

**PROPOSED PROVISIONS ON PROPOSED FI-FI INFORMATION-SHARING
PLATFORM FOR AML/CFT**

DISCLAIMER: THIS ANNEX IS IN DRAFT FORM AND IS SUBJECT TO CLEARANCE. IT IS ALSO SUBJECT TO REVIEW BY THE ATTORNEY-GENERAL'S CHAMBERS.

PART [X]

FINANCIAL INSTITUTIONS' INFORMATION SHARING PLATFORM

Division 1 – General provisions

Application and interpretation of this Part

X1.—(1) In this Part, unless the context otherwise requires –

“high-risk indicators”, in relation to a prescribed financial institution, means such instances of behaviour or circumstances that may present a high risk of money laundering, terrorism financing, or the financing of the proliferation of weapons of mass destruction as specified in the section X4 direction issued to the prescribed financial institution;

“platform” means the financial institutions’ information-sharing platform established under section X2;

“platform information”, in relation to a prescribed financial institution, means any information received by the prescribed financial institution from any platform participant through the platform;

“platform participant” means a prescribed financial institution or the Authority;

“prescribed financial institution” means any financial institution that is prescribed by the Authority by regulations made under section X14;

“relevant party”, in relation to a prescribed financial institution, means any person or class of persons prescribed by regulations made under section X14 as a relevant party of a financial institution of the same class as that prescribed financial institution;

“risk information”, in relation to a prescribed financial institution, means –

- (a) any information relating to, or particulars of, a relevant party, including the names of the relevant party, its authorised signatory and beneficial owner, if any;
- (b) any information relating to, or particulars of, a transaction involving a relevant party, including the names of the parties involved in the transaction, the date of the transaction and the amount involved; and
- (c) any information relating to, or particulars of, the high-risk indicators in relation to a relevant party or a transaction involving a relevant party, including the prescribed financial institution’s analysis and risk commentaries on the high-risk indicators.

“section X4 direction”, in relation to a prescribed financial institution, means a direction issued by the Authority under section X4 to the prescribed financial institution;

“STRO” refers to the Suspicious Transaction Reporting Office established under section 3A of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act;

“threshold criteria” means –

- (a) in respect of section X7(1), the conditions relating to high-risk indicators that need to be fulfilled in order for a prescribed financial institution to request for risk information on a relevant party;
- (b) in respect of section X8(1), the conditions relating to high-risk indicators that need to be fulfilled in order for a prescribed financial institution to provide risk information on a relevant party; and
- (c) in respect of section X9(1), the conditions relating to high-risk indicators that need to be fulfilled in order for a prescribed financial institution to place a relevant party on the watch list.

“watch list” means the list that is maintained on the platform and called by that title;

Establishment of financial institutions’ information sharing platform

X2.—(1) The Authority may establish and operate a platform for the sharing of information amongst prescribed financial institutions, the Authority and STRO for the purposes of, or connected with, the prevention of money laundering, terrorism financing or the financing of the proliferation of weapons of mass destruction.

(2) Subject to this Part and any notice made under section X3, the Authority may, from time to time, determine the requirements for access to and the use of the platform, which may include –

- (a) terms and conditions of access to, and use of, the platform; and
- (b) security and authentication requirements for access to, and use of, the platform.

(3) The Authority, any officer or employee of the Authority, or any person acting under the direction of the Authority, shall not be liable for any loss or damage suffered by any person arising from, directly or indirectly, the use of the platform by any prescribed financial institution, the Authority or STRO unless such loss or damage results from a reckless act or omission or any intentional misconduct of any officer or employee of the Authority or any person acting under the direction of the Authority.

Notice concerning participation on platform

X3.—(1) The Authority may issue a notice to prescribed financial institutions to impose requirements on the prescribed financial institutions concerning their participation on the platform and use of platform information.

(2) In particular, the notice under subsection (1) may require the prescribed financial institutions to –

- (a) ensure that the information disclosed on the platform is accurate and complete;
- (b) ensure that any disclosure made in accordance with sections X7, X8 and X9 is done in a timely manner, within the time period specified in the notice; and
- (c) establish and implement systems and processes to safeguard the information disclosed on and received through the platform under this Part.

(3) A prescribed financial institution which fails to comply with any notice issued under subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1 million and, in the case of a continuing offence, to a further fine of \$100,000 for every day or part of a day during which the offence continues after conviction.

