



Monetary Authority of Singapore

Consultation Paper
P018 – November 2023

Consultation Paper on Notice Relating to FI-FI Information Sharing for AML/CFT



Contents

1. Preface	3
2. Introduction and Background	5
3. Internal Policies and Modes of Information Sharing	6
4. Requirements to incorporate information from COSMIC as part of AML/CFT controls	8
5. Platform Safeguards, Record Keeping, Outsourcing	9



1. Preface

- 1.1. On 9 May 2023, Parliament passed the Financial Services and Markets (Amendments) Act 2023 to, amongst others, amend the Financial Services and Markets Act (“FSMA”) to establish a new electronic information sharing system for the disclosure, publication and sharing of risk information by prescribed financial institutions (“FIs”) for the prevention and detection of money laundering (“ML”), terrorism financing (“TF”), and proliferation financing (“PF”)¹. The new electronic information sharing system, named Collaborative Sharing of ML/TF Information & Cases, or COSMIC in short, will enhance information exchange between the prescribed FIs to more effectively deter and disrupt criminal activities.
- 1.2. Under the new section 28H of the FSMA, MAS may issue a written notice to prescribed FIs, to impose requirements with respect to certain matters relating to information sharing through COSMIC, if MAS thinks it is necessary or expedient for the effective administration of the new Part 4A of the FSMA. Under item 3 of Part 2 of the new Third Schedule in the FSMA, MAS may also issue a notice or direction to specify the conditions for the disclosure of information in connection with the performance of certain outsourced functions.
- 1.3. MAS has drafted a Notice to set out requirements relating to the sharing of information through COSMIC (the “COSMIC Notice”). MAS has also drafted amendments to MAS Notice 626 (“MAS 626”) to clarify the relationship and interaction between certain requirements in the COSMIC Notice and existing AML/CFT requirements in MAS 626. **These amendments to MAS 626 are not intended to modify any AML/CFT requirement that applies to an FI that is not a prescribed FI.** We invite comments from interested parties on both the draft COSMIC Notice as well as the draft amendments to MAS 626.
- 1.4. Please note that all submissions received will be published and attributed to the respective respondent unless they expressly request MAS not to do so. As such, if respondents would like:
 - (a) their whole submission or part of it (but not their identity), or
 - (b) their identity along with their whole submission,to be kept confidential, please expressly state so in the submission to MAS. MAS will only publish non-anonymous submissions. In addition, MAS reserves the right not to publish any submission received where MAS considers it not in the public interest to do so, such as where the submission appears to be libelous or offensive.
- 1.5. Please submit written comments by 15 December 2023 to –

¹ Please refer to the Explanatory Brief for Financial Services and Markets (Amendment) Bill 2023 at <http://www.mas.gov.sg/news/speeches/2023/explanatory-brief-for-financial-services-and-markets-amendment-bill>



Anti-Money Laundering Department
Monetary Authority of Singapore
10 Shenton Way, MAS Building
Singapore 079117
Fax: (65) 62203973
Email: amlcft_consult@mas.gov.sg

- 1.6. Electronic submission is encouraged. We would appreciate that you use this suggested format for your submission to ease our collation efforts.



