MAS Notice SFA13-N01

24 April 2015
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(Refer to endnotes for history of amendments)

NOTICE TO APPROVED TRUSTEES
MONETARY AUTHORITY OF SINGAPORE ACT 1970

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

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1 INTRODUCTION

1.1 This Notice is issued pursuant to section 27B of the Monetary Authority of Singapore Act 1970 ("MAS Act") and applies to all approved trustees as defined in section 289 of the Securities and Futures Act 2001 ("SFA").

[MAS Notice SFA13-N01 (Amendment) 2022]

1.2 Except for paragraphs 4 to 9, 13.6 and 13.7, this Notice shall take effect from 24 May 2015. Paragraphs 4 to 9, 13.6 and 13.7 shall take effect from 24 July 2015.

1.3 Except for paragraph 4, MAS Notice SFA13-N01 dated 2 July 2007 is cancelled with effect from 24 May 2015. Paragraph 4 of the MAS Notice SFA13-N01 dated 2 July 2007 is cancelled with effect from 24 July 2015.

2 DEFINITIONS

2.1 For the purposes of this Notice ––

"AML/CFT" means anti-money laundering[1] and countering the financing of terrorism;

"approved trustee" means a person who is approved under section 289 of the SFA to act as a trustee of a collective investment scheme which is authorised under section 286 of the SFA;

"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 the customer or the natural person who exercises ultimate effective control over a customer;

[1] In this Notice, money laundering includes proliferation financing, and all references in this Notice to money laundering (including money laundering risks) shall be construed accordingly.

"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;

"CDSA" means the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992;

[MAS Notice SFA13-N01 (Amendment) 2022]

"CIS" means a collective investment scheme which is authorised under section 286 of the SFA;

"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;

"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;

"DNFBP" or "designated non-financial businesses and professions" means any of the following:

(a) a casino as defined in section 2(1) of the Casino Control Act 2006 or any casino operating outside of Singapore;

(b) an estate agent as defined in section 3(1) of the Estate Agents Act 2010 or any estate agent operating outside of Singapore;

(c) a regulated dealer as defined in section 2 of the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism) Act 2019 or any dealer in precious metals, precious stones or precious products outside of Singapore;

(d) a legal practitioner as defined in section 70A(2) of the Legal Profession Act 1966 or any legal practitioner outside of Singapore;

(e) a notary public as defined in the Notaries Public Act 1959 or any notary public outside of Singapore;

(f) an accountant in public practice[2] and any professional firm[3], providing any service described in paragraph 1.5 of the Ethics Pronouncement[4] issued by the Council of the Institute of Singapore Chartered Accountants or any equivalent accountant and professional firm outside of Singapore; or

(g) a trust and company service provider.

(h) a developer as defined in section 2 of the Sale of Commercial Properties Act 1979;

(i) a housing developer as defined in section 2 of the Housing Developers (Control and Licensing) Act 1965; or

(j) a pawnbroker as defined in section 3(1) of the Pawnbrokers Act 2015.

[MAS Notice SFA13-N01 (Amendment) 2022]
[MAS Notice SFA13-N01 (Amendment) 2025]

"entity" (other than in the definition of legal person) has the same meaning as defined in section 2(1) of the SFA, except that it shall include a trust;

"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, and its branches and subsidiaries that are financial institutions as defined in section 27A(6) of the MAS Act or the equivalent financial institutions outside Singapore;

"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 arrangement" means a trust or other similar arrangement;

"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;

"officer" means any director or any member of the committee of management of the approved trustee;

"personal data" has the same meaning as defined in section 2(1) of the Personal Data

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[2] Accountants in public practice in Singapore includes public accountants as defined in section 2(1) of the Accountants Act 2004.

[MAS Notice SFA13-N01 (Amendment) 2022]

[3] Professional firms in Singapore include accounting corporations, accounting firms and accounting LLPs approved under sections 17, 18 and 18A of the Accountants Act 2004 respectively.

