

ANNEX G: PROPOSED KEY AMENDMENTS TO MAS NOTICE SFA13-N01

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 SFA13-N01 will include new obligations for Approved Trustees to identify and assess the overall ML/TF risks they face as an institution, and to take commensurate steps to mitigate these risks effectively. Approved Trustees 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 SFA13-N01 will be revised to include risk assessment and mitigation requirements in relation to new products, practices and technologies.

1.3 Reasonable Grounds for Suspicion – Paragraphs 6.2, 6.28 and 6.29

1.3.1 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

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

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 regime](#)².

MAS Notice SFA13-N01 will be amended to introduce the following obligations:-

- a. Prospective customers. Approved Trustees should not establish business relations with 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 Approved Trustee, including consideration whether to continue the relationship. Should the Approved Trustee decide to retain the customer, the Approved Trustee should also take mitigating measures which are commensurate with its risk assessment.

1.4 Identification and Verification of Identity of Beneficial Owners – Paragraph 6.18

1.4.1 The revised MAS Notice SFA13-N01 will introduce the cascading measures Approved Trustees shall undertake when identifying and verifying the identity of beneficial owners of customers. The term “beneficial owner” will be defined as the natural person who ultimately owns or controls a customer or the natural person who exercises ultimate effective control over a customer.

1.4.2 Accordingly:-

- a. Approved Trustees are to take reasonable measures to identify the natural persons who ultimately own the customer.
- b. Where there is doubt as to whether the natural persons who ultimately own the customer are the beneficial owners or where no natural persons ultimately own the customer, Approved Trustees are to identify the natural persons who ultimately control the customer.
- c. If no natural person have been identified after steps (a) and (b), Approved Trustees will need to identify the natural persons having executive authority in the customer.

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>

1.5 Non Face-to-Face Verification – Paragraphs 6.31 to 6.32

Approved Trustees are required to conduct at least one face-to-face verification with its customer before establishing business relations. The MAS Notice SFA13-N01 will be amended to allow Approved Trustees to, after the establishment of business relations, adopt non-face-to-face verification for the purposes of ongoing due diligence. The Approved Trustees must put in place and implement policies and procedures to address any specific risks associated with such non-face-to-face verification.

1.6 Customer Screening - Paragraphs 6.37 to 6.39

1.6.1 MAS Notice SFA13-N01 will be revised to include new obligations for Approved Trustees 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, and beneficial owners of the customer.

1.6.2 A screening process is fundamental to managing ML/TF risks. Approved Trustees 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 Approved Trustee to identify higher risk customer relationships. Approved Trustees 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.

1.7 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 SFA13-N01 will introduce 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.

1.8 Other High Risk Categories - Paragraphs 8.5 to 8.7

The amended MAS Notice SFA13-N01 will introduce requirements to take into account countries and jurisdictions identified by the FATF as higher risk. Approved Trustees 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.

1.9 Performance of CDD Measures by Third Parties - Paragraph 9.1 to 9.5

MAS Notice SFA13-N01 will now introduce requirements for Approved Trustees in terms of their reliance on third parties, including their own branches and subsidiaries, to perform CDD.

1.10 Sharing of AML/CFT Information within Financial Group - Paragraphs 13.3 to 13.9

1.10.1 A key element of an effective AML/CFT programme is the management of ML/TF risks on a group-wide basis. This is in line with MAS' existing approach and international best practice to better manage ML/TF risks across the financial group.

1.10.2 MAS Notice SFA13-N01 will be amended to introduce obligations for Approved Trustees incorporated in Singapore to develop and implement group policies and procedures for their branches and subsidiaries within the financial group to share information required for the purposes of CDD, and for money laundering and terrorism financing risk management.

2 CLARIFICATION OF EXISTING EXPECTATIONS

2.1 Record-Keeping - Paragraphs 10.1 to 10.4

MAS Notice SFA13-N01 will now clarify requirements in relation to record-keeping of CDD information and records relating to a transaction undertaken in the course of business relations.

3 DRAFT MAS NOTICE SFA13-N01

MAS Notice SFA13-N01

[] 2014

NOTICE TO APPROVED TRUSTEES
MONETARY AUTHORITY OF SINGAPORE ACT, CAP. 186

PREVENTION OF MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM – APPROVED TRUSTEES

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 approved trustees as defined in section 289 of the Securities and Futures Act (Cap. 289).
- 1.2 This Notice shall take immediate effect. MAS Notice SFA13-N01 dated 2 July 2007 is cancelled with effect from [].

2 DEFINITIONS

- 2.1 For the purposes of this Notice —

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

“approved trustee” means a person who is approved under section 289 of the Securities and Futures Act (Cap. 289) to act as a trustee of a collective investment scheme which is authorised under section 286 of the Securities and Futures Act;

“Authority” means the Monetary Authority of Singapore;

“beneficial owner”, in relation to a customer of an approved trustee, means the natural person who ultimately owns or controls a customer or the natural person who exercises ultimate effective control over a customer;

“business relations” means the provision of CIS trustee activity services by the approved trustee to a customer;

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

"CIS" means a collective investment scheme which is authorised under section 286 of the Securities and Futures Act;

"CIS trustee activity" means entering into a trust deed with the customer and monitoring of the customer's transactions;

"connected party", in relation to a customer, means any director or any natural person of the customer with executive authority;

"Core Principles" refers to the Core Principles for Effective Banking Supervision issued by the Basel Committee on Banking Supervision, the Objectives and Principles for Securities Regulation issued by the International Organization of Securities Commissions, and the Insurance Core Principles issued by the International Association of Insurance Supervisors;

"customer", in relation to an approved trustee, means the manager of a CIS with whom the approved trustee establishes or intends to establish business relations;

"FATF" means the Financial Action Task Force;

"financial group" means a group that consists of a legal person or legal arrangement exercising control and coordinating functions over the rest of the group for the application of group supervision under the Core Principles, and its branches and subsidiaries that are subject to AML/CFT policies and procedures at the group level;

"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 arrangements;

"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;

"STR" means suspicious transaction report; and

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

2.2 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 the Securities and Futures Act (Cap. 289).