2. Introduction and Background

- 2.1. MAS is developing COSMIC together with six banks that are major players in the commercial and small-medium enterprises banking segment,² to facilitate FI-FI information sharing for the prevention and detection of ML, TF and PF. Prescribed FIs may share risk information on a “relevant party”, as defined in the new section 28B of the FSMA, through COSMIC. A “relevant party” is a person who is a prescribed FI’s customer, or who seeks to be or has been a customer of a prescribed FI, and has been prescribed by MAS as such a “relevant party” in regulations. COSMIC will allow prescribed FIs to securely share with one another, risk information on relevant parties who exhibit multiple “red flags” that may indicate potential financial crime concerns, if stipulated thresholds are met. This will make it easier for prescribed FIs to detect and thereby deter criminal activity.³
- 2.2. Part 4A of the FSMA sets out the conditions that must be met before a prescribed FI may share information on COSMIC. MAS proposes to set out in the COSMIC Notice the requirements that prescribed FIs must abide by relating to risk information shared through COSMIC. These include:
- (a) the internal policies that a prescribed FI must put in place to facilitate the sharing of risk information through COSMIC;
 - (b) the responsibility of a prescribed FI to conduct a risk assessment upon the receipt of risk information through COSMIC and where there are positive hits against the platform screening list⁴; and
 - (c) the safeguards a prescribed FI must establish to (i) protect risk information shared through COSMIC from unauthorized use and disclosure, and (ii) ensure that it gives due regard to other relevant information that may be available prior to terminating or declining to establish business relations with a relevant party, so as to protect the interests of legitimate relevant parties.
- 2.3. MAS expects prescribed FIs to take relevant risk information that they have received through COSMIC into consideration when fulfilling the relevant obligations under MAS 626. MAS has proposed amendments to MAS 626 to provide greater clarity on these obligations, and where necessary, will provide further guidance on this in the Guidelines to the COSMIC Notice and through amendments to the Guidelines to MAS 626. **For avoidance of doubt, the amendments to MAS 626 are intended to apply to a prescribed FI in COSMIC, and are not intended to modify any AML/CFT requirement that applies to an FI that is not a prescribed FI.**

² The six banks are DBS, OCBC, UOB, SCB, Citibank and HSBC.

³ Please refer to the consultation paper and responses published here, <https://www.mas.gov.sg/publications/consultations/2021/fi-fi-information-sharing-platform-for-amlcft>, for further details on COSMIC.

⁴ The platform screening list will be provided by MAS to the prescribed FIs through COSMIC. It will contain an extract of key particulars of risk information that has been published on COSMIC under section 28F of the FSMA relating to all relevant parties.



2.4. MAS seeks feedback on the appended draft Notices, particularly on the areas outlined in the subsequent sections.

3. Internal Policies and Modes of Information Sharing

3.1. To briefly recap, a prescribed FI may share risk information through COSMIC in three ways:

- (a) It may request risk information relating to certain relevant parties from another prescribed FI, if the conditions under the new section 28D of the FSMA are met (a “Request”);
- (b) It may, on its own motion, disclose risk information relating to certain relevant parties to another prescribed FI if the conditions under the new section 28E of the FSMA are met (a “Disclosure”); and
- (c) It may publish on COSMIC risk information relating to certain relevant parties, if the conditions under the new section 28F of the FSMA are met (a “Listing”).

3.2. The COSMIC Notice will set out the requirements that a prescribed FI must comply with relating to the three modes of sharing (i.e. a Request, a Disclosure and a Listing). These are explained below.

Internal Policies

3.3. To ensure that prescribed FIs request, disclose or list information in COSMIC in a systematic manner and puts in place appropriate safeguards, MAS will require prescribed FIs to establish and implement policies, procedures and controls to facilitate this. In particular, the policies, procedures and controls must include a framework to assess that the applicable conditions and relevant threshold criteria for a Request, a response to a Request, a Disclosure or a Listing are met. The policies, procedures and controls must be approved by senior management and be subject to regular audits to assess its effectiveness. The policies, procedures and controls must also address how the prescribed FI will ensure that the relevant documentation and record retention policies are met. These requirements are set out in Paragraphs 3.1 to 3.3 of the draft Notice.

Requirements pertaining to Request, Disclosure or Listing

Risk Assessment and Risk Mitigation Measures in relation to Requests and Disclosures

3.4. To ensure that a prescribed FI properly considers the risk information it has received from another prescribed FI through COSMIC, MAS will require a prescribed FI that has received risk information pursuant to a Request it initiated, or pursuant to a Disclosure from another prescribed FI, to undertake a risk assessment of ML/TF/PF risks presented by the relevant party to whom the Request or Disclosure relates. The prescribed FI must also document the assessment undertaken. This is set out in Paragraphs 4.1 and 5.1 of the COSMIC Notice.



