CDD information which the third party had obtained.

9.5 For the avoidance of doubt, notwithstanding the reliance upon a third party, the licensee shall remain responsible for its AML/CFT obligations in this Notice.

10 PROVISION OF REMITTANCE SERVICES TO FINANCIAL INSTITUTIONS

10.1 Paragraph 10 applies to a licensee when —

- (a) it provides the following remittance services to a financial institution, whether in Singapore or elsewhere:
 - (i) in relation to a remittance licensee, the transmission of funds from Singapore to another country or jurisdiction, or from another country or jurisdiction to Singapore;
 - (ii) in relation to a money-changer's licensee, an inward remittance transaction from another country or jurisdiction to Singapore; or
- (b) it engages a financial institution, whether in Singapore or elsewhere, to facilitate the provision of remittance services.

10.2 For the purposes of this paragraph, a "shell financial institution" means a financial institution incorporated, formed or established in a country or jurisdiction where the financial institution has no physical presence and which is unaffiliated with a regulated financial group that is subject to effective consolidated supervision.

10.3 Without prejudice to the requirements under paragraph 6, where a licensee provides remittance services to a financial institution or engages a financial institution for its remittance services, as set out in paragraph 10.1, it shall —

- (a) assess the suitability of the financial institution by taking the following steps:

- (i) gather adequate information about the financial institution to understand fully the nature of its business, including making appropriate inquiries on its management, its major business activities and the countries or jurisdictions in which it operates;
 - (ii) determine from any available sources the reputation of the financial institution and the quality of supervision over the financial institution, including whether it has been the subject of money laundering or terrorism financing investigation or regulatory action; and
 - (iii) assess the financial institution's AML/CFT controls and ascertain that they are adequate and effective, having regard to the AML/CFT measures of the country or jurisdiction in which the financial institution operates;
- (b) clearly understand and document the respective AML/CFT responsibilities of each financial institution; and
 - (c) obtain approval from the licensee's senior management before providing remittance services to a new financial institution.

10.4 The licensee shall document the basis for its satisfaction that the requirements in paragraph 10.3 are met.

10.5 No licensee shall provide remittance services to a financial institution, or engage a financial institution to facilitate the provision of remittance services, if the financial institution does not have adequate controls against criminal activities or that is not effectively supervised by the relevant authorities, or a shell financial institution.

10.6 A licensee shall also take appropriate measures to satisfy itself that the other financial institution does not permit its account to be used by a shell financial institution.

11 AGENCY ARRANGEMENTS

11.1 For the purposes of paragraph 11, "agent" means any natural person or legal person (that is not a financial institution) that contracts with or is under the direction of a remittance licensee to assist in the provision of remittance business, but does not itself carry out remittance business.

11.2 A remittance licensee shall not appoint an agent unless the following requirements are met:

- (a) the agency arrangement is documented in writing and is approved by the senior management of the remittance licensee;
- (b) the remittance licensee takes appropriate steps to identify, assess and

understand the money laundering and terrorism financing risks particular to the countries or jurisdictions that the agent operates in;

(c) the agent is not one on which remittance licensees have been specifically precluded by the Authority from appointing; and

(d) the remittance licensee includes all agents in its AML/CFT programme and monitors them for compliance with its programme.

11.3 The licensee shall document the basis for its satisfaction that the requirements in paragraph 11.2 are met.

11.4 A licensee shall maintain a current list of its agents that it engages and shall make the list accessible to the Authority and to the relevant authorities in the countries or jurisdictions where the agents operate, upon request.

712 SENDING OR RECEIVING FUNDS BY WIRE TRANSFERS

7.112.1 Paragraph 127 shall apply to a licensee ~~who carries out inward remittance or remittance transactions~~ when it effects the sending of funds by wire transfer or when it receives funds by wire transfer on the account of the wire transfer originator or the wire transfer beneficiary ~~a person~~ but shall not apply to a transfer and settlement between the licensee and another financial institution where the licensee and the other financial institution are acting on their own behalf as the wire transfer originator and the wire transfer beneficiary ~~institution~~.