3 UNDERLYING PRINCIPLES

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

- (a) An approved trustee shall exercise due diligence when dealing with customers, persons appointed to act on the customer's behalf and beneficial owners.
- (b) An approved trustee shall conduct its business in conformity with high ethical standards, and guard against establishing any business relations or undertaking any transaction undertaken in the course of business relations, that is or may be connected with or may facilitate money laundering or terrorism financing.
- (c) An approved trustee 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 An approved trustee 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 approved trustee has operations in; and
- (d) the products, services, transactions and delivery channels of the approved trustee.

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

- (a) documenting the approved trustee'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 An approved trustee 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 approved trustee 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 An approved trustee 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 An approved trustee 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 An approved trustee shall, in complying with the requirements of paragraph 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 Dealings or Fictitious Names

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

Where There Are Reasonable Grounds for Suspicion on Prospective Customers

6.2 Where the approved trustee has reasonable grounds to suspect that the assets or funds of a prospective customer, with whom the approved trustee intends to establish business relations, 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 approved trustee shall —

- (a) not establish business relations; and
- (b) file an STR¹, and extend a copy to the Authority for information.

When CDD measures are to be Performed

6.3 Subject to paragraph 6.4, an approved trustee shall 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 beneficial owner of a customer, if it is satisfied that the risks of money laundering and terrorism financing are low, when the approved trustee establishes or enters into negotiations with a view to establishing business relations with any customer.

6.4 An approved trustee shall perform the full CDD measures in accordance with this Notice when the approved trustee establishes business relations with any customer, where —

- (a) there is a suspicion of money laundering or terrorism financing, notwithstanding that the approved trustee would otherwise not be required by this Notice to perform CDD measures;
- (b) the approved trustee has doubts about the veracity or adequacy of any information previously obtained;

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

- (c) where the customers are from or in countries and jurisdictions identified by the FATF as higher risk countries or jurisdictions;
 - (d) where the customers are from or in countries and jurisdictions known to have inadequate AML/CFT measures, as determined by the approved trustee for itself or notified to approved trustees generally by the Authority or by other foreign regulatory authorities; or
 - (e) where the approved trustee suspects that money laundering or terrorism financing is involved.
- 6.5 Where an approved trustee 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 approved trustee shall treat the transactions as a single transaction and aggregate their values for the purpose of this Notice.

CDD Measures

(l) Identification of Customers

- 6.6 An approved trustee shall identify each customer.
- 6.7 For the purpose of paragraph 6.6, an approved trustee shall obtain and record information of the customer, including but not limited to the following:
- (a) full name;
 - (b) incorporation number or business registration number (as may be appropriate);
 - (c) existing registered or business address (as may be appropriate, and if different, principal place of business) and contact telephone number(s);
 - (d) date of incorporation or registration (as may be appropriate); and
 - (e) place of incorporation or registration (as may be appropriate).
- 6.8 The approved trustee shall, apart from identifying the customer, also identify the legal form, constitution and powers of the customer.
- 6.9 The approved trustee shall, apart from identifying the customer, also identify the directors and any other natural persons having executive authority in the customer.

(II) Verification of Identity

6.10 An approved trustee shall before entering into business relations with the customer, verify the identity, legal form, proof of existence, constitution and powers of the customer, using reliable, independent source documents, data or information.

6.11 An approved trustee 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

6.12 Where the customer appoints one or more natural persons to act on his behalf in establishing business relations with the approved trustee, an approved trustee 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.

6.13 An approved trustee 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.

6.14 Where the customer is a Singapore Government entity, the approved trustee 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

6.15 Subject to paragraph 6.19, an approved trustee shall inquire if there exists any beneficial owner in relation to a customer.

6.16 Where there is one or more beneficial owner in relation to a customer, the approved trustee 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.

- 6.17 The approved trustee shall understand the nature of the customer's business and its ownership and control structure.
- 6.18 An approved trustee shall identify the beneficial owners by —
- (a) identifying the natural persons (whether acting alone or together) who ultimately own the customer;
 - (b) to the extent that there is doubt under (a) as to whether the natural persons who ultimately own the customer are the beneficial owners or where no natural persons ultimately own the customer, identifying the natural persons (if any) who ultimately control the customer or have ultimate effective control of the customer; and
 - (c) where no natural persons are identified under (a) or (b) above, identifying the natural persons having executive authority in the customer, or in equivalent or similar positions.
- 6.19 An approved trustee 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; or
 - (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,

unless the approved trustee has doubts about the veracity of the CDD information, or suspects that the customer or the business relations with the customer may be connected with money laundering or terrorism financing activities.

6.20 For the purposes of paragraph 6.19(f), an approved trustee shall document the basis for its determination that the requirements in that paragraph have been duly met.

(V) Information on the Purpose and Intended Nature of Business Relations

6.21 An approved trustee shall understand and obtain from the customer, when processing the application to establish business relations, information as to the purpose and intended nature of business relations.

(VI) Ongoing Monitoring

6.22 An approved trustee shall monitor on an ongoing basis, its business relations with customers.

6.23 An approved trustee shall, during the course of business relations, observe the conduct of the customer's account and scrutinise transactions undertaken throughout the course of business relations to ensure that the transactions are consistent with the approved trustee's knowledge of the customer (including the investment mandate of the CIS managed by the customer), its business and risk profile and where appropriate, the source of funds.