- 3.5. The prescribed FI is also required, as part of its existing obligations under MAS 626, to take appropriate risk mitigation measures. Prescribed FIs must take into consideration information they have obtained from COSMIC, including the results of the abovementioned risk assessments, in performing the risk mitigation measures required under MAS 626. MAS intends to elaborate on this in the Guidelines to MAS 626. Please also see section 4 below, which elaborates on this.

Screening, Risk Assessment and Risk Mitigation Measures in relation to Listings

- 3.6. Prescribed FIs must also screen a relevant party that is a customer or prospective customer, individuals appointed to act on the relevant party's behalf, as well as its connected parties and beneficial owners, against the platform screening list when establishing business relations and subsequently on a periodic basis. Similar to the requirements for Request and Disclosure outlined in paragraph 3.4 above, where there is a positive hit against the platform screening list, the prescribed FI must undertake a risk assessment of the ML/TF/PF risks presented by the relevant party associated with the positive hit, document this assessment, and take the appropriate risk mitigation measures.
- 3.7. A clarificatory amendment to MAS 626 is proposed to make clear that the platform screening list does **not** constitute "lists and information provided by the Authority and other relevant authorities in Singapore" as described in paragraph 6 of MAS 626. This is because the names that will be in the platform screening list are of a different nature from the names that are provided through such lists, which comprise persons already designated for links to terrorism or that are subject to financial sanctions imposed by the United Nations or Singapore. MAS does not intend to apply the more stringent screening procedures outlined in MAS 626 to the platform screening list.

Engagement with relevant party and requirements prior to Listing or exit

- 3.8. The COSMIC Notice includes a requirement for a prescribed FI to have regard to any other relevant information that may be available, such as information from its own investigations or other external sources, in addition to the risk information that it has obtained from COSMIC, in determining whether to terminate or decline to establish business relations with said relevant party further to a risk assessment that it had undertaken under the COSMIC Notice. This is set out in Paragraphs 4.2, 5.2 and 6.6 of the COSMIC Notice. This will ensure the prescribed FI performs a holistic assessment of the risks and does not rely solely on information from COSMIC to arrive at such decisions.
- 3.9. The COSMIC Notice also includes a requirement that a prescribed FI must, before a Listing, engage the relevant party that is the subject of its Listing to clarify any ML/TF/PF concerns it has on the relevant party, unless it is not practicable to do so. The prescribed FI must also promptly remove the Listing if it becomes aware of new information that indicates that the threshold criteria for the Listing are no longer satisfied or if the Listing was made erroneously. This is set out in Paragraphs 6.1 and 6.2 of the COSMIC Notice. This will protect the interests of legitimate relevant parties, who might have valid reasons for the behaviour or profile that was observed on COSMIC.



3.10. Taken together, these measures will ensure that legitimate relevant parties are not inadvertently adversely impacted by the sharing on COSMIC.

Question 1. MAS seeks feedback on the proposed requirements for a prescribed FI to establish and implement policies, procedures and controls to ensure that the prescribed FI requests, discloses or lists information on COSMIC in a systematic manner and puts in place appropriate safeguards.

Question 2. MAS seeks feedback on the proposed requirements pertaining to Request, Disclosure or Listing, including the conduct of risk assessments, risk mitigation measures, and performance of screening. MAS also seeks feedback on the requirement to engage a relevant party prior to exit and listing.

4. Requirements to incorporate information from COSMIC as part of AML/CFT controls

4.1. Prescribed FIs that are banks in Singapore (“prescribed banks”) must also take into account information received from COSMIC when fulfilling their broader AML/CFT obligations under MAS 626. Amendments to MAS 626⁵ have been proposed to clarify how risk information obtained from COSMIC should be taken into account in the performance of ongoing monitoring and customer enhanced due diligence measures, specifically:

- (a) Paragraph 6.20 of MAS 626 – As part of the prescribed bank’s knowledge of the customer, its business and risk profile and, if appropriate, the source of funds;
- (b) Paragraph 6.21 of MAS 626 – In determining if transactions undertaken throughout the course of business relations are complex, unusually large or is part of an unusual pattern of transactions that have no apparent or visible economic or lawful purpose; and
- (c) Paragraphs 8.2 and 8.5 of MAS 626 – When implementing its internal risk management systems, policies, procedures and controls to determine if 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 (collectively, “Key Individuals” or “KIs”) is a politically exposed person (“PEP”), a family member or close associate of a PEP, or if the customer or its transactions otherwise presents higher ML/TF risk, and thus requires enhanced customer due diligence.