[MAS Notice SFA13-N01 (Amendment) 2022]

[4] EP 200 on Anti-Money Laundering and Countering the Financing of Terrorism – Requirements and Guidelines for Professional Accountants in Singapore, issued on 29 October 2014, as may be updated from time to time.

[MAS Notice SFA13-N01 (Amendment) 2022]

Protection Act 2012;

[MAS Notice SFA13-N01 (Amendment) 2022]

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

[MAS Notice SFA13-N01 (Amendment) 2022]

"STR" means suspicious transaction report;

"STRO" means the Suspicious Transaction Reporting Office, Commercial Affairs Department of the Singapore Police Force; and

"trust and company service provider" means any of the following persons:

(a) a filing agent as defined in section 28A of the Accounting and Corporate Regulatory Authority Act 2004 or its equivalent in foreign jurisdiction;

(b) an equivalent in a foreign jurisdiction of a company that carries on any trust business as specified in the First Schedule to the Trust Companies Act 2005;

[MAS Notice SFA13-N01 (Amendment) 2022]

"TSOFA" means the Terrorism (Suppression of Financing) Act 2002; and

[MAS Notice SFA13-N01 (Amendment) 2022]

"variable capital company" means a body corporate incorporated as such under the Variable Capital Companies Act 2018.

[MAS Notice SFA13-N01 (Amendment) 2022]

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 SFA.

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, natural persons appointed to act on the customer's behalf, connected parties of the customer and beneficial owners of the customer.

(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 in the course of business relations, that is or may be connected with, or facilitates 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.

(d) Where an approved trustee establishes any contact (including the undertaking of any transaction) with another financial institution in Singapore or elsewhere, relating to the provision of any CIS trustee activities by the approved trustee to a customer, the approved trustee shall disclose to the financial institution that it is acting as a trustee.

(e) Where an approved trustee establishes any contact (including the undertaking of any transaction) with a DNFBP in Singapore or elsewhere, relating to the provision of any trust business services by the approved trustee to a customer, the approved trustee shall disclose to the DNFBP that it is acting as a trustee.

(f) Where an approved trustee establishes any contact (including the undertaking of any transaction) with a variable capital company in Singapore or elsewhere, relating to the provision of any trust business services by the approved trustee to a customer, the approved trustee shall disclose to the variable capital company that it is acting as a trustee.

[MAS Notice SFA13-N01 (Amendment) 2022]

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[5] 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 ––

[5] For the avoidance of doubt, money laundering risks include proliferation financing risks.

(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 approved trustee's 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) develop and implement policies, procedures and controls, which are approved by senior management, to enable the approved trustee to effectively manage and mitigate 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, procedures and controls, and enhance them if necessary;

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

(d) ensure that the performance of measures or enhanced measures to effectively manage and mitigate the identified risks addresses the risk assessment and guidance from the Authority or other relevant authorities in Singapore.

[MAS Notice SFA13-N01 (Amendment) 2022]

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 existing products.

[MAS Notice SFA13-N01 (Amendment) 2022]

5.2 An approved trustee shall undertake the risk assessments, prior to the launch or use of such products, practices and technologies (to the extent such use is permitted by this Notice), and shall take appropriate measures to manage and mitigate the risks.

5.3 An approved trustee shall, in complying with the requirements of paragraphs 5.1 and 5.2, pay special attention to any —

(a) new products and new 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 prior to the Establishment of Business Relations

6.2 Prior to an approved trustee establishing business relations, where the approved trustee has any reasonable grounds to suspect that the assets or funds of a customer are proceeds of drug dealing or criminal conduct as defined in the CDSA, or are property related to the facilitation or carrying out of any terrorism financing offence as defined in the TSOFA, the approved trustee shall —

(a) not establish business relations with; and

(b) file an STR[6], and extend a copy to the Authority ~~for information~~ upon request.

[MAS Notice SFA13-N01 (Amendment) 2025]

When CDD is to be Performed

6.3 An approved trustee shall perform the measures as required by paragraphs 6, 7 and 8 when —

(a) the approved trustee establishes business relations with any customer;

[6] Please note in particular section 48 of the CDSA on tipping-off.