7.212.2 For the purposes of paragraph 127 —

“batch transfer” is a transfer comprised of a number of individual wire transfers that are being sent by a wire transfer originator to the same financial institutions, irrespective of whether the individual wire transfers are intended ultimately for one or more wire transfer beneficiaries;

“beneficiary institution” means the financial institution that receives the wire transfer from the ordering financial institution, directly or through an intermediary financial institution, and makes the funds available ~~to~~ ~~on the account of~~ the wire transfer beneficiary;

“cross-border wire transfer” means a wire transfer where the ordering institution and the beneficiary institution are located in different countries or jurisdictions and includes any chain of wire transfer;

“intermediary institution” means the financial institution that is an intermediary in which

at least one of the financial institutions involved is located in a different country or jurisdiction~~the wire transfer payment chain;~~

“customer identification number” means a number which uniquely identifies the wire transfer originator to the “ordering institution and which is a different number from the unique transaction reference number;

“domestic wire transfer” means a wire transfer where the ordering institution and beneficiary institution are located in the same country or jurisdiction and also refers to any chain of wire transfer~~the financial institution that takes place entirely within a country, even though the system used to transfer the payment message may be located in another country or jurisdiction~~acts on the instructions of the wire transfer originator in sending the funds;

“intermediary institution” means the financial institution that receives and transmits a wire transfer on behalf of the ordering institution and the beneficiary institution, or another intermediary institution;

“ordering institution”~~“wire transfer beneficiary” means the person to whom or for whose benefit the funds are sent; and~~

“wire transfer originator” means the financial institution that person who initiates the wire transfer and transfers the funds upon receiving the request for a wire transfer on behalf of the wire transfer originator;

“straight-through processing” means payment transactions that are conducted electronically without the need for manual intervention;

“unique transaction reference number” refers to a combination of letters, numbers or symbols, determined by the payment service provider, in accordance with the protocols of the payment and settlement system or messaging system used for the wire transfer;

“wire transfer” refers to any transaction carried out on behalf of a wire transfer originator through a financial institution by electronic means with a view to making an amount of funds available to a beneficiary person at a beneficiary financial institution, irrespective of whether the originator and the beneficiary are the same person;

“wire transfer beneficiary” means the natural person, legal person or legal arrangement who is identified by the wire transfer originator as the receiver of the wire transfer~~sending of funds; and~~

“wire transfer originator” means the account holder who allows the wire transfer from that account, or where there is no account, the natural person, legal person or legal arrangement that places the wire transfer order with the ordering financial institution to perform the wire transfer.

Responsibility of the Ordering Institution

(I) Identification and Recording of Information

~~7.3~~12.3 Before effecting a wire transfer, every licensee that is an ordering institution shall —

- (a) identify the wire transfer originator and verify his or its identity, as the case may be (if the licensee has not already done so by virtue of paragraph 64); and
- (b) record adequate details of the wire transfer so as to permit its reconstruction, including but not limited to, at least the date of the wire transfer, the type and amount of currency transferred and involved, the value date, ~~and the details of the wire transfer beneficiary and the beneficiary institution.~~

(II) Cross-Border Wire Transfers Below or Equal To Exceeding S\$1,500,000

~~7.4~~12.4 ~~In the case of~~ a cross-border wire transfer where the amount to be transferred is below or equal to exceeds S\$1,500,000, every licensee which is an ordering institution shall include in the message or payment instruction that accompanies or relates to the wire transfer the following:

- (a) the name of the wire transfer originator;
- (b) the wire transfer originator's account number (or unique transaction reference number assigned by the ordering institution where no account number exists);
- ~~(b)(c) the name of the wire transfer beneficiary;~~ and
- (d) the wire transfer beneficiary's account number (or unique transaction reference number assigned by the ordering institution where no account number exists).

(III) Cross-border Wire Transfers Exceeding S\$1,500

12.5 For the purposes of paragraphs 12.6 and 12.8, the customer identification number refers to a record held by the ordering institution which contains at least one of the following:

- (a) the customer's existing residential address, registered or business address (as may be appropriate, and if different, principal place of business);
- (b) a unique identification number for the customer (such as an identity card number, birth certificate number or passport number, or where the customer is not a natural person, the incorporation number or business registration number);
or

(c) the date and place of birth, incorporation or registration of the customer (as may be appropriate).