4.2. MAS will also clarify, via amendments to the Guidelines to MAS 626, when prescribed banks should take information received from COSMIC into account as part of their broader AML/CFT obligations. These are situations already catered for under the current scope of MAS 626, but deserve clarification in the Guidelines to MAS 626 for the avoidance of doubt. These include but are not limited to:

⁵ MAS is proposing to amend MAS 626 only, as the prescribed FIs in the initial phase are limited to the six banks mentioned in footnote 2.



- (a) conducting enterprise-wide risk assessment;
- (b) considering whether it is appropriate to retain a customer despite having reasonable grounds to suspect that the customer is connected with ML/TF;
- (c) considering whether there is a suspicion of ML/TF and if so, performing the measures as required by Paragraphs 6-8 of MAS 626;
- (d) ensuring that due diligence data, documents and information (“CDD information”) on its customer and its KIs is up-to-date. If, as a result of information received through COSMIC, the prescribed bank becomes aware that it lacks sufficient information about the customer and its KIs or that the information about the customer and its KIs is not up-to-date, this should trigger the prescribed bank to obtain updated CDD information and update its assessment whether the customer or its KIs is a PEP or a family member or close associate of a PEP, or if the customer or its transactions otherwise presents higher ML/TF risk (and to perform the necessary enhanced due diligence measures in Paragraph 8.3 of MAS Notice 626 if so);
- (e) assessing why it must not perform simplified customer due diligence;
- (f) reporting to the authorities transactions suspected of being connected with ML/TF; and
- (g) determining the source of wealth and funds of the customer and the customer’s beneficial owner.

4.3. **Annex A** sets out a list of the paragraphs in MAS 626 for which MAS will clarify its supervisory expectations with regard to the use of COSMIC information, via amendments to the MAS 626 Guidelines.

Question 3. MAS seeks feedback on the amendments to MAS Notice 626 and additions to the Guidelines to MAS Notice 626, which will clarify how a prescribed bank should integrate information it has received from COSMIC into its broader AML/CFT controls.

5. Platform Safeguards, Record Keeping, Outsourcing

Requirement to Maintain Security and Integrity of Platform Information

5.1. Prescribed FIs should ensure information shared on COSMIC is accurate and complete. Prescribed FIs are required to correct any errors or omissions, especially if a relevant party has provided further clarifications to address earlier financial crime concerns.



- 5.2. Prescribed FIs are also required to have systems and processes in place to protect the security, integrity and confidentiality of platform information. Any event that involves a security breach must be addressed appropriately.
- 5.3. MAS has set out the proposed requirements relating to this in Paragraphs 8.1 to 8.4 of the COSMIC Notice.

Record Keeping requirement

- 5.4. Prescribed FIs are required to prepare, maintain, and retain records in relation to all data, documents and information relating to the three modes of sharing, including results of any risk assessments undertaken, for a period of at least 5 years.
- 5.5. MAS has set out the proposed various record keeping requirements applicable to prescribed FIs in Paragraphs 9.1 to 9.5 of the COSMIC Notice.

Outsourcing of relevant services involving COSMIC information

- 5.6. Prescribed FIs may obtain an outsourced relevant service only from a service provider that has met certain requirements in the upcoming MAS Notice on the Management of Outsourced Relevant Services.⁶
- 5.7. Paragraphs 10.1 to 10.5 of the COSMIC Notice sets out further requirements relating to outsourcing, such as access to information and the protection of platform information.

Question 4. MAS seeks feedback on the requirements relating to platform safeguards, record keeping, and outsourcing, as set out in the paragraphs above.