(b) there is a suspicion of money laundering or terrorism financing, notwithstanding that the approved trustee would not otherwise be required by this Notice to perform the measures as required by paragraphs 6, 7 and 8; or

(c) the approved trustee has doubts about the veracity or adequacy of any information previously obtained.

(I) <u>Identification of Customer</u>

6.4 An approved trustee shall identify each customer.

6.5 For the purposes of paragraph 6.4, an approved trustee shall obtain at least the following information:

(a) full name;

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

(c) registered or business address, and if different, principal place of business, (as may be appropriate);

(d) date of incorporation or registration (as may be appropriate); and

(e) place of incorporation or place of registration (as may be appropriate).

6.6 The approved trustee shall, apart from identifying the customer, also identify the legal form, constitution and powers that regulate and bind the customer.

6.7 The approved trustee shall, apart from identifying the customer, also identify the connected parties of the customer, by obtaining at least the following information of each connected party:

(a) full name, including any aliases; and

(b) unique identification number (such as an identity card number, birth certificate number or passport number of the connected party).

6.7A Where the approved trustee –

(a) has assessed that the money laundering and terrorism financing risks in relation to the customer are not high; and

(b) is unable to obtain the unique identification number of the connected party after taking reasonable measures,

the approved trustee may obtain the date of birth and nationality of the connected party, in lieu of the unique identification number.

[MAS Notice SFA13-N01 (Amendment) 2022]

6.7B The approved trustee shall document the results of the assessment in paragraph 6.7A(a) and all the measures taken under paragraph 6.7A(b).

[MAS Notice SFA13-N01 (Amendment) 2022]

(II) Verification of Identity of Customer

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

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

6.9 Where a customer appoints one or more natural persons to act on the customer's behalf in establishing business relations with an approved trustee, the approved trustee shall —

(a) identify each natural person who acts or is appointed to act on behalf of the customer by obtaining at least the following information of such natural person:

(i) full name, including any aliases;

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

(iii) residential address;

(iv) date of birth;

(v) nationality; and

(b) verify the identity of each natural person before entering into business relations with the customer, using reliable, independent source data, documents or information.

[MAS Notice SFA13-N01 (Amendment) 2022]

6.10 An approved trustee shall verify the due authority of each natural person appointed to act on behalf of the customer by:-

(a) obtaining the appropriate documentary evidence authorising the appointment of such natural person by the customer to act on the customer's behalf; and

(b) verifying that such natural person is the person authorised to act on the customer's behalf, through methods which include obtaining the person's specimen signature or electronic means of verification.

[MAS Notice SFA13-N01 (Amendment) 2022]

6.10A Where the approved trustee –

(a) has assessed that the money laundering and terrorism financing risks of the customer are not high; and

(b) is unable to obtain the residential address of the natural person who acts or is appointed to act on behalf of the customer after taking reasonable measures,

the approved trustee may obtain the business address of this natural person, in lieu of the residential address.

[MAS Notice SFA13-N01 (Amendment) 2022]

6.10B Where the approved trustee has obtained the business address of the natural person referred to in paragraph 6.10A, the approved trustee shall take reasonable measures to verify the business address using reliable, independent source data, documents or information.

[MAS Notice SFA13-N01 (Amendment) 2022]

6.10C The approved trustee shall document the results of the assessment in paragraph 6.10A(a) and all the measures taken under paragraph 6.10A(b).

[MAS Notice SFA13-N01 (Amendment) 2022]

6.11 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 Owner

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

6.13 Where there is one or more beneficial owners 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, before entering into business relations with the customer, using the relevant information or data obtained from reliable, independent sources. The approved trustee shall —

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

(b) to the extent that there is doubt under subparagraph (i) as to whether the natural persons who ultimately own the customer are the beneficial owners or where no natural persons ultimately own the customer, identify 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 subparagraphs (i) or (ii), identify the natural persons having executive authority in the customer, or in equivalent or similar positions.