6.24 An approved trustee 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.

6.25 For the purposes of ongoing monitoring, an approved trustee shall put in place adequate systems and processes, commensurate with the size and complexity of the approved trustee, to —

(a) monitor its business relations with customers; and

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

6.26 An approved trustee shall, to the extent possible, inquire into the background and purpose of the transactions in paragraph 6.24 and document its findings with a view to making this information available to the relevant authorities should the need arise.

6.27 An approved trustee 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.

- 6.28 Where there are reasonable grounds for suspicion that existing business relations with a customer are connected with money laundering or terrorism financing, and where the approved trustee considers it appropriate to retain the customer —
- (a) the approved trustee shall substantiate the reasons for retaining the customer and shall document them; and
 - (b) the customer's business relations with the approved trustee shall be subjected to commensurate risk mitigation measures, including enhanced ongoing monitoring.
- 6.29 Where the approved trustee assesses the customer or the business relations with the customer referred to in paragraph 6.28 to be of high risk, the approved trustee shall conduct enhanced CDD and obtain the approval of the approved trustee's senior management to retain the customer.

Face-to-Face Verification

- 6.30 An approved trustee shall conduct at least one face-to-face verification with its customer prior to establishing business relations with it.

Non-Face-to-Face Verification

- 6.31 Following the establishment of business relations with a customer, an approved trustee shall put in place and implement policies and procedures to address any specific risks associated with non-face-to-face contact undertaken for the purposes of ongoing due diligence.
- 6.32 Where there is no face-to-face contact, the approved trustee 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 Approved Trustee on Identification and Verification Already Performed

- 6.33 When an approved trustee ("acquiring approved trustee") acquires, either in whole or in part, the business of another financial institution (whether in Singapore or elsewhere), the acquiring approved trustee shall perform CDD measures on the customers acquired with the business at the time of acquisition except where the acquiring approved trustee 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 approved trustee as to the adequacy of AML/CFT measures previously adopted in relation to the business or part thereof now acquired by the acquiring approved trustee.

Where CDD Measures are Not Completed

- 6.34 For the purposes of paragraph 6.35, a reference to the completion of CDD measures is a reference to the situation when the approved trustee has obtained, screened and verified all necessary CDD information under paragraphs 6, 7 and 8 of this Notice, and where the approved trustee has received satisfactory responses to all inquiries in relation to such necessary CDD information.
- 6.35 Where the approved trustee is unable to complete CDD measures, it shall not commence or continue business relations with any customer. The approved trustee shall consider if the circumstances are suspicious so as to warrant the filing of an STR.

Existing Customers

- 6.36 An approved trustee 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

- 6.37 An approved trustee 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.
- 6.38 An approved trustee shall screen the persons referred to in paragraph 6.37 —
 - (a) when, or as soon as reasonably practicable after, the approved trustee establishes business relations with the customer;
 - (b) on a periodic basis after the approved trustee establishes business relations with the customer; and
 - (c) 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 approved trustee; or

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

6.39 The results of the screening and assessment by the approved trustee shall be documented.

7 SIMPLIFIED CUSTOMER DUE DILIGENCE

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

7.2 The simplified CDD measures shall be commensurate with the level of risk, based on the risk factors identified by the approved trustee.

7.3 Where the approved trustee 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 organisations 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 An approved trustee shall, in addition to performing CDD measures specified in paragraph 6, perform enhanced CDD measures in relation to politically exposed persons, customers 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 approved trustee’s senior management to establish or continue business relations with a customer 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 a customer; and
- (d) conduct, during the course of business relations, enhanced monitoring of the business relations with the customer.

8.3 The approved trustee 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 An approved trustee 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 organisations 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 business relations with the approved trustee present a higher risk for money laundering or terrorism financing.

Other High Risk Categories

8.5 An approved trustee shall perform the appropriate enhanced CDD measures in paragraph 8.2 for such other categories of customers or business relations as the approved trustee 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 approved trustee shall increase the degree and nature of monitoring of the customer's business relations, in order to determine whether they appear unusual or suspicious.

8.6 An approved trustee shall give particular attention to business relations with 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 approved trustee for itself or notified to approved trustees generally by the Authority or other foreign regulatory authorities,

and shall perform enhanced CDD measures that are commensurate to the risks identified for the business relations.

8.7 An approved trustee shall, in taking enhanced CDD measures to manage and mitigate any higher risks that have been identified by the approved trustee 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;

- (b) a financial institution which is subject to and supervised for 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); or
 - (c) in relation to an approved trustee in Singapore, its branches, subsidiaries, parent and other related corporations.
- 9.2 Subject to paragraph 9.3, an approved trustee may rely on a third party to perform the CDD measures in paragraph 6 of this Notice if the following requirements are met:
- (a) the approved trustee 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;
 - (b) the approved trustee 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;
 - (c) the third party is not one which approved trustees have been specifically precluded by the Authority from relying upon; and
 - (d) the third party is able and willing to provide, without delay, upon the approved trustee's request, any document obtained by the third party with respect to the CDD measures applied on the approved trustee's customer, which the approved trustee would be required or would want to obtain.
- 9.3 No approved trustee shall rely on a third party to conduct ongoing monitoring of business relations with customers.
- 9.4 Where an approved trustee 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(a) and (b) 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 approved trustee shall remain responsible for its AML/CFT obligations in this Notice.

10 RECORD KEEPING

- 10.1 An approved trustee shall prepare, maintain and retain documentation on all its business relations 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 approved trustee in the course of business relations 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 approved trustee are able to review the approved trustee's business relations (including transactions undertaken in the course of such business contacts), records and CDD information and assess the level of compliance with this Notice; and
 - (d) the approved trustee 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.
- 10.2 Subject to paragraph 10.4 and any other requirements imposed by law, an approved trustee 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 approved trustee's assessment of the results), and other documents relating to the business relations, 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 business relations or completion of such transactions; and
 - (b) for records relating to a transaction undertaken in the course of business relations, including any information needed to explain and reconstruct the transaction, a period of at least 5 years following the completion of the transaction.
- 10.3 An approved trustee 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.
- 10.4 An approved trustee shall retain records of documentation, data and information on all its business relations with 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.