⁶ The MAS Notice on the Management of Outsourced Relevant Services has not been published. The consultation paper on the draft notice can be accessed at <https://www.mas.gov.sg/-/media/MAS/News-and-Publications/Consultation-Papers/20201218-Consultation-Paper-on-Management-of-Outsourced-Relevant-Services/Annex-B---Notice.pdf>



Annex A: Key clarifications to be made in amendments to Guidelines to MAS 626

S/N	Paragraph in MAS 626	Details of MAS 626 Paragraph	Clarifications to be made to the Guidelines to MAS 626 on how prescribed banks should take into account information received through COSMIC
1	4.1 and 4.2	<p>4.1 A bank shall take appropriate steps to identify, assess and understand, its money laundering and terrorism financing risks in relation to –</p> <ul style="list-style-type: none"> (a) its customers; (b) the countries or jurisdictions its customers are from or in; (c) the countries or jurisdictions the bank has operations in; and (d) the products, services, transactions, including digital token transactions, and delivery channels of the bank. <p>4.2 The appropriate steps referred to in paragraph 4.1 shall include –</p> <ul style="list-style-type: none"> (a) documenting the bank’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 bank’s risk assessments up-to-date; and (d) having appropriate mechanisms to provide its risk assessment information to the Authority. 	<p>A prescribed bank should consider how information from COSMIC could be relevant for its enterprise-wide risk assessment. Such information could provide insights into the bank’s overall customer profile or risk of the products, services or transactions it is involved in, which may be relevant for the bank’s enterprise-wide risk assessment.</p>
2	4.3	<p>4.3 A bank shall –</p> <ul style="list-style-type: none"> (a) develop and implement policies, procedures and controls, which are approved by senior management, to enable the bank to effectively manage and mitigate the risks that have been identified by the bank or notified to it by the Authority or other relevant authorities in Singapore; 	<p>Where relevant, information received from COSMIC should also be used by a prescribed FI to meet its obligations under paragraph 4.3.</p>



		<p>(b) monitor the implementation of those policies, procedures and controls, and enhance them if necessary;</p> <p>(c) perform enhanced measures where higher risks are identified, to effectively manage and mitigate those higher risks; and</p> <p>(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.</p>	
3	6, 7 and 8	Paragraphs 6, 7, and 8 ⁷	In general, prescribed banks should take into account information received from COSMIC, where relevant, when performing the measures under Paragraphs 6, 7, and 8 of MAS 626.
4	6.3 (f) and 6.3 (g)	<p>(f) 6.3 A bank shall perform the measures as required by Paragraphs 6, 7 and 8 when there is a suspicion of money laundering or terrorism financing, notwithstanding that the bank would not otherwise be required by this Notice to perform the measures as required by Paragraphs 6, 7 and 8; or</p> <p>(g) the bank has doubts about the veracity or adequacy of information previously obtained.</p>	<p>Where there is a suspicion of ML/TF, or there are doubts about the veracity or adequacy of information previously obtained, the prescribed bank must perform the measures as required by Paragraphs 6, 7 and 8 of MAS 626. This applies regardless, whether the suspicion or doubt arises from information that it has received from COSMIC or otherwise.</p> <p>A prescribed bank should in the course of undertaking the risk assessments required under Paragraphs 4.1, 5.1 or 6.5 of the COSMIC Notice (i.e. after receiving a Disclosure or Response to a Request, or following a positive hit against the platform screening list), pay particular attention to whether the information it has received from</p>

^{7 7} Paragraphs 6, 7, and 8 have not been reproduced in its entirety in this table, but please note that this guidance applies generally to paragraphs 6, 7, and 8 of MAS Notice 626.