12.6 In a cross-border wire transfer where the amount to be transferred exceeds S\$1,500, every licensee which is an ordering institution shall include in the message or payment instruction that accompanies or relates to the wire transfer the information required by paragraphs 12.4(a) to 12.4(d) of this Notice and any of the following:

(a) the wire transfer originator's existing residential address, registered unique identification number, or business address (as may be appropriate, date and if different, principal place of business);~~birth.~~

(b) the wire transfer originator's unique identification number (such as an identity card number, birth certificate number or passport number, or where the customer is not a natural person, the incorporation number or business registration number);

(c) the date and place of birth, incorporation or registration of the customer (as may be appropriate); or

(d) the customer identification number.

12.7 Where several individual cross-border wire transfers from a single wire transfer originator are bundled in a batch file for transmission to wire transfer beneficiaries, a licensee which is an ordering institution shall be exempted from the requirements of paragraph 12.5 in respect of originator information, provided that —

(a) the batch transfer includes the wire transfer originator's account number or unique transaction reference number; and

(b) the batch transfer file contains the —

(i) wire transfer originator information required by paragraph 12.6 of this Notice and which has been verified, and

(ii) wire transfer beneficiary information required by paragraph 12.6 of this Notice and which is fully traceable within the beneficiary country.

(III) Domestic Wire Transfers

7.512.8In a domestic wire transfer, every licensee that is an ordering institution shall either —

(a) include in the message or payment instruction that accompanies or relates to the wire transfer the following:

- (i) the name of the wire transfer originator;
- (ii) the wire transfer originator's account number (or unique information required to be included as if the transaction reference number assigned by the ordering institution where no account number exists); and
- (iii) any of the following:
 - (A) the wire transfer originator's existing residential address, registered or business address (as may be appropriate, and if different, principal place of business);
 - (a) (B) the wire transfer originator's unique national identification number (such as an identity card number, birth certificate number or passport number, or where the customer is not had been a natural person, the incorporation number or business registration number); cross border wire transfer exceeding S\$2,000; or
 - (C) the date and place of birth, incorporation or registration of the customer (as may be appropriate); or
 - (D) the customer identification number; or

(b) include only the wire transfer originator's account number (or unique transaction reference number where no account number exists), provided —

- (i) that these details will permit the transaction to) but be traced back to the wire transfer originator or wire transfer beneficiary;
- (ii) the ordering institution is in a position to make the remaining wire transfer originator information listed in paragraph 12.8(a) available within 3 working days of a request being made by the beneficiary institution or by the Authority or relevant authorities; and
- (iii) the ordering institution is in a position to make the remaining wire transfer originator information listed in paragraph 12.8(a) available immediately upon request by law enforcement authorities.

12.9 All wire transfer originator and beneficiary information collected by the ordering institution shall be documented.

(b)12.10 Where the licensee is unable to comply with the requirements in paragraphs 12.3 to 12.8 or where there is any suspicion of money laundering or terrorism financing,

the ordering institution shall not execute the wire transfer.

Responsibility of the Beneficiary Institution

12.11 A licensee that is a beneficiary institution shall take reasonable measures, including post-event monitoring or real-time monitoring where feasible, to identify cross-border wire transfers that lack the required wire transfer originator or required wire transfer beneficiary information.

12.12 For cross-border wire transfers where the beneficiary institution pays out funds in cash or cash equivalent to the wire transfer beneficiary in Singapore, a beneficiary institution shall identify and verify the identity of the wire transfer beneficiary if the identity has not been previously verified.

~~7.6~~12.13 A licensee that is a beneficiary institution shall implement appropriate internal risk-based policies, procedures and controls for determining ~~—identifying and handling in-coming wire transfers that are not accompanied by complete originator information.~~

(a) when to execute, reject, or suspend a wire transfer lacking required wire transfer originator or wire transfer beneficiary information; and

(b) the appropriate follow-up action.

12.14 For a licensee that controls both the ordering institution and the beneficiary institution, it shall —

(a) take into account all the information from both the ordering institution and the beneficiary institution in order to determine whether an STR has to be filed; and

(b) where applicable, file an STR in any country affected by the suspicious wire transfer, and make relevant transaction information available to the relevant authorities.