[MAS Notice SFA13-N01 (Amendment) 2022]

6.13A For the purposes of paragraph 6.13, the approved trustee shall obtain at least the following information:

(a) where the beneficial owner is a natural person, his or her –

(i) full name, including any aliases;

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

(iii) residential address;

(iv) date of birth; and

(v) nationality; and

(b) where the beneficial owner is a legal person or legal arrangement –

(i) its full name;

(ii) its incorporation number, business registration number or tax identification number or its equivalent;

(iii) its registered or business address, and if different, its principal place of business;

(iv) its date of constitution, incorporation or registration;

(v) its place of incorporation or registration;

(vi) a copy of the trust deed (or its equivalent)(if any);

(vii) the purpose for which the legal person or legal arrangement was set up;

(viii) the place from where the legal person or legal arrangement is administered; and

(ix) the legal form, constitution and powers that regulate and bind the legal person or legal arrangement.

[MAS Notice SFA13-N01 (Amendment) 2025]

6.13B An approved trustee shall verify the identity of each beneficial owner using reliable, independent source data, documents or information. Where the beneficial owner is a legal person or legal arrangement, an approved trustee shall verify the legal form, proof of existence, constitution and powers that regulate and bind the beneficial owner, using reliable, independent source data, documents or information.

[MAS Notice SFA13-N01 (Amendment) 2025]

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

6.15 An approved trustee shall not be required to inquire if there exists any beneficial owner in relation to a customer that is —

(a) *Deleted with effect from 30 November 2015;*

(b) *Deleted with effect from 30 November 2015;*

(c) an entity listed and traded 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, business relations with, or transactions undertaken in the course of business relations with the customer, may be connected with money laundering or terrorism financing.

[MAS Notice SFA13-N01 (Amendment) 2015]
[MAS Notice SFA13-N01 (Amendment) 2022]

6.16 For the purposes of paragraphs 6.15(f), an approved trustee shall document the basis for its determination that the requirements in that paragraph have been duly met.

[MAS Notice SFA13-N01 (Amendment) 2022]

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

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

(VI) Ongoing Monitoring

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

6.19 An approved trustee shall, during the course of business relations with a customer, 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.

6.20 An approved trustee shall pay special attention to all complex, unusually large or unusual patterns of transactions, undertaken throughout the course of business relations, that have no apparent or visible economic or lawful purpose.

6.21 For the purposes of ongoing monitoring, an approved trustee shall put in place and implement 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, unusually large or unusual patterns of transactions.

6.22 An approved trustee shall, to the extent possible, inquire into the background and purpose of the transactions in paragraph 6.20 and document its findings with a view to making this information available to the relevant authorities should the need arise.

6.23 An approved trustee shall ensure that the CDD data, documents and 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, are relevant and kept up-to-date by undertaking reviews of existing CDD data, documents and information, particularly for higher risk categories of customers.

6.24 Where there are any 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 and document the reasons for retaining the customer; and
(b) the customer's business relations with the approved trustee shall be subject to commensurate risk mitigation measures, including enhanced ongoing monitoring.

6.25 Where the approved trustee assesses the customer or the business relations with the customer referred to in paragraph 6.24 to be of higher risk, the approved trustee shall perform enhanced CDD measures, which shall include obtaining the approval of the approved trustee's senior management to retain the customer.

Face-to-Face Verification

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

CDD Measures for Non-Face-to-Face Business Relations

6.27 Subject to paragraph 6.26, an approved trustee shall develop policies and procedures to address any specific risks associated with non-face-to-face contact with a customer or transactions undertaken in the course of business relations with a customer.

6.28 An approved trustee shall implement the policies and procedures referred to in paragraph 6.27 when conducting ongoing due diligence.

6.29 Where there is no face-to-face contact, the approved trustee shall perform CDD measures that are at least as robust as those that would be required to be performed if there was face-to-face contact.