			COSMIC would trigger its obligations under Paragraphs 6.3 (f) and (g) of MAS 626, and perform the measures as required under Paragraphs 6-8 if so.
5	6.19	6.19 A bank shall monitor on an ongoing basis, its business relations with customers.	A prescribed bank should consider how information received through COSMIC could be used as a source of information on a customer as part of its ongoing monitoring of its business relation with the customer.
6	6.22	6.22 For the purposes of ongoing monitoring, a bank shall put in place and implement adequate systems and processes, commensurate with the size and complexity of the bank, to – (a) monitor its business relations with customers; and (b) detect and report suspicious, complex, unusually large or unusual patterns of transactions.	A prescribed bank’s systems and processes under Paragraphs 6.22(a) and (b) of MAS 626 should take into account information received through COSMIC.
7	6.24	6.24 A bank must 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.	<p>A prescribed bank should consider how the information received through COSMIC could be a relevant source of information, in respect of the bank’s obligation to keep CDD information obtained in respect of the customer and its KIs up-to-date.</p> <p>If, as a result of information received through COSMIC, the bank becomes aware that it lacks sufficient information on the customer and its KIs, or that the information about the customer and its KIs is not up-to-date, the bank should obtain updated CDD information and update its assessment whether the customer or its KIs is a PEP or a family member of close associate of a PEP, or if the customer or its</p>



			transactions otherwise presents higher ML/TF risk.
8	6.25	<p>6.25 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 bank considers it appropriate to retain the customer –</p> <ul style="list-style-type: none"> (a) the bank shall substantiate and document the reasons for retaining the customer; and (b) the customer’s business relations with the bank shall be subject to commensurate risk mitigation measures, including enhanced ongoing monitoring. 	<p>If, after conducting the risk assessments required under Paragraphs 4.1, 5.1 or 6.5 of the COSMIC Notice, a prescribed bank has determined that there are reasonable grounds for suspicion that a customer is connected with ML or TF, and decides to retain the customer, the bank is reminded to comply with the requirements set out in paragraph 6.25 of MAS 626.</p>
7	6.26	<p>6.26 Where the bank assesses the customer or the business relations with the customer referred in Paragraph 6.25 to be of higher risk, the bank shall perform enhanced CDD measures, which shall include obtaining the approval of the bank’s senior management to retain the customer.</p>	<p>A prescribed bank should comply with the requirements in paragraph 6.26 of MAS 626, as well as the requirements in the COSMIC Notice on documenting decisions to retain, terminate or deny establishment of business relations with a relevant party.</p>
8	7.4 (c)	<p>7.4 A bank shall not perform simplified CDD measures –</p> <ul style="list-style-type: none"> (c) where the bank suspects that money laundering or terrorism financing is involved. 	<p>A prescribed bank should consider information received through COSMIC in determining the ML/TF risks of a customer. A bank must not perform simplified CDD measures if it suspects that ML/TF is involved.</p>
9	8.2 and 8.5 ⁸	<p>8.2 A bank shall implement appropriate internal risk management systems, policies, procedures and controls to determine if a customer, a 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. If a bank is participating in</p>	<p>The prescribed bank should ensure that its internal risk management systems, policies, procedures and controls as described in Paragraphs 8.2 and 8.5 of 626, takes into account relevant information received from COSMIC, including any risk assessments it has undertaken under the COSMIC Notice.</p>

⁸ Paragraphs 8.2 and 8.5 reflected in this table include the proposed amendments to MAS 626 relating to COSMIC (see section 4, paragraph 4.1 above).