Responsibility of Intermediary Institution

12.15 A licensee that is an intermediary institution shall ~~retain, in passing onward the message or payment instruction, maintain~~ all the required wire transfer originator and wire transfer beneficiary information accompanying the wire transfer.

~~7.7~~12.16 Where technical limitations prevent the required wire transfer originator or wire transfer beneficiary information accompanying a cross-border wire transfer from

remaining with a related domestic wire transfer, a record shall be kept, for at least five years, by the receiving intermediary institution of all the information received from the ordering institution or another intermediary institution~~the wire transfer.~~

12.17 An intermediary institution shall take reasonable measures, which are consistent with straight-through processing, to identify cross-border wire transfers that lack the required wire transfer originator or wire transfer beneficiary information.

12.18 An intermediary institution shall implement appropriate internal risk-based policies, procedures and controls for determining —

- (a) when to execute, reject, or suspend a wire transfer lacking required wire transfer originator or wire transfer beneficiary information; and
- (b) the appropriate follow-up action.

813 RECORD KEEPING

8.113.1A licensee shall prepare, maintain and retain documentation on all its account relationships with and relevant business transactions for~~with~~ its customers such that —

- (a) all requirements imposed by law (including this Notice) are met;
- (b) any individual~~relevant business~~ transaction undertaken by the licensee can be reconstructed (including the amounts and types of currency involved) so as to provide, if necessary, evidence for prosecution of criminal activity;
- (c) the Authority or other ~~relevant-competent~~ authorities in Singapore and the internal and external auditors of the licensee are able to review the licensee's account relationships, relevant business transactions, records and CDD information and assess the level of compliance with this Notice; and
- (d) the licensee can satisfy, within a reasonable time or any more specific time period imposed by law or by the requesting authority, any enquiry or order from the relevant ~~competent~~ authorities in Singapore for information.

13.2 Subject to paragraph 138.4 and any other requirements imposed by law, a licensee shall, when setting its record retention policies, comply with the following document retention periods:

- (a) for CDD information (including the results of screening and the licensee's assessment of the results), and other documents relating to the account relationships, wire transfers and relevant business transactions undertaken without an account being opened, as well as account files, business correspondence and results of any analysis undertaken, keep for a period of at

least 5 years following the termination of such account relationships or completion of such wire transfers or the relevant business transactions; and

8.2(b) for records relating to a transaction, including all records as required under section 16 of the Money Changing and Remittance Businesses Act (Cap. 187), receipts and instructions to banks or agents, business correspondence and any information needed to explain and reconstruct the transaction, a period of at least 5 years following the completion of the transaction relevant business transactions.

8.313.3 A licensee may retain documents, data and information as originals or copies, in paper or electronic form or on microfilm, provided that they are admissible as evidence in a Singapore court of law.

8.413.4 A licensee shall retain records of documentation, data and information on all its account relationships with or transactions for a customer pertaining to a matter which is under investigation or which has been the subject of an STR, for such longer period as may be necessary in accordance with any request or order from STRO or from other relevant competent authorities in Singapore.

13.5 A licensee shall retain records of documentation, data and information in relation to all its agency arrangements.

14 PERSONAL DATA

14.1 For the purposes of paragraph 14, "individual" means a natural person, whether living or deceased.

14.2 Subject to paragraph 14.3 and for the purposes of complying with this Notice, a licensee shall not be required to provide an individual customer, an individual appointed to act on behalf of a customer, an individual connected party of a customer or an individual beneficial owner of a customer, with —

(a) any access to personal data about the individual that is in the possession or under the control of the licensee;

(b) any information about the ways in which the personal data of the individual under subparagraph (a) has been or may have been used or disclosed by the licensee; and

(c) any right to correct an error or omission of the personal data about the individual that is in the possession of or under the control of the licensee.