11 PERSONAL DATA

- 11.1 For the purposes of paragraph 11, a reference to “individual” means a natural person, whether living or deceased.
- 11.2 Subject to paragraph 11.3 and for the purposes of complying with this Notice, an approved trustee shall not be required to provide 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 approved trustee;
 - (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 approved trustee; 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 approved trustee.
- 11.3 An approved trustee shall, as soon as reasonably practicable, upon the request of an individual natural person 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 approved trustee:
 - (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 2012 (Act 26 of 2012), any other personal data of the respective individual provided by that individual to the approved trustee; 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 approved trustee is satisfied that there are reasonable grounds for such request.

- 11.4 For the purposes of complying with this Notice, an approved trustee 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.

12 SUSPICIOUS TRANSACTIONS REPORTING

- 12.1 An approved trustee shall keep in mind the provisions in the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A) ² 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.

- 12.2 An approved trustee 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.

- 12.3 An approved trustee 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 approved trustee 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 approved trustee, decides to withdraw from negotiations to enter into a trust deed or to terminate existing business relations.

13 INTERNAL POLICIES, COMPLIANCE, AUDIT AND TRAINING

- 13.1 An approved trustee shall develop and implement adequate internal policies, procedures and controls, taking into consideration its money laundering and terrorism

² Please note in particular section 48 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act on tipping-off.

financing risks and the size of its business, to help prevent money laundering and terrorism financing and communicate these to its employees.

- 13.2 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.

Group Policy

- 13.3 For the purposes of paragraph 13.4 to 13.9, a reference to approved trustee shall mean an approved trustee incorporated in Singapore.

- 13.4 An approved trustee shall develop a group policy on AML/CFT to meet all requirements of this Notice and extend this to all of its branches and subsidiaries in its financial group, including those outside Singapore.

- 13.5 Where an approved trustee has a branch or subsidiary in a host country or jurisdiction

—

- (a) identified by the FATF as a higher risk country or jurisdiction; or
- (b) known to have inadequate AML/CFT measures, as determined by the approved trustee for itself or notified to approved trustees generally by the Authority or by any other foreign regulatory authority,

the approved trustee shall ensure that its group policy on AML/CFT is strictly observed by the management of that branch or subsidiary.

- 13.6 Subject to the approved trustee putting in place adequate safeguards to protect the confidentiality and use of any information that is shared, as may be required by the law of the country or jurisdiction, the approved trustee shall develop and implement group policies and procedures for its branches and subsidiaries within the financial group to share information required for the purposes of CDD, and for money laundering and terrorism financing risk management.

- 13.7 Such policies and procedures shall allow the provision, at the approved trustee's group-level compliance, audit and AML/CFT functions, of customer, account and business information from its branches and subsidiaries within the financial group, when necessary for money laundering and terrorism financing risk management purposes.

- 13.8 Where the AML/CFT requirements in the host country or jurisdiction differ from those in Singapore, the approved trustee 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.

- 13.9 Where the law of the host country or jurisdiction conflicts with Singapore law such that the overseas branch or subsidiary is unable to fully observe the higher standard, the approved trustee's head office shall apply additional appropriate measures to manage the money laundering and terrorism financing risks, report this to the Authority and comply with such further directions as may be given by the Authority.

Compliance

- 13.10 An approved trustee shall develop appropriate compliance management arrangements, including at least, the appointment of a management level officer as the AML/CFT compliance officer.
- 13.11 An approved trustee 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.

Audit

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

Employee Hiring

- 13.13 An approved trustee shall have in place screening procedures to ensure high standards when hiring employees and appointing officers³.

Training

- 13.14 An approved trustee 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;
 - (b) prevailing techniques, methods and trends in money laundering and terrorism financing; and

³ "Officer" –

in relation to an approved trustee, means any director or any member of the committee of management of the customer.

- (c) the approved trustee'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. SFA13-N01 dated 2 July 2007 with effect from 2 July 2007.
 - (a) SFA13-N01 (Amendment) 2013 dated 23 January 2013.
 - (b) SFA13-N01 (Amendment) 2014 with effect from 1 July 2014.
2. SFA13-N01 dated 2 July 2007 cancelled with effect from (xxxx)
3. SFA13-N01 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 SFA13-N01 (TRACKED CHANGES)

MAS Notice SFA13-N01

2 July 2007 [] 2014

Last revised on 1 July 2014

(Refer to endnotes for history of amendments)

NOTICE TO APPROVED TRUSTEES
MONETARY AUTHORITY OF SINGAPORE ACT, CAP. 186

PREVENTION OF MONEY LAUNDERING AND COUNTERING THE FINANCING OF
TERRORISM – APPROVED TRUSTEES

1 INTRODUCTION

- 1.1 This Notice is issued pursuant to section 27B of the Monetary Authority of Singapore Act (Cap. 186) and applies to ~~an~~all approved trustees as defined in section 289 of the Securities and Futures Act (Cap. 289).
- 1.2 This Notice shall take immediate effect. MAS Notice SFA13-N01 dated 2 July 2007 is cancelled with effect from [].