Direction on high-risk indicators and threshold criteria

X4.—(1) When a financial institution is prescribed as a prescribed financial institution, the Authority must issue a direction to the prescribed financial institution setting out the high-risk indicators and threshold criteria that shall be applicable to the prescribed financial institution at that point in time.

(2) The Authority may issue further directions to each prescribed financial institution to which a direction was issued under subsection (1) to vary and amend the high-risk indicators and threshold criteria.

(3) Where a direction has been issued by the Authority to a prescribed financial institution under subsection (1) or (2), the direction must not be disclosed by the prescribed financial institution or any of its officers to any other person, except in the following circumstances:

- (a) by the prescribed financial institution to any officer of that prescribed financial institution solely in connection with the performance of the duties of the officer in the prescribed financial institution; or
- (b) by any officer of the prescribed financial institution to any other officer of that prescribed financial institution, solely in connection with the performance of their duties in the prescribed financial institution.

(4) Any person who receives the direction, in whole or in part, under section X4(3) shall use the information in the direction solely in connection with the prescribed financial institution's performance of money laundering and terrorism financing and proliferation financing risk management.

(5) The obligation on an officer referred to in subsection (3) shall continue after the termination or cessation of his employment or appointment at the prescribed financial institution.

(6) Any person who contravenes subsection (3) or (4) shall be guilty of an offence and shall be liable on conviction –

- (a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both; or
- (b) in any other case, to a fine not exceeding \$1 million and, in the case of a continuing offence, to a further fine of \$100,000 for every day or part of a day during which the offence continues after conviction.

Provisions concerning directions and notices under this Division

X5.—(1) A direction or notice under this Division must be in writing.

(2) It is not necessary to publish a direction or notice under this Division in the *Gazette*.

Division 2 – Information-sharing on the platform

General

X6.—(1) The provisions under section X7, X8 and X9 apply notwithstanding any obligation as to secrecy or other restriction upon the disclosure of information imposed by any written law or any requirement imposed thereunder, any rule of law, any contract or any rule of professional conduct.

(2) Where disclosure of risk information is made under section X7, X8 and X9 to any person which is a body corporate, such risk information may be disclosed to such officers of the body corporate as may be necessary for the purposes for which the disclosure is made.

Provisions applicable during the initial phase¹

Request for risk information by a prescribed financial institution

X7.—(1) Subject to subsection (2), a prescribed financial institution or any of its officers (referred to in this section as the initiating financial institution) may request for risk information on a relevant party from another prescribed financial institution (referred to in this section as the disclosing financial institution) through the platform, provided that the threshold criteria specified in the section X4 direction is met.

(2) A request under subsection (1) may be made by an initiating financial institution to a disclosing financial institution only if –

- (a) the relevant party that is the subject of the request is a relevant party of both the initiating financial institution and the disclosing financial institution; or
- (b) where the relevant party that is the subject of the request has made or is a party to a transaction, the disclosing financial institution is –
 - (i) the financial institution that initiated the transaction;
 - (ii) the financial institution that processed the transaction as an intermediary; or
 - (iii) the financial institution that received or is the beneficiary of the transaction.

¹ Please refer to sections Y7 to Y10 below for the provisions that will be applicable after the initial phase.

(3) The initiating financial institution or any of its officers may, when making a request under subsection (1), disclose any risk information as may be relevant to the request made to the disclosing financial institution.

(4) The disclosing financial institution or any of its officers may, upon receiving the request under subsection (1), disclose the risk information specified in the request to the initiating financial institution, if the disclosing financial institution is satisfied that the disclosure of such risk information may assist in determining any matter in connection with money laundering, terrorism financing, or the financing of the proliferation of weapons of mass destruction.

Provision of risk information on a prescribed financial institution's own motion

X8.—(1) Subject to subsection (2), a prescribed financial institution or any of its officers (referred to in this section as the initiating financial institution) may, on its own motion, disclose risk information on a relevant party to another prescribed financial institution (referred to in this section as the recipient financial institution) through the platform if the threshold criteria specified in the section X4 direction is met.

(2) A disclosure under subsection (1) may be made by an initiating financial institution to a recipient financial institution only if –

- (a) the relevant party that is the subject of the disclosure is a relevant party of both the initiating financial institution and the recipient financial institution; or
- (b) where the relevant party that is the subject of the disclosure has made or is a party to a transaction, the recipient financial institution is –
 - (i) the financial institution that initiated the transaction;
 - (ii) the financial institution that processed the transaction as an intermediary; or
 - (iii) the financial institution that received or is the beneficiary of the transaction.