14.3 A licensee shall, as soon as reasonably practicable, upon the request of an individual customer, an individual appointed to act on behalf of a customer, an individual

connected party of a customer or an individual beneficial owner of a customer, provide the requesting individual with the right to —

(a) access the following types of personal data of that individual, that is in the possession or under the control of the licensee:

(i) his full name, including any alias;

(ii) his unique identification number (such as an identity card number, birth certificate number or passport number);

(iii) his existing residential address and contact telephone number(s);

(iv) his date of birth;his nationality;

(v) subject to section 21(2) and (3) read with the Fifth Schedule to the Personal Data Protection Act 2012 (Act 26 of 2012), any other personal data of the respective individual provided by that individual to the licensee; and

(b) subject to section 22(7) and the Sixth Schedule to the Personal Data Protection Act, correct an error or omission in relation to the types of personal data set out in paragraphs (a)(i) to (vi), provided the licensee is satisfied that there are reasonable grounds for such request.

14.4 For the purposes of complying with this Notice, a licensee may, whether directly or through a third party, collect, use and disclose personal data of an individual customer, an individual appointed to act on behalf of a customer, an individual connected party of a customer or an individual beneficial owner of a customer, without the respective individual's consent.

915 SUSPICIOUS TRANSACTIONS REPORTING

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9.115.1 Every licensee shall keep in mind the provisions in the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A)³ and in the Terrorism (Suppression of Financing) Act (Cap. 325) that provide for the reporting to the ~~competent~~ authorities of transactions suspected of being connected with money laundering or ~~terrorism~~terrorist financing, and implement appropriate internal policies, procedures and controls for meeting its obligations under the law, including the

³ Please note in particular section 48 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act on tipping-off.

following:

- (a) establish a single reference point within the organisation to whom all employees are instructed to promptly refer all transactions suspected of being connected with money ~~laundering~~ or ~~terrorism~~terrorist financing, for possible referral to STRO via STRs; and
- (b) keep records of all transactions referred to STRO, together with all internal findings and analysis done in relation to them.

[MAS Notice 3001 (Amendment) 2013]

~~9.2~~15.2A licensee shall promptly submit reports on suspicious transactions (including attempted transactions), regardless of the amount of the transaction, to STRO, and extend a copy to the Authority for information.

~~9.3~~15.3A licensee shall consider if the circumstances are suspicious so as to warrant the filing of an STR and document the basis for its determination where —

- (a) the licensee is for any reason unable to complete CDD measures; or
- (b) the customer is reluctant, unable or unwilling to provide any information requested by the licensee, decides to withdraw a pending application to establish account relationship or a pending transaction, or to terminate existing account relationship~~relevant business transaction that is pending.~~

1016 INTERNAL POLICIES, COMPLIANCE, AUDIT AND TRAINING

~~10.1~~16.1 A licensee shall develop and implement adequate internal policies, procedures and controls, taking into consideration its money laundering and terrorism financing risks and the size of its business, to help prevent money laundering and ~~terrorism~~terrorist financing and communicate these to its employees.

~~10.2~~16.2 The ~~policies,~~ procedures, ~~policies~~ and controls shall include, amongst other things, CDD measures, record retention, the detection of unusual and/or suspicious transactions and the obligation to make STRs~~suspicious transaction reports.~~

~~10.3~~—A licensee shall ~~take into consideration money laundering and terrorist financing threats that may arise from the use of new or developing technologies, especially those that favour anonymity, in formulating its policies, procedures and controls.~~

Group Policy

~~10.4—A licensee that is incorporated in Singapore shall develop a group policy on AML/CFT and extend this to its branches and subsidiaries outside Singapore.~~

~~10.5—Where a licensee has a branch or subsidiary in a host country or jurisdiction known to have inadequate AML/CFT measures (as determined by the licensee for itself or notified to licensees generally by the Authority or by other foreign regulatory authorities), the licensee shall ensure that its group policy on AML/CFT is strictly observed by the management of that branch or subsidiary.~~

~~10.6—Where the AML/CFT requirements in the host country or jurisdiction differ from those in Singapore, the licensee shall require that the overseas branch or subsidiary apply the higher of the two standards, to the extent that the law of the host country or jurisdiction so permits.~~

~~10.7—Where the law of the host country or jurisdiction conflicts with Singapore law such that the overseas branch or subsidiary is thereby unable to fully observe the higher standard, the licensee's head office shall report this to the Authority and comply with such further directions as may be given by the Authority.~~

Compliance

~~10.8~~16.3 A licensee shall develop appropriate compliance management arrangements, including at least, the appointment of a management level officer as the AML/CFT compliance officer.