2 DEFINITIONS

- 2.1 For the purposes of this Notice —

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

“approved trustee” means a person who is approved under section 289 of the Securities and Futures Act (Cap. 289) to act as a trustee of a collective investment scheme which is authorised under section 286 of the Securities and Futures Act ~~and constituted as a unit trust~~;

“Authority” means the Monetary Authority of Singapore;

“beneficial owner”, in relation to a customer of an approved trustee, means the natural person who ultimately owns or controls a customer or the natural person who exercises ultimate effective control over a customer;

“business relations” means the provision of CIS trustee activity services by the approved trustee to a customer;

“CDD measures” or “customer due diligence measures” means the ~~process of identifying the customer and obtaining information~~ measures required by paragraph 46;

“CIS” means a collective investment scheme which is authorised under section 286 of the Securities and Futures Act;

“CIS trustee activity” means entering into a trust deed with the customer and monitoring of the customer’s transactions;

“connected party”, in relation to a customer, means any director or any natural person of the customer with executive authority;

“Core Principles” refers to the Core Principles for Effective Banking Supervision issued by the Basel Committee on Banking Supervision, the Objectives and Principles for Securities Regulation issued by the International Organization of Securities Commissions, and the Insurance Core Principles issued by the International Association of Insurance Supervisors;

“customer”, in relation to an approved trustee, means the fund-manager of a CIS with whom the approved trustee establishes or intends to establish business relations;

“FATF” means the Financial Action Task Force;

“financial group” means a group that consists of a legal person or legal arrangement exercising control and coordinating functions over the rest of the group for the application of group supervision under the Core Principles, and its branches and subsidiaries that are subject to AML/CFT policies and procedures at the group level;

“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 arrangements;

“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;

“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 the completion of CDD measures is a reference to the situation when the approved trustee has received satisfactory responses to all inquiries.~~

~~2.2 A reference to a transaction includes a reference to a customer's management of a CIS. 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 the Securities and Futures Act (Cap. 289).~~

3 UNDERLYING PRINCIPLES

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

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

4 ASSESSING RISKS AND APPLYING A RISK-BASED APPROACH

Risk Assessment

~~4.1 An approved trustee 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 approved trustee has operations in; and~~
- ~~(d) the products, services, transactions and delivery channels of the approved trustee.~~

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

- (a) documenting the approved trustee'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 An approved trustee 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 approved trustee 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 An approved trustee 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 An approved trustee 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 An approved trustee shall, in complying with the requirements of paragraph 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”)

General Anonymous Dealings or Fictitious Names

4.16.1 No approved trustee shall deal with any person on an anonymous basis or with any person using a fictitious name.

Where There Are Reasonable Grounds for Suspicion on Prospective Customers

6.2 Where the approved trustee has reasonable grounds to suspect that the assets or funds of a prospective customer, with whom the approved trustee intends to establish business relations, 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 approved trustee shall —

(a) not establish business relations; and

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

When CDD Measures are to be Performed

6.3 Subject to paragraph 6.4, an approved trustee shall 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 beneficial owner of a customer, if it is satisfied that the risks of money laundering and terrorism financing are low, when the approved trustee establishes or enters into negotiations with a view to establishing business relations with any customer.

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

4.26.4 ~~Every~~An approved trustee shall perform the full CDD measures in accordance with this Notice when the approved trustee establishes business relations with any customer, where —

~~(a) the approved trustee enters into negotiations with a customer with a view to signing a trust deed to act as trustee for a CIS;~~

~~(b)(a)~~ there is a suspicion of money laundering or ~~terrorist~~terrorism financing, notwithstanding that the approved trustee would otherwise not be required by this Notice to perform CDD measures; ~~or~~

~~(c)(b)~~ the approved trustee has ~~any~~doubts about the veracity or adequacy of any information ~~being provided previously obtained;~~

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

~~(d)~~ where the customers are from or in countries and jurisdictions known to have inadequate AML/CFT measures, as determined by the approved trustee for itself or notified to approved trustees generally by the Authority or by other foreign regulatory authorities; or

~~(e)~~ where the approved trustee suspects that money laundering or terrorism financing is involved.

~~6.5~~ Where an approved trustee 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 approved trustee shall treat the transactions as a single transaction and aggregate their values for the purpose of this Notice.

CDD Measures ~~where Negotiations have Commenced~~

(l) Identification of Customers

~~4.36.6~~ Every~~An~~ approved trustee shall ~~establish the identity~~identify of each customer ~~enters into negotiations or signs a trust deed with the approved trustee to act as trustee for a CIS.~~

~~4.46.7~~ For the purpose of ~~the preceding~~ paragraph 6.6, an approved trustee shall obtain and record information of the customer, including but not limited to the following:

~~(a)~~ ~~Full name;~~

~~(b)~~ ~~Whether customer is a Singapore incorporated company or a foreign branch and place of incorporation or registration (as may be appropriate);~~

~~(c)(b) The incorporation number or business registration number (as may be appropriate);~~

~~(d) Capital markets services licence number;~~

~~(e)(c) existing Registered/registered and/or business address (as may be appropriate, and if different, principal place of business) and contact telephone number(s);~~

~~(f)(d) Names and particulars of shareholders; if immediate shareholder is a holding company to determine the ultimate shareholders/date of incorporation or registration (as may be appropriate); and~~

~~(g)(e) Names, addresses and nationalities of directors/place of incorporation or registration (as may be appropriate).~~

~~6.8 The approved trustee shall, apart from identifying the customer, also identify the legal form, constitution and powers of the customer.~~

~~6.9 The approved trustee shall, apart from identifying the customer, also identify the directors and any other natural persons having executive authority in the customer.~~

(II) Verification of Identity

~~4.56.10~~The~~An~~ approved trustee shall ~~verify~~before entering into business relations with the customer, verify the identity ~~of the customer, legal form, proof of existence, constitution and powers of the customer,~~ using reliable, independent sources documents, data or information.