Watch List

X9.—(1) A prescribed financial institution or any of its officers (referred to in this section as the listing financial institution) may include within the watch list the details of a relevant party where –

- (a) the relevant party has exhibited behaviour that meets the threshold criteria specified by the Authority in the section X4 direction;
- (b) the relevant party is the subject of a disclosure made by the listing financial institution pursuant to section 39(1) of the Corruption, Drug

Trafficking and Other Serious Crimes (Confiscation of Benefits) Act arising from or in connection with the behaviour referred to in subsection (1)(a); and

- (c) the listing financial institution is in the process of terminating or has terminated its business relations with the relevant party.

(2) The details of the relevant party that may be set out in the watch list under subsection (1) includes risk information on the relevant party.

Offences under this Division

X10.— Any person who furnishes any information on the platform knowing or reckless as to whether the information is false or misleading in any material particular, commits an offence and shall be liable on conviction –

- (a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both; and
- (b) in any other case, to a fine not exceeding \$1 million and, in the case of a continuing offence, to a further fine of \$100,000 for every day or part of a day during which the offence continues after conviction.

Provisions applicable after the initial phase (to replace section X7, X8, X9 and X10)

Request for risk information by a prescribed financial institution

Y7.—(1) Subject to subsection (2), a prescribed financial institution or any of its officers (referred to in this section as the initiating financial institution) may request for risk information on a relevant party from another prescribed financial institution (referred to in this section as the disclosing financial institution) through the platform, provided that the threshold criteria specified in the section X4 direction is met.

(2) A request under subsection (1) may be made by an initiating financial institution to a disclosing financial institution only if –

- (a) the relevant party that is the subject of the request is a relevant party of both the initiating financial institution and the disclosing financial institution; or

- (b) where the relevant party that is the subject of the request has made or is a party to a transaction, the disclosing financial institution is –
 - (i) the financial institution that initiated the transaction;
 - (ii) the financial institution that processed the transaction as an intermediary; or
 - (iii) the financial institution that received or is the beneficiary of the transaction.

(3) The initiating financial institution or any of its officers may, when making a request under subsection (1), disclose any risk information as may be relevant to the request made to the disclosing financial institution.

(4) The disclosing financial institution or any of its officers must, upon receiving the request under subsection (1), disclose the risk information specified in the request to the initiating financial institution, if the disclosing financial institution is satisfied that the disclosure of such risk information may assist in determining any matter in connection with money laundering, terrorism financing, or the financing of the proliferation of weapons of mass destruction.

Provision of risk information on a prescribed financial institution's own motion

Y8.—(1) A prescribed financial institution or any of its officers (referred to in this section as the initiating financial institution) must disclose risk information on a relevant party to the prescribed financial institutions set out in subsection (2) through the platform if the threshold criteria specified in the section X4 direction is met.

(2) An initiating financial institution must make a disclosure under subsection (1) to –

- (a) any prescribed financial institution that has the same relevant party where the initiating financial institution knows or should have known that the relevant party that is the subject of the disclosure is also a relevant party of the other prescribed financial institution; and
- (b) where the relevant party that is the subject of the disclosure has made or is a party to a transaction –
 - (i) the prescribed financial institution that initiated the transaction, if any;
 - (ii) the prescribed financial institution that processed the transaction as an intermediary, if any; and
 - (iii) the prescribed financial institution that received or is the beneficiary of the transaction, if any.

Watch List

Y9.—(1) A prescribed financial institution or any of its officers (referred to in this section as the listing financial institution) must include within the watch list the details of a relevant party where –

- (a) the relevant party has exhibited behaviour that meets the threshold criteria specified by the Authority in the section X4 direction;
- (b) the relevant party is the subject of a disclosure made by the listing financial institution pursuant to section 39(1) of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act arising from or in connection with the behaviour referred to in subsection (1)(a); and
- (c) the listing financial institution is in the process of terminating or has terminated its business relations with the relevant party.

(2) The details of the relevant party that may be set out in the watch list under subsection (1) include risk information on the relevant party.

