MAS Notice 824

24 April 2015

NOTICE TO FINANCE COMPANIES
MONETARY AUTHORITY OF SINGAPORE ACT, CAP. 186

PREVENTION OF MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM – FINANCE COMPANIES

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1 INTRODUCTION

1.1 This Notice is issued pursuant to section 27B of the Monetary Authority of Singapore Act (Cap. 186) ("MAS Act") and applies to all finance companies in Singapore, as licensed under section 6 of the Finance Companies Act (Cap.108) ("FCA").

1.2 Except for paragraphs 4, 5, 15.6 and 15.7, this Notice shall take effect from 24 May 2015. Paragraphs 4, 5, 15.6 and 15.7 shall take effect from 24 July 2015. MAS Notice 824 dated 2 July 2007 is cancelled with effect from 24 May 2015.

2 DEFINITIONS

2.1 For the purposes of this Notice —

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

"Authority" means the Monetary Authority of Singapore;

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

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

"business relations" means —

(a) the opening or maintenance of an account by the finance company in the name of; or

(b) the provision of financial advice by the finance company to,

a person (whether a natural person, legal person or legal arrangement);

"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 (Cap. 65A);

"connected party" —

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

(b) in relation to a legal person that is a partnership, means any partner or manager[1]; and

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

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

"customer", in relation to a finance company, means a person (whether a natural person, legal person or legal arrangement) —

(a) with whom the finance company establishes or intends to establish business relations; or

(b) for whom the finance company undertakes or intends to undertake any transaction without an account being opened;

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

"FATF" means the Financial Action Task Force;

[1] In the case of a limited liability partnership or a limited partnership.

"finance company" means a finance company licensed under section 6 of the FCA;

"financial advice" means a financial advisory service as defined in section 2(1) of the Financial Advisers Act (Cap. 110) or advising on corporate finance as defined in section 2(1) of the Securities and Futures Act (Cap. 289);

"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 finance company;

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

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

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

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

"STR" means suspicious transaction report;

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

"TSOFA" means the Terrorism (Suppression of Financing) Act (Cap. 325); and

"wire transfer" refers to any transaction carried out on behalf of a wire transfer originator through a financial institution by electronic means with a view to making an amount of

funds available to a beneficiary person at a beneficiary institution, irrespective of whether the originator and the beneficiary are the same person.

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

2.3 The expressions used in this Notice shall, except where defined in this Notice or where the context otherwise requires, have the same meanings as in the FCA.

3 UNDERLYING PRINCIPLES

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

(a) A finance company 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) A finance company shall conduct its business in conformity with high ethical standards, and guard against establishing any business relations or undertaking any transaction, that is or may be connected with or may facilitate money laundering or terrorism financing.

(c) A finance company shall, to the fullest extent possible, assist and cooperate with the relevant law enforcement authorities in Singapore to prevent money laundering and terrorism financing.

4 ASSESSING RISKS AND APPLYING A RISK-BASED APPROACH

Risk Assessment

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

(a) its customers;

(b) the countries or jurisdictions its customers are from or in;

(c) the countries or jurisdictions the finance company has operations in; and

(d) the products, services, transactions and delivery channels of the finance company.

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

(a) documenting the finance company'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 finance company's risk assessments up-to-date; and

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

Risk Mitigation

4.3 A finance company shall —

(a) develop and implement policies, procedures and controls, which are approved by senior management, to enable the finance company to effectively manage and mitigate the risks that have been identified by the finance company 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 address the risk assessment and guidance from the Authority or other relevant authorities in Singapore.

5 NEW PRODUCTS, PRACTICES AND TECHNOLOGIES

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

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

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

5.2 A finance company 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 A finance company 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 or Fictitious Account

6.1 No finance company shall open or maintain an anonymous account or an account in a fictitious name.

Where There Are Reasonable Grounds for Suspicion prior to the Establishment of Business Relations or Undertaking any Transaction without opening an Account

6.2 Prior to a finance company establishing business relations or undertaking any transaction without opening an account, where the finance company 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 finance company shall —

(a) not establish business relations with, or undertake a transaction for, the customer; and

(b) file an STR[2], and extend a copy to the Authority for information.

When CDD is to be Performed

6.3 A finance company shall perform the measures as required by paragraphs 6, 7 and 8 when —

(a) the finance company establishes business relations with any customer;

(b) the finance company undertakes any transaction of a value exceeding S$20,000 for any customer who has not otherwise established business relations with the finance company;

(c) the finance company effects or receives any funds by domestic wire transfer, or

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

by cross-border wire transfer that exceeds S$1,500, for any customer who has not otherwise established business relations with the finance company;

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

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

6.4 Where a finance company suspects that two or more transactions are or may be related, linked or the result of a deliberate restructuring of an otherwise single transaction into smaller transactions in order to evade the measures provided for in this Notice in relation to the circumstances set out in paragraphs 6.3(b) or (c), the finance company shall treat the transactions as a single transaction and aggregate their values for the purposes of this Notice.

(I) Identification of Customer

6.5 A finance company shall identify each customer.

6.6 For the purposes of paragraph 6.5, a finance company shall obtain at least the following information:

(a) full name, including any aliases;

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

(c) the customer's –

(i) residential address; or

(ii) registered or business address, and if different, principal place of business,

as may be appropriate;

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

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

6.7 Where the customer is a legal person or legal arrangement, the finance company shall,

apart from identifying the customer, also identify the legal form, constitution and powers that regulate and bind the legal person or legal arrangement.

6.8 Where the customer is a legal person or legal arrangement, the finance company shall 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).

(II) Verification of Identity of Customer

6.9 A finance company shall verify the identity of the customer using reliable, independent source data, documents or information. Where the customer is a legal person or legal arrangement, a finance company shall verify the 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

6.10 Where a customer appoints one or more natural persons to act on his behalf in establishing business relations with a finance company or the customer is not a natural person, the finance company 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 using reliable, independent source data, documents or information.

6.11 A finance company shall verify the due authority of each natural person appointed to act on behalf of the customer by obtaining at least the following:

(a) the appropriate documentary evidence authorising the appointment of such natural person by the customer to act on his or its behalf; and

(b) the specimen signature of such natural person appointed.

6.12 Where the customer is a Singapore Government entity, the finance company 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

6.13 Subject to paragraph 6.16, a finance company shall inquire if there exists any beneficial owner in relation to a customer.

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

(a) for customers that are legal persons —

(i) identify the natural persons (whether acting alone or together) who ultimately own the legal person;

(ii) to the extent that there is doubt under subparagraph (i) as to whether the natural persons who ultimately own the legal person are the beneficial owners or where no natural persons ultimately own the legal person, identify the natural persons (if any) who ultimately control the legal person or have ultimate effective control of the legal person; and

(iii) where no natural persons are identified under subparagraph (i) or (ii), identify the natural persons having executive authority in the legal person, or in equivalent or similar positions;

(b) for customers that are legal arrangements —

(i) for trusts, identify the settlors, the trustees, the protector (if any), the beneficiaries (including every beneficiary that falls within a designated characteristic or class)[3], and any natural person exercising ultimate

[3] In relation to a beneficiary of a trust designated by characteristics or by class, the finance company shall obtain sufficient information about the beneficiary to satisfy itself that it will be able to establish the identity of the beneficiary —

(a) before making a distribution to that beneficiary; or

(b) when that beneficiary intends to exercise vested rights.

ownership, ultimate control or