~~4.66.11~~The~~An~~ approved trustee shall retain copies of all reference source documents, data or information used ~~in identity verification and the identification information to verify the identity of the customer.~~

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

~~4.76.12~~Where the customer appoints one or more natural persons to act on his behalf in establishing business relations with the approved trustee, ~~A~~n approved trustee shall

~~(a) establish the identity~~identify ~~of~~ 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 sources documents, data or information; and

(c) retain copies of all reference source documents, data or information used to

verify the identity of these persons.

~~4.86.13An approved trustee shall also verify the due authority of such persons to act on behalf of the customer. This shall include (but is not limited to) by obtaining, at least the following:~~

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

~~(b) the specimen signatures of the persons appointed.~~

~~6.14 Where the customer is a Singapore Government entity, the approved trustee 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~~

~~6.15 Subject to paragraph 6.19, an approved trustee shall inquire if there exists any beneficial owner in relation to a customer.~~

~~6.16 Where there is one or more beneficial owner in relation to a customer, the approved trustee 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.~~

~~6.17 The approved trustee shall understand the nature of the customer's business and its ownership and control structure.~~

~~6.18 An approved trustee shall identify the beneficial owners by —~~

~~(a) identifying the natural persons (whether acting alone or together) who ultimately own the customer;~~

~~(b) to the extent that there is doubt under (a) as to whether the natural persons who ultimately own the customer are the beneficial owners or where no natural persons ultimately own the customer, identifying the natural persons (if any) who ultimately control the customer or have ultimate effective control of the customer; and~~

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

~~6.19 An approved trustee 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; or
- (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,

unless the approved trustee has doubts about the veracity of the CDD information, or suspects that the customer or the business relations with the customer may be connected with money laundering or terrorism financing activities.

6.20 For the purposes of paragraph 6.19(f), an approved trustee shall document the basis for its determination that the requirements in that paragraph have been duly met.

(V) Information on the Purpose and Intended Nature of Business Relations

6.21 An approved trustee shall understand and obtain from the customer, when processing the application to establish business relations, information as to the purpose and intended nature of business relations.

~~(IV)~~(VI) Ongoing ~~an~~ Monitoring

6.22 An approved trustee shall monitor on an ongoing basis, its business relations with customers.

4.96.23 An approved trustee shall, during the course of business relations, observe the conduct of the customer's account and scrutinise transactions undertaken throughout the course of business relations to ensure that ~~such~~the transactions are ~~generally~~ consistent with the approved trustee's knowledge of the customer (including the investment mandate of the CIS managed by the customer), its business and risk profile and where appropriate, the source of funds.

~~4.106.24~~ Every~~An~~ approved trustee shall pay special attention to ~~the~~all complex or unusually large transactions or unusual patterns of transactions conducted by its customer that have no apparent or visible economic or lawful purpose.

~~4.11~~ An approved trustee shall, to the extent possible, inquire into the background and purpose of the transactions in paragraph 4.10 and document their findings with a view to making this information available to the relevant competent authorities should the need arise.

~~6.25~~ For the purposes of ongoing monitoring, an approved trustee shall put in place adequate systems and processes, commensurate with the size and complexity of the approved trustee, to —

~~(a)~~ monitor its business relations with customers; and

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

~~6.26~~ An approved trustee shall, to the extent possible, inquire into the background and purpose of the transactions in paragraph 6.24 and document its findings with a view to making this information available to the relevant authorities should the need arise.

~~4.126.27~~ Every~~An~~ approved trustee shall periodically review the adequacy of existing customer CDD identification information obtained in respect of customers, ~~in particular, that of the~~ natural persons appointed to act ~~for them~~ on behalf of the customers, connected parties of the customers and beneficial owners of the customers and ensure that the information, documents, data or information are relevant and is kept up to date, particularly for higher risk categories of customers.

~~6.28~~ Where there are reasonable grounds for suspicion that existing business relations with a customer are connected with money laundering or terrorism financing, and where the approved trustee considers it appropriate to retain the customer —

~~(a)~~ the approved trustee shall substantiate the reasons for retaining the customer and shall document them; and

~~(b)~~ the customer's business relations with the approved trustee shall be subjected to commensurate risk mitigation measures, including enhanced ongoing monitoring.

~~6.29~~ Where the approved trustee assesses the customer or the business relations with the customer referred to in paragraph 6.28 to be of high risk, the approved trustee shall conduct enhanced CDD and obtain the approval of the approved trustee's senior management to retain the customer.

Face-to-Face Verification

~~4.136.30~~ An approved trustee shall ~~have~~conduct at least one face-to-face ~~contact~~verification with its customer ~~before signing the trust deed to act as trustee for a CIS~~prior to establishing business relations with it.

Non-Face-to-Face Verification

~~6.31~~ Following the establishment of business relations with a customer, an approved trustee shall put in place and implement policies and procedures to address any specific risks associated with non-face-to-face contact undertaken for the purposes of ongoing due diligence.

~~6.32~~ Where there is no face-to-face contact, the approved trustee 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 Approved Trustee on Identification and Verification Already Performed

~~4.146.33~~ When an approved trustee (“acquiring approved trustee”) acquires, either in whole or in part, the business of another ~~approved trustee~~financial institution (whether in Singapore or elsewhere), the acquiring approved trustee shall perform CDD measures on the customers acquired with the business at the time of acquisition except where the acquiring approved trustee has —

- (a) acquired at the same time all corresponding customer records (including CDD information ~~on natural persons appointed to act or are acting on behalf of the customer~~) 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 approved trustee as to the adequacy of AML/CFT measures previously adopted in relation to the business or part thereof now acquired by the acquiring approved trustee.

Time for Completion of CDD MeasuresWhere CDD Measures are Not Completed

~~6.34~~ For the purposes of paragraph 6.35, a reference to the completion of CDD measures is a reference to the situation when the approved trustee has obtained, screened and verified all necessary CDD information under paragraphs 6, 7 and 8 of this Notice, and where the approved trustee has received satisfactory responses to all inquiries in relation to such necessary CDD information.