Offences under this Division

Y10.—(1) Any person who furnishes any information on the platform knowing or reckless as to whether the information is false or misleading in any material particular, commits an offence and shall be liable on conviction –

- (a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both; and
- (b) in any other case, to a fine not exceeding \$1 million and, in the case of a continuing offence, to a further fine of \$100,000 for every day or part of a day during which the offence continues after conviction.

(2) A prescribed financial institution which fails to comply with section Y7(4), Y8(1) or (2), or Y9(1) commits an offence and shall be liable on conviction to a fine not exceeding \$1 million and, in the case of a continuing offence, to a further fine of \$100,000 for every day or part of a day during which the offence continues after conviction.

(3) A prescribed financial institution which discloses risk information to another prescribed financial institution on the platform, without satisfying the requirements and conditions in sections Y7(1), (2) or (4), Y8(1) or (2), or Y9(1), shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$250,000.

(4) Where a prescribed financial institution is guilty of an offence under subsection (2) or (3), any individual charged with the duty of securing the prescribed financial

institution's compliance with the subsection or requirement, and was in the position to discharge that duty, shall also be guilty of an offence and shall be liable on conviction –

- (a) if the individual committed the offence wilfully, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both; or
- (b) If the individual did not commit the offence wilfully, to a fine not exceeding \$125,000.

Division 3 – Confidentiality and use of information

Privacy of information disclosed on platform

X11.—(1) Platform information shall not, in any way, be disclosed by a prescribed financial institution or any of its officers to any other person except as expressly provided in this Act.

(2) A prescribed financial institution may, for such purposes as may be specified in the first column of the X11 Schedule, disclose platform information to such persons or class of persons as may be specified in the second column of that Schedule, and in compliance with such conditions as may be specified in the third column of that Schedule.

(3) Any person (including, where the person is a body corporate, an officer of the body corporate) who receives platform information referred to in Part II of the X11 Schedule shall not, at any time, disclose the platform information or any part thereof to any other person, except as authorised under that Schedule or if required to do so by an order of court.

(4) Any person who contravenes subsection (1) or (3) shall be guilty of an offence and shall be liable on conviction –

- (a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both; or
- (b) in any other case, to a fine not exceeding \$250,000.

Use of information by public sector agencies

X12.— The information disclosed by a prescribed financial institution on the platform under Division 2 of this Part may be used –

- (a) by the Authority only for the purposes of carrying out or facilitating the prevention of money laundering, financing of terrorism, and financing of proliferation of weapons of mass destruction; and
- (b) by the STRO only for the purposes of facilitating its analysis of any disclosure made pursuant to section 39 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act.

Division 4 – Miscellaneous

Immunity for disclosure

X13.—(1) No civil liability shall be incurred by a prescribed financial institution or any of its officers for disclosing any information in accordance with sections X7, X8 or X9, if he had done so with reasonable care and in good faith.

(2) A prescribed financial institution which discloses any information in accordance with sections X7, X8 or X9 shall not be treated as being in breach of any restriction upon the disclosure of information imposed by written law, any rule of law, any contract or otherwise.

Regulations for this Part

X14.— The Authority may make such regulations as may be necessary or expedient for carrying out the purposes and provisions of this Part and for prescribing anything that may be required to be prescribed under this Part.

X11 SCHEDULE

Section X11

DISCLOSURE OF PLATFORM INFORMATION

PART I

FURTHER DISCLOSURE NOT PROHIBITED

<i>First column</i>	<i>Second column</i>	<i>Third column</i>
Purpose for which platform information may be disclosed	Persons to whom platform information may be disclosed	Conditions
<p>1. Disclosure is necessary for —</p> <p>(a) compliance with an order or request made under any specified written law to furnish information, for the purposes of an investigation or prosecution, of an offence alleged or suspected to have been committed under any written law; or</p> <p>(b) the making of a complaint or report under any specified written law for an offence alleged or suspected to have been committed under any written law.</p>	<p>Any police officer or public officer duly authorised under the specified written law to carry out the investigation or prosecution or to receive the complaint or report, or any court.</p>	
<p>2. Disclosure is necessary for compliance with an order of the Supreme Court or a Judge sitting in the Supreme Court pursuant to the powers conferred under Part IV of the Evidence Act (Cap. 97).</p>	<p>All persons to whom the disclosure is required to be made under the court order.</p>	
<p>3. Disclosure is in compliance with the provisions of this Act or any notice or directive issued by the Authority to the</p>	<p>The Authority or any person authorised or appointed by the Authority.</p>	

prescribed financial institution.		
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PART II