[MAS Notice SFA13-N01 (Amendment) 2022]

Reliance by Acquiring Approved Trustee on Measures Already Performed

6.30 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 the measures as required by paragraphs 6, 7 and 8, 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, and document such enquiries.

Where Measures are Not Completed

6.31 Where the approved trustee is unable to complete the measures as required by paragraphs 6, 7 and 8, 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.

6.32 For the purposes of paragraph 6.31, completion of the measures means the situation where the approved trustee has obtained, screened and verified all necessary CDD information required under paragraphs 6, 7 and 8, and where the approved trustee has received satisfactory responses to all inquiries in relation to such necessary CDD information.

[MAS Notice SFA13-N01 (Amendment) 2022]

Existing Customers

6.33 An approved trustee shall perform the measures as required by paragraphs 6, 7 and 8 in relation to its existing customers, based on its own assessment of materiality and risk, taking into account any previous measures applied, the time when the measures were last applied to such existing customers and the adequacy of data, documents or information obtained.

Screening

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

6.35 An approved trustee shall screen the persons referred to in paragraph 6.34 —

(a) before the approved trustee establishes business relations with a 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 or other relevant authorities in Singapore to the approved trustee; or

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

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

7 SIMPLIFIED CUSTOMER DUE DILIGENCE

7.1 Subject to paragraph 7.4, an approved trustee may perform simplified CDD measures in relation to a customer, any natural person appointed to act on behalf of the customer and any beneficial owner of the customer (other than any beneficial owner that the approved trustee is exempted from making inquiries about under paragraph 6.15), if it is satisfied that the risks of money laundering and terrorism financing are low, when the approved trustee establishes business relations or enters into negotiations with a view to establishing business relations with any customer.

[MAS Notice SFA13-N01 (Amendment) 2015]

7.2 The assessment of low risks shall be supported by an adequate analysis of risks by the approved trustee.

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

7.4 An approved trustee shall not perform simplified CDD measures —

(a) where a customer or any beneficial owner of the customer is from or in a country or jurisdiction in relation to which the FATF has called for countermeasures;

(b) where a customer or any beneficial owner of the customer is from or in a country or jurisdiction 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; or

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

[MAS Notice SFA13-N01 (Amendment) 2022]

7.5 Subject to paragraphs 7.2, 7.3 and 7.4, an approved trustee may perform simplified CDD measures in relation to a customer that is a financial institution set out in Appendix 2.

7.6 Where the approved trustee performs simplified CDD measures in relation to a customer, any natural person appointed to act on behalf of the customer and any beneficial owner of the customer, it shall document —

(a) the details of its risk assessment; and

(b) the nature of the simplified CDD measures.

7.7 For avoidance of doubt, the term “CDD measures” in paragraph 7 means the measures required by paragraph 6.

[MAS Notice SFA13-N01 (Amendment) 2015]

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 parent, step-parent, child, step-child, adopted child, spouse, sibling, step-sibling, and adopted sibling of the politically exposed person;

"foreign politically exposed person" means a natural person who is or has been entrusted with prominent public functions in a foreign country or jurisdiction;

[MAS Notice SFA13-N01 (Amendment) 2022]

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

[MAS Notice SFA13-N01 (Amendment) 2022]

"international organisation politically exposed person" means a natural person who is or has been entrusted with prominent public functions in 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 implement appropriate internal risk management systems, policies, procedures and controls to determine if any natural person appointed to act on behalf of the customer, any connected party of the customer or any beneficial owner of the customer is a politically exposed person, or a family member or close associate of a politically exposed person.

8.3 An approved trustee shall, in addition to performing CDD measures (specified in paragraph 6), perform at least the following enhanced CDD measures where any beneficial owner of the customer is determined by the approved trustee to be a politically exposed person, or a family member or close associate of a politically exposed person under paragraph 8.2:

(a) obtain approval from the approved trustee's senior management to establish or continue business relations with the customer;

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

(c) conduct, during the course of business relations with the customer, enhanced monitoring of business relations with the customer. In particular, the approved trustee shall increase the degree and nature of monitoring of the business relations with, and transactions undertaken in the course of business relations with, the customer in order to determine whether they appear unusual or suspicious.