~~4.15 No approved trustee shall undertake to act as trustee for the CIS being offered by a customer unless the approved trustee has completed CDD measures in relation to that customer.~~

~~4.166.35~~ Where the approved trustee is, ~~for any reason,~~ unable to complete CDD measures, it shall not commence or continue business relations with any customer ~~act as trustee for the CIS and.~~ The approved trustee shall consider if the circumstances are suspicious so as to warrant the filing of an STR.

Existing Customers

6.36 An approved trustee 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

6.37 An approved trustee 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.

6.38 An approved trustee shall screen the persons referred to in paragraph 6.37 —

(a) when, or as soon as reasonably practicable after, the approved trustee establishes business relations with the customer;

(b) on a periodic basis after the approved trustee establishes business relations with the customer; and

(c) 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 approved trustee; or

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

6.39 The results of the screening and assessment by the approved trustee shall be documented.

7 SIMPLIFIED CUSTOMER DUE DILIGENCE

- 7.1 The assessment of low risks shall be supported by an adequate analysis of risks by the approved trustee, taking into account any information that may be provided by the Authority, and other relevant authorities in Singapore.
- 7.2 The simplified CDD measures shall be commensurate with the level of risk, based on the risk factors identified by the approved trustee.
- 7.3 Where the approved trustee 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 organisations 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 An approved trustee shall, in addition to performing CDD measures specified in paragraph 6, perform enhanced CDD measures in relation to politically exposed persons, customers 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 approved trustee's senior management to establish or continue business relations with a customer 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 a customer; and

(d) conduct, during the course of business relations, enhanced monitoring of the business relations with the customer.

8.3 The approved trustee 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 An approved trustee 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 organisations 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 business relations with the approved trustee present a

higher risk for money laundering or terrorism financing.

Other High Risk Categories

8.5 An approved trustee shall perform the appropriate enhanced CDD measures in paragraph 8.2 for such other categories of customers or business relations as the approved trustee 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 approved trustee shall increase the degree and nature of monitoring of the customer's business relations, in order to determine whether they appear unusual or suspicious.

8.6 An approved trustee shall give particular attention to business relations with any customer and any beneficial owner of a customer from or in countries and jurisdictions

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

(b) known to have inadequate AML/CFT measures, as determined by the approved trustee for itself or notified to approved trustees generally by the Authority or other foreign regulatory authorities,

and shall perform enhanced CDD measures that are commensurate to the risks identified for the business relations.

8.7 An approved trustee shall, in taking enhanced CDD measures to manage and mitigate any higher risks that have been identified by the approved trustee 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;

(b) a financial institution which is subject to and supervised for 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); or

(c) in relation to an approved trustee in Singapore, its branches, subsidiaries, parent and other related corporations.

9.2 Subject to paragraph 9.3, an approved trustee may rely on a third party to perform the CDD measures in paragraph 6 of this Notice if the following requirements are met:

- (a) the approved trustee 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;
- (b) the approved trustee 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;
- (c) the third party is not one which approved trustees have been specifically precluded by the Authority from relying upon; and
- (d) the third party is able and willing to provide, without delay, upon the approved trustee's request, any document obtained by the third party with respect to the CDD measures applied on the approved trustee's customer, which the approved trustee would be required or would want to obtain.

9.3 No approved trustee shall rely on a third party to conduct ongoing monitoring of business relations with customers.

9.4 Where an approved trustee relies on a third party to perform the CDD measures, it shall

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- (a) document the basis for its satisfaction that the requirements in paragraph 9.2(a) and (b) 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 approved trustee shall remain responsible for its AML/CFT obligations in this Notice.

510 RECORD KEEPING

5.110.1 Every An approved trustee shall prepare, maintain and retain documentation on all ~~their CIS trustee activities~~ its business relations with and transactions for its customers such that —

- (a) all requirements imposed by law (including this Notice) are met;
- (b) any ~~CIS trustee activity~~ individual transaction undertaken by the approved trustee in the course of business relations 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 approved trustee are able to assess~~review~~ the approved trustee's ~~CIS trustee activities~~business relations (including transactions undertaken in the course of such business contacts), records and CDD information and assess the level of compliance with this Notice; and
- (d) the approved trustee 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.

5-210.2 Subject to paragraph 5-410.4 and any other requirements imposed by law, every~~an~~ approved trustee 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 approved trustee's assessment of the results), and other documents relating to the business relations, as well as account files, business correspondence and results of any analysis undertaken, a period of at least 5 years following the termination of ~~the trust deed with the fund manager for customer identification information, and other documents relating to the establishment of the trust deed, as well as account files and business correspondences~~such business relations or completion of such transactions; and
- (b) for records relating to a transaction undertaken in the course of business relations, including any information needed to explain and reconstruct the transaction, a period of at least 5 years following the completion of ~~each of the customer's transaction which is monitored by the approved trustee for records relating to such monitoring.~~

5-310.3 Every~~An~~ approved trustee 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.

5-410.4 The~~An~~ approved trustee shall retain records of documentation, data and information on all its business relations with 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 direction~~order~~ from STRO or from other relevant ~~competent~~ authorities in Singapore.

11 PERSONAL DATA

11.1 For the purposes of paragraph 11, a reference to "individual" means a natural person, whether living or deceased.

11.2 Subject to paragraph 11.3 and for the purposes of complying with this Notice, an approved trustee shall not be required to provide 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 approved trustee;
- (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 approved trustee; 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 approved trustee.

11.3 An approved trustee shall, as soon as reasonably practicable, upon the request of an individual natural person 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 approved trustee:
 - (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 2012 (Act 26 of 2012), any other personal data of the respective individual provided by that individual to the approved trustee; 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 approved trustee is satisfied that there are reasonable grounds for such request.