FURTHER DISCLOSURE PROHIBITED

<i>First column</i>	<i>Second column</i>	<i>Third column</i>
Purpose for which platform information may be disclosed	Persons to whom platform information may be disclosed	Conditions
1. Disclosure is solely in connection with the performance of money laundering and terrorism financing and proliferation financing risk management duties as an officer or a professional adviser of the prescribed financial institution	<p>Any —</p> <p>(a) officer of the prescribed financial institution;</p> <p>(b) officer designated in writing by the head office or parent company of the prescribed financial institution; or</p> <p>(c) auditor appointed or engaged by the prescribed financial institution, its head office or parent company under a contract for service.</p>	<p>(a) No disclosure shall be made by a prescribed financial institution to any person referred to in the second column who —</p> <p>(i) is outside Singapore; or</p> <p>(ii) is not part of the prescribed financial institution's financial group,</p> <p>unless the prescribed financial institution has anonymised the identities of the platform participants that had provided the platform information or are otherwise named in the platform information.</p> <p>(b) Disclosure must not be made to any auditor referred to in paragraph (c), other than an auditor appointed or engaged by the prescribed financial institution, unless the auditor has given to the prescribed financial institution a written undertaking that he will not disclose any platform information obtained by him in the course of the performance of audit to any person except the head office or parent</p>

		company of the prescribed financial institution.
2. Disclosure is solely in connection with the performance of money laundering and terrorism financing and proliferation financing risk management	<p>In the case of a prescribed financial institution which is—</p> <p>(a) a financial institution incorporated outside Singapore —</p> <p>(i) any officer of the head office or parent company of the financial institution who is designated in writing by the head office or parent company of the financial institution;</p> <p>(ii) any officer of any branch of the financial institution outside Singapore who is designated in writing by the head office or parent company of the financial institution;</p> <p>(iii) any officer of any related corporation of the financial institution who is designated in writing by the head office or parent company of the financial institution;</p> <p>(b) a financial institution incorporated in Singapore—</p> <p>(i) any officer of the head office or parent company of the financial institution who is designated in writing by the head office or parent company; or</p> <p>(ii) any officer of any related corporation of the financial institution who is</p>	<p>No disclosure shall be made by a prescribed financial institution to any person referred to in the second column who is outside Singapore, unless —</p> <p>(i) the prescribed financial institution has filed a suspicious transaction report on the relevant party to which the disclosure relates; and</p> <p>(ii) the prescribed financial institution has anonymised the identities of the platform participants that had provided the information, or are otherwise named in the platform information.</p>

	designated in writing by the head office or parent company of the financial institution.	
3. Disclosure is solely in connection with the performance of money laundering and terrorism financing and proliferation financing risk management operational functions of the prescribed financial institution, where such operational functions have been out-sourced.	Any person, including the head office of the prescribed financial institution or any branch thereof outside Singapore, which is engaged by the prescribed financial institution to perform the out-sourced functions.	If any such out-sourced function is to be performed outside Singapore, or by any person who is not part of the prescribed financial institution's financial group, the disclosure shall be subject to such conditions as may be specified in a notice or direction issued by the Authority or otherwise imposed by the Authority.

INTERPRETATION

In this Schedule, unless the context otherwise requires —

“financial group”, in relation to a prescribed financial institution, 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 Monetary Authority of Singapore Act or the equivalent financial institutions outside Singapore;

“public officer” includes any officer of a statutory board;

“related corporation” has the same meaning as in section 4(1) of the Companies Act;

“specified written law” means the Companies Act (Cap. 50), the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A), the Criminal Procedure Code (Cap. 68), the Goods and Services Tax Act (Cap. 117A), the Hostage-Taking Act 2010, the Income Tax Act (Cap. 134), the Internal Security Act (Cap. 143), the Insolvency, Restructuring and Dissolution Act 2018, the Kidnapping Act (Cap. 151), the Moneylenders Act 2008 (Act 31 of 2008), the Prevention of Corruption Act (Cap. 241) and the Terrorism (Suppression of Financing) Act (Cap. 325);

“suspicious transaction report” means a report by which a person discloses, under section 39 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act, any knowledge or suspicion referred to in that provision, or the information or other matter on which that knowledge or suspicion is based, to a Suspicious Transaction Reporting Officer; and

“Suspicious Transaction Reporting Officer” has the same meaning as in section 2(1) of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act.