8.4 An approved trustee may adopt a risk-based approach in determining whether to perform enhanced CDD measures or the extent of enhanced CDD measures to be performed for ―

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

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

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

except in cases where the business relations with, or transactions undertaken in the course of business relations with the approved trustee present a higher risk for money laundering or terrorism financing.

Other Higher Risk Categories

8.5 An approved trustee shall implement appropriate internal risk management systems, policies, procedures and controls to determine if business relations with, or transactions undertaken in the course of business relations with, any customer present a higher risk for money laundering or terrorism financing.

8.6 For the purposes of paragraph 8.5, circumstances where a customer presents or may present a higher risk for money laundering or terrorism financing include but are not limited to the following:

(a) where a customer or any beneficial owner of the customer is from or in a country or jurisdiction in relation to which the FATF has called for countermeasures, the approved trustee shall treat any business relations with, or transactions undertaken in the course of business relations with, any such customer as presenting a higher risk for money laundering or terrorism financing;

(b) where a customer or any beneficial owner of the customer is from or in a country or jurisdiction 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, the approved trustee shall assess whether any such customer presents a higher risk for money laundering or terrorism financing; and

(c) where a customer is a legal person for which the approved trustee is not able to establish if it has any –

(i) ongoing, apparent or visible operation or business activity;

(ii) economic or business purpose for its corporate structure or arrangement; or

(iii) substantive financial activity in its interactions with the approved trustee,

the approved trustee shall assess whether any such customer presents a higher risk for money laundering or terrorism financing.

[MAS Notice SFA13-N01 (Amendment) 2015]
[MAS Notice SFA13-N01 (Amendment) 2022]

8.7 An approved trustee shall perform the appropriate enhanced CDD measures in paragraph 8.3 for business relations with, or transactions undertaken in the course of business relations with, any customer —

(a) who the approved trustee determines under paragraph 8.5; or

(b) the Authority or other relevant authorities in Singapore notify to the approved trustee,

as presenting a higher risk for money laundering or terrorism financing.

8.8 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 MAS Act.

[MAS Notice SFA13-N01 (Amendment) 2022]

9 RELIANCE ON 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 by a foreign authority for compliance with AML/CFT requirements consistent with standards set by the FATF (other than a holder of a payment services licence under the Payment Services Act 2019, or equivalent licences); or

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

[MAS Notice SFA13-N01 (Amendment) 2022]

9.2 Subject to paragraph 9.3, an approved trustee may rely on a third party to perform the measures as required by paragraphs 6, 7 and 8 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 AML/CFT 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 data, documents or information obtained by the third party with respect to the 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 measures as required by paragraphs 6, 7 and 8, it shall —

(a) document the basis for its satisfaction that the requirements in paragraphs 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.

[MAS Notice SFA13-N01 (Amendment) 2022]

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, in relation to all data, documents and information that the approved trustee is required to obtain or produce to meet the requirements under this Notice, prepare, maintain and retain records of such data, documents and information.

10.2 An approved trustee shall perform the measures as required by paragraph 10.1 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 amount and type 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 relations), 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.

10.3 Subject to paragraph 10.5 and any other requirements imposed by law, an approved trustee shall, for the purposes of record retention under paragraphs 10.1 and 10.2, and when setting its record retention policies, comply with the following record retention periods:

(a) for CDD information relating to the business relations and transactions undertaken in the course of 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 data, documents and information 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.

10.4 An approved trustee may retain data, documents 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.

10.5 An approved trustee shall retain records of data, documents and information on all its business relations with, or transactions undertaken in the course of 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 other relevant authorities in Singapore.