11.4 For the purposes of complying with this Notice, an approved trustee 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.

612 SUSPICIOUS TRANSACTIONS REPORTING

~~6.12.1~~Every~~An~~ approved trustee shall keep in mind the provisions in the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A) ² 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 ~~terrorist~~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 ~~terrorist~~terrorism financing, for possible referral to STRO via STRs; and
- (b) keep records of all transactions ~~so~~ referred to STRO, together with all internal findings and analysis done in relation to them.

{SFA13-N01 (Amendment) 2013}

~~6.212.2~~The~~An~~ approved trustee 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.

~~6.312.3~~The~~An~~ approved trustee 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) ~~an~~the approved trustee 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 approved trustee, decides to ~~terminate with no apparent good reason, withdraw from~~ negotiations to enter into a trust deed or to terminate existing business relations.

713 INTERNAL POLICIES, COMPLIANCE, AUDIT AND TRAINING

~~7.113.1~~Every~~An~~ approved trustee shall develop and implement adequate internal policies, procedures and controls, taking into consideration its money laundering and terrorism

² Please note in particular section 48 of the Corruption, Drug Trafficking and Other ~~s~~ Serious Crimes (Confiscation of Benefits) Act on tipping-off.

financing risks and the size of its business, to help prevent money laundering and ~~terrorist~~terrorism financing and communicate these to its employees.

~~7.2~~13.2 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 ~~suspicious transaction reports~~STRs.

~~7.3~~ — ~~The approved trustee 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 such policies, procedures and controls.~~

Group Policy

13.3 For the purposes of paragraph 13.4 to 13.9, a reference to approved trustee shall mean an approved trustee incorporated in Singapore.

13.4 An approved trustee shall develop a group policy on AML/CFT to meet all requirements of this Notice and extend this to all of its branches and subsidiaries in its financial group, including those outside Singapore.

13.5 Where an approved trustee has a branch or subsidiary in a host country or jurisdiction

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(a) identified by the FATF as a higher risk country or jurisdiction; or

(b) known to have inadequate AML/CFT measures, as determined by the approved trustee for itself or notified to approved trustees generally by the Authority or by any other foreign regulatory authority,

the approved trustee shall ensure that its group policy on AML/CFT is strictly observed by the management of that branch or subsidiary.

13.6 Subject to the approved trustee putting in place adequate safeguards to protect the confidentiality and use of any information that is shared, as may be required by the law of the country or jurisdiction, the approved trustee shall develop and implement group policies and procedures for its branches and subsidiaries within the financial group to share information required for the purposes of CDD, and for money laundering and terrorism financing risk management.

13.7 Such policies and procedures shall allow the provision, at the approved trustee's group-level compliance, audit and AML/CFT functions, of customer, account and business information from its branches and subsidiaries within the financial group, when necessary for money laundering and terrorism financing risk management purposes.

13.8 Where the AML/CFT requirements in the host country or jurisdiction differ from those in Singapore, the approved trustee 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.

13.9 Where the law of the host country or jurisdiction conflicts with Singapore law such that the overseas branch or subsidiary is unable to fully observe the higher standard, the approved trustee's head office shall apply additional appropriate measures to manage the money laundering and terrorism financing risks, report this to the Authority and comply with such further directions as may be given by the Authority.

Compliance

7.413.10 EveryAn approved trustee shall develop appropriate compliance management arrangements, including at least, the appointment of a management level officer as the AML/CFT compliance officer.

7.513.11 EveryAn approved trustee 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.

Audit

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

Employee Hiring

7.713.13 EveryAn approved trustee shall have in place screening procedures, to ensure high standards when hiring employees and appointing officers³.

Training

7.813.14 EveryAn approved trustee shall take all appropriate steps to ensure that its employees and officers² (whether in Singapore or elsewhere) are suitably qualified, and regularly and appropriately trained on —

³ "Officer" –
in relation to an approved trustee, means any director or any member of the committee of management of the customer.

² "Officer"—
~~(a) in relation to an approved trustee 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 an approved trustee 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 an approved trustee that is a body unincorporate (other than a partnership), means any member of the committee of management of the body unincorporate,~~
~~where applicable.~~

- (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 ~~terrorist~~terrorism financing; and
- (c) the approved trustee's internal policies, procedures and controls on AML/CFT and the roles and responsibilities of employees and officers in combating money laundering and ~~terrorist~~terrorism financing.

[SFA13-N01 (Amendment) 2013]

~~8~~ — PERSONAL DATA

~~8.1~~ — For the purposes of paragraph ~~8~~—

- ~~(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~~
- ~~(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.~~

~~8.2~~ — Subject to paragraph ~~8.3~~ and for the purposes of complying with this Notice, an approved trustee shall not be required to provide 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 approved trustee;~~
- ~~(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 approved trustee; 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 approved trustee.~~

~~8.3 — An approved trustee shall, as soon as reasonably practicable, upon the request of 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 approved trustee:~~

~~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 approved trustee, 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 approved trustee is satisfied that there are reasonable grounds for such request.~~

~~8.4 — For the purposes of complying with this Notice, an approved trustee may, whether directly or through a third party, collect, use and disclose personal data of 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 SFA13-N01 (Amendment) 2014]~~

Endnotes on History of Amendments

1. SFA13-N01 dated 2 July 2007 with effect from 2 July 2007.
 - (a) SFA13-N01 (Amendment) 2013 dated 23 January 2013.
 - (b) SFA13-N01 (Amendment) 2014 with effect from 1 July 2014.
2. SFA13-N01 dated 2 July 2007 cancelled with effect from (xxxx)
3. SFA13-N01 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.