~~10.9~~16.4 A licensee shall ensure that the AML/CFT compliance officer, as well as any other persons appointed to assist him, has adequate resources and timely access to all customer records and other relevant information which they require to discharge their functions.

~~10.10~~16.5 If at the licensee's resources do not make it practicable to appoint an AML/CFT compliance officer, the responsibilities of the AML/CFT compliance officer outlined in this Notice shall be directly assumed by the licensee's senior management.

Audit

~~10.11~~16.6 A licensee shall maintain an audit function that is adequately resourced and independent, and which will be able to regularly assess the effectiveness of the licensee's internal policies, procedures and controls, and its compliance with regulatory requirements.

Employee Hiring

~~10.12~~16.7 A licensee shall have in place screening procedures to ensure high standards when hiring employees and appointing officers⁴.

Training

~~10.13~~16.8 A licensee shall take all appropriate steps to ensure that its employees and officers⁵ (whether in Singapore or elsewhere~~overseas~~) are suitably qualified, and regularly and appropriately trained on —

- (a) AML/CFT laws and regulations, and in particular, CDD measures, detecting and reporting of suspicious transactions;
- (b) prevailing techniques, methods and trends in money laundering and terrorism~~terrorist~~ financing; and
- (c) the licensee's internal policies, procedures and controls on AML/CFT and the roles and responsibilities of employees and officers in combating money laundering and terrorism~~terrorist~~ financing.

[MAS Notice 3001 (Amendment) 2013]

~~11~~ PERSONAL DATA

~~11.1~~ For the purposes of paragraph ~~11~~—

- (a) ~~“personal data” has the same meaning as defined in section 2(1) of the Personal Data Protection Act (Cap. 26);~~
- (b) ~~“individual” means a natural person, whether living or deceased; and~~

⁴ ~~“Officer” –~~

- (a) ~~in relation to a licensee that is a legal person (other than a partnership), means any director or any member of the committee of management of the legal person;~~
- (b) ~~in relation to a licensee that is a partnership, means any partner or manager; and~~
- (c) ~~in relation to a licensee that is a legal arrangement, means any member of the committee of management of the legal arrangement, where applicable.~~

⁵ ~~“Officer” –~~

- (a) ~~in relation to a licensee that is a body corporate (other than a limited liability partnership), means any director or any member of the committee of management of the body corporate;~~
- (b) ~~in relation to a licensee that is a partnership (including a limited liability partnership), means any partner and manager (in the case of a limited liability partnership) – and~~
- (c) ~~in relation to a licensee that is a body unincorporate (other than a partnership), means any member of the committee of management of the body unincorporate,~~

~~where applicable.~~

~~(c) — “connected party” —~~

~~(i) — in relation to a company, means any director or any natural person having executive authority in the company;~~

~~(ii) — in relation to a partnership, a limited partnership within the meaning of the Limited Partnerships Act (Cap. 163B) or a limited liability partnership within the meaning of the Limited Liability Partnerships Act (Cap. 163A), means any partner or manager; and~~

~~(iii) — in relation to any other body corporate or unincorporate, means any natural person having executive authority in such body corporate or unincorporate, where applicable;~~

~~11.2 — Subject to paragraph 11.3 and for the purposes of complying with this Notice, a licensee shall not be required to provide an individual customer, an individual appointed to act on behalf of a customer, an individual connected party of a customer or an individual beneficial owner of a customer, with:~~

~~(a) — any access to personal data about the individual that is in the — possession or under the control of the licensee;~~

~~(b) — any information about the ways in which the personal data of the individual under subparagraph (a) has been or may have been used or disclosed by the licensee; and~~

~~(c) — any right to correct an error or omission of the personal data about the individual that is in the possession of or under the control of the licensee.~~

~~11.3 — A licensee shall, as soon as reasonably practicable, upon the request of an individual customer, an individual appointed to act on behalf of a customer, an individual connected party of a customer or an individual beneficial owner of a customer, provide the requesting individual with the right to:~~

~~(a) — access the following types of personal data of that individual, that is in — the possession or under the control of the licensee:~~

~~(i) — his full name, including any alias;~~

~~(ii) — his unique identification number (such as an identity card — number, birth certificate number or passport number);~~