11 PERSONAL DATA

11.1 For the purposes of paragraph 11, "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 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 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) the individual's full name, including any alias;

(ii) the individual's unique identification number (such as an identity card number, birth certificate number or passport number);

(iii) the individual's residential address;

(iv) the individual’s date of birth;

(v) the individual’s nationality;

(vi) subject to sections 21(2) and (3) read with the Fifth Schedule to the Personal Data Protection Act 2012, any other personal data of the respective individual provided by that individual to the approved trustee; and

(b) subject to section 22(7) read with the Sixth Schedule to the Personal Data Protection Act 2012, correct an error or omission in relation to the types of personal data set out in subparagraphs (a)(i) to (vi), provided the approved trustee is satisfied that there are reasonable grounds for such request.

[MAS Notice SFA13-N01 (Amendment) 2022]

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 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 CDSA[72] and in the TSOFA 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 and officers 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~~ upon request.

[MAS Notice SFA13-N01 (Amendment) 2025]

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, including where —

[2] Please note in particular section 48 of the CDSA on tipping-off.

(a) the approved trustee is for any reason unable to complete the measures; as required by paragraphs 6, 7 and 8; or

(b) the customer is reluctant, unable or unwilling to provide any information requested by the approved trustee, or decides to withdraw from negotiations to enter into a trust deed or to terminate existing business relations.

[MAS Notice SFA13-N01 (Amendment) 2022]

12.4 Where an approved trustee forms a suspicion of money laundering or terrorism financing, and reasonably believes that performing any of the measures as required by paragraphs 6, 7 or 8 will tip-off a customer, a natural person appointed to act on behalf of the customer, a connected party of the customer or a beneficial owner of the customer, the approved trustee may stop performing those measures. The approved trustee shall document the basis for its assessment and file an STR.

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 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 meet all the requirements of this Notice.

[MAS Notice SFA13-N01 (Amendment) 2022]

Group Policy

13.3 For the purposes of paragraphs 13.4 to 13.9, a reference to "approved trustee" means an approved trustee incorporated in Singapore.

[MAS Notice SFA13-N01 (Amendment) 2022]

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

[MAS Notice SFA13-N01 (Amendment) 2022]

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

(a) in relation to which the FATF has called for countermeasures; 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, the approved trustee shall ensure that its group policy on AML/CFT is strictly observed by the management of that branch or subsidiary.

[MAS Notice SFA13-N01 (Amendment) 2022]

13.6 Subject to the approved trustee putting in place adequate safeguards to protect the confidentiality and use of any information that is shared, 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, to the extent permitted by the law of the countries or jurisdictions that its branches and subsidiaries are in.

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

13.7A For the purposes of paragraph 13.7, the information to be shared within the approved trustee's financial group shall include any information and analysis of transactions or activities that appear unusual.[8]

[MAS Notice SFA13-N01 (Amendment) 2022]

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 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.

13.9A In the case of a Singapore branch of a approved trustee incorporated outside Singapore, subject to the Singapore branch putting in place adequate safeguards to protect the confidentiality and use of any information that is shared, the Singapore branch shall share customer, account and transaction information within the approved trustee's financial group when necessary for money laundering and terrorism financing risk management purposes. Such information to be shared within the approved trustee's financial group

[8] Subject to section 48 of the CDSA on tipping-off, information shared may include an STR, the underlying information of the STR, or the fact that an STR was filed.

[MAS Notice SFA13-N01 (Amendment) 2022]

shall include any information and analysis of transactions or activities that appear unusual.[9]

[MAS Notice SFA13-N01 (Amendment) 2022]

Compliance

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

13.11 An approved trustee shall ensure that the AML/CFT compliance officer, as well as any other persons appointed to assist the AML/CFT compliance officer, is suitably qualified, and has adequate resources and timely access to all customer records and other relevant information which the AML/CFT compliance officer requires to discharge the AML/CFT compliance officer's functions.

[MAS Notice SFA13-N01 (Amendment) 2022]

Audit

13.12 An approved trustee shall maintain an audit function that is adequately resourced and independent, and that is 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 officers.