		<p>COSMIC, the bank must ensure that under its internal risk management systems, policies, procedures and controls in this Paragraph 8.2, the bank takes into account information relating to a customer that it has received through COSMIC.</p> <p>8.5 A bank shall implement appropriate internal risk management systems, policies, procedures and controls to determine if business relations with or transactions for any customer present a higher risk for money laundering or terrorism financing. If a bank is participating in COSMIC, the bank must ensure that under its internal risk management systems, policies, procedures and controls in this paragraph 8.5, the bank takes into account information relating to a customer that it has received through COSMIC.</p>	
9	8.3	<p>8.3 A bank shall, in addition to performing CDD measures (specified in Paragraph 6), perform at least the following enhanced CDD measures where a customer or any beneficial owner of the customer is determined by the bank to be a politically exposed person, or a family member or close associate of a politically exposed person under paragraph 8.2:</p> <ul style="list-style-type: none"> (a) obtain approval from the bank’s senior management to establish or continue business relations with. or undertake any transaction without an account being opened for 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 bank shall increase the degree and nature of 	<p>The determination of whether a customer or a beneficial owner of the customer is a PEP, or a family member of close associate of a PEP, may be made by a prescribed bank as part of its risk assessment undertaken under the COSMIC Notice. A prescribed bank that has made such a determination is reminded to perform the enhanced CDD measures set out in Paragraphs 8.3 (a), (b) and (c) of MAS 626.</p> <p>In particular, in relation to Paragraph 8.3(b) of MAS 626, where COSMIC information is relevant (e.g. it discloses previously unknown sources of wealth or funds), a prescribed bank should consider such information in establishing the source of wealth and source of funds of the customer and any beneficial owner of the customer.</p>



		<p>monitoring of the business relations with and transactions for the customer, in order to determine whether they appear unusual or suspicious.</p>	<p>In relation to Paragraph 8.3(c) of MAS 626, where COSMIC information is relevant (e.g. it discloses business activities or relationships that were not previously known), a prescribed bank should also consider such information in its conduct of enhanced monitoring of business relations with the customer.</p>
10	12.1	<p>12.1 A bank shall, in relation to all data, documents and information that the bank is required to obtain or produce to meet the requirements under this Notice, prepare, maintain and retain records of such data, documents and information.</p>	<p>Prescribed banks will have to abide by MAS 626 record keeping requirements, which will continue to be applicable in tandem with record keeping obligations under the COSMIC Notice. Where COSMIC information is relevant to and has been used to fulfill the obligations of MAS 626, the record retention policies under both MAS 626 and COSMIC Notice apply. The bank should be able to produce records as required under both MAS 626 and COSMIC Notice.</p>
11	14	<p>14.1 A bank shall keep in mind the provisions in the CDSA 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</p> <ul style="list-style-type: none"> (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. 	<p>A prescribed bank should consider how information it has received through COSMIC could be relevant to the bank's overall risk assessment on whether the filing of STR is warranted.</p>



		<p>14.2 A bank 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.</p> <p>14.3 A bank 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 –</p> <ul style="list-style-type: none"> (a) the bank 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 bank, or decides to withdraw a pending application to establish business relations or a pending transaction, or to terminate existing business relations. <p>14.4 Where a bank 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 bank may stop performing those measures. The bank shall document the basis for its assessment and file an STR.</p> <p>14.5 For the purposes of paragraph 14, a reference to “transaction” shall include a digital token transaction.</p>	
12	15.7 – 15.9A	<p>15.7 Such policies and procedures shall include the provision, to the bank’s group-level compliance, audit, and AML/CFT functions, of customer, account, and transaction information from its branches and subsidiaries within the financial group, when necessary for money</p>	<p>Prescribed banks must also comply with the conditions in the new Third Schedule of the FSMA before onward sharing any information received through COSMIC.</p>



		<p>laundering and terrorism financing risk management purposes.</p> <p>15.7A For the purposes of Paragraph 15.7, the information to be shared within the bank’s financial group shall include any information and analysis of transactions or activities that appear unusual.</p> <p>15.8 Where the AML/CFT requirements in the host country or jurisdiction differ from those in Singapore, the bank 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.</p> <p>15.9 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 bank shall apply additional appropriate measures to manage the money laundering and terrorism financing risks, report this to the Authority and comply with further directions as may be given by the Authority.</p> <p>15.9A In the case of a Singapore branch of a bank incorporated outside Singapore, subject to the Singapore branch putting in place adequate safeguards to protect the confidentiality and use of information that is shared, the Singapore branch shall share customer, account and transaction information within the bank’s financial group when necessary for money laundering and terrorism financing risk management purposes. Such information to be shared within the bank’s financial group shall include information and analysis of transactions or activities that appear unusual.</p>	
--	--	---	--