~~(iii) — his existing residential address and contact telephone number(s);~~

~~(iv) — his date of birth;~~

~~(v) his nationality;~~

~~(vi) subject to section 21(2) and (3) read with the Fifth Schedule to the Personal Data Protection Act, any other personal data of the respective individual provided by that individual to the licensee, and~~

~~(b) subject to section 22(7) and the Sixth Schedule to the Personal Data Protection Act, correct an error or omission in relation to the types of personal data set out in paragraphs (a)(i) to (vi), provided the licensee is satisfied that there are reasonable grounds for such request.~~

~~11.4 For the purposes of complying with this Notice, a licensee may, whether directly or through a third party, collect, use and disclose personal data of an individual customer, an individual appointed to act on behalf of a customer, an individual connected party of a customer or an individual beneficial owner of a customer, without the respective individual's consent.~~

~~[MAS Notice 3001 (Amendment) 2014]~~

Endnotes on History of Amendments

- ~~1. MAS Notice 3001 dated 2 July 2007 with effect from 2 July 2007.
 - ~~1. (a) MAS Notice 3001 (Amendment) 2009 with effect from dated 3 July 2009.~~
 - ~~2. (b) MAS Notice 3001 (Amendment) 2009 with effect from 2 December 2009.~~
 - ~~3. (c) MAS Notice 3001 (Amendment) 2013 with effect from dated 23 January 2013.~~
 - ~~4. (d) MAS Notice 3001 (Amendment) 2014 with effect from dated 1 July 2014.~~~~
- ~~2. MAS Notice 3001 dated 2 July 2007 cancelled with effect from (xxxx).~~
- ~~3. MAS Notice 3001 dated (xxxx) with effect from (xxxx).~~

Appendix 1 —

1. Financial institutions that are licensed, approved, registered (including a fund management company registered under paragraph 5(1)(i) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg. 10)) or regulated by the Authority but do not include —
 - (a) holders of stored value facilities, as defined in section 2(1) of the Payment Systems (Oversight) Act (Cap. 222A); and
 - (b) a person (other than a person referred to in paragraphs 2 and 3) who is exempted from licensing, approval or regulation by the Authority under any Act administered by the Authority, including a private trust company exempted from licensing under section 15 of the Trust Companies Act (Cap. 336) read with regulation 4 of the Trust Companies (Exemption) Regulations (Rg. 1);
2. Persons exempted under section 23(1)(f) of the Financial Advisers Act (Cap. 110) read with regulation 27(1)(d) of the Financial Advisers Regulations (Rg. 2); and
3. Persons exempted under section 99(1)(h) of the Securities and Futures Act (Cap. 289) read with paragraph 7(1)(b) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations.

Appendix 2 —

1. Banks in Singapore licensed under section 7 of the Banking Act (Cap.19);
2. Merchant banks approved under section 28 of the Monetary Authority of Singapore Act (Cap. 186);
3. Finance companies licensed under section 6 of the Finance Companies Act (Cap. 108);
4. Financial advisers licensed under section 6 of the Financial Advisers Act (Cap. 110) except those which only provide advice by issuing or promulgating research analyses or research reports, whether in electronic, print or other form, concerning any investment product;
5. Holders of a capital markets services licence under section 82 of the Securities and Futures Act (Cap. 289);
6. Fund management companies registered under paragraph 5(1)(i) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg. 10);
7. Persons exempted under section 23(1)(f) of the Financial Advisers Act read with regulation 27(1)(d) of the Financial Advisers Regulations (Rg. 2) except those which only provide advice by issuing or promulgating research analyses or research reports, whether in electronic, print or other form, concerning any investment product;
8. Persons exempted under section 99(1)(h) of the Securities and Futures Act read with paragraph 7(1)(b) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations;
9. Approved trustees approved under section 289 of the Securities and Futures Act;
10. Trust companies licensed under section 5 of the Trust Companies Act (Cap. 336);
11. Direct life insurers licensed under section 8 of the Insurance Act (Cap. 142); and
12. Insurance brokers registered under the Insurance Act which, by virtue of such registration, are exempted under section 23(1)(c) of the Financial Advisers Act except those which only provide advice by issuing or promulgating research analyses or research reports, whether in electronic, print or other form, concerning any investment product.