Training

13.14 An approved trustee shall take all appropriate steps to ensure that its employees and officers (whether in Singapore or elsewhere) are regularly and appropriately trained on —

(a) AML/CFT laws and regulations, and in particular, CDD measures, and detecting and reporting of suspicious transactions;

(b) prevailing techniques, methods and trends in money laundering and terrorism financing; and

[9] Subject to section 48 of the CDSA on tipping-off, information shared may include an STR, the underlying information of the STR, or the fact that an STR was filed.

[[MAS Notice SFA13-N01 (Amendment) 2022]

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

[MAS Notice SFA13-N01 (Amendment) 2022]

Endnotes on History of Amendments

1. MAS Notice SFA13-N01 dated 2 July 2007.
   (a) MAS Notice SFA13-N01 (Amendment) 2013 dated 23 January 2013.
   (b) MAS Notice SFA13-N01 (Amendment) 2014 dated 1 July 2014.
2. MAS Notice SFA13-N01 dated 2 July 2007 cancelled with effect from 24 May 2015.
3. MAS Notice SFA13-N01 dated 24 April 2015 with effect from 24 May 2015.
   (a) MAS Notice SFA13-N01 (Amendment) 2015 dated 30 November 2015.
   (b) MAS Notice SFA13-N01 (Amendment) 2021 with effect from 1 July 2021.
   (c) MAS Notice SFA13-N01 (Amendment) 2022 with effect from 1 March 2022.
   (d) MAS Notice SFA13-N01 (Amendment) 2025 with effect from 1 March 2025.

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 does not include 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 2005 read with regulation 4 of the Trust Companies (Exemption) Regulations (Rg. 1).

[MAS Notice SFA13-N01 (Amendment) 2021]
[MAS Notice SFA13-N01 (Amendment) 2022]

2. Persons exempted under section 23(1)(f) of the Financial Advisers Act 2001 read with regulation 27(1)(d) of the Financial Advisers Regulations (Rg. 2).

[MAS Notice SFA13-N01 (Amendment) 2022]

3. Persons exempted under section 99(1)(h) of the SFA read with paragraph 7(1)(b) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations.

[MAS Notice SFA13-N01 (Amendment) 2022]

Note: For the avoidance of doubt, the financial institutions set out in Appendix 2 fall within Appendix 1.

Appendix 2

1. Banks in Singapore licensed under the Banking Act 1970.

[MAS Notice SFA13-N01 (Amendment) 2021]
[MAS Notice SFA13-N01 (Amendment) 2022]

2. Merchant banks in Singapore licensed the Banking Act 1970.

[MAS Notice SFA13-N01 (Amendment) 2021]
[MAS Notice SFA13-N01 (Amendment) 2022]

3. Finance companies licensed under section 6 of the Finance Companies Act 1967.

[MAS Notice SFA13-N01 (Amendment) 2022]

4. Financial advisers licensed under section 6 of the Financial Advisers Act 2001 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.

[MAS Notice SFA13-N01 (Amendment) 2022]

5. Holders of a capital markets services licence under section 82 of the SFA.

[MAS Notice SFA13-N01 (Amendment) 2022]

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 2001 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.

[MAS Notice SFA13-N01 (Amendment) 2022]

8. Persons exempted under section 99(1)(h) of the SFA read with paragraph 7(1)(b) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations.

[MAS Notice SFA13-N01 (Amendment) 2022]

9. Approved trustees approved under section 289 of the SFA.

[MAS Notice SFA13-N01 (Amendment) 2022]

10. Trust companies licensed under section 5 of the Trust Companies Act 2005.

[MAS Notice SFA13-N01 (Amendment) 2022]

11. Direct life insurers licensed under section 8 of the Insurance Act 1966.

[MAS Notice SFA13-N01 (Amendment) 2022]

12. Insurance brokers registered under the Insurance Act 1966 which, by virtue of such registration, are exempted under section 23(1)(c) of the Financial Advisers Act 2001 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.

[MAS Notice SFA13-N01 (Amendment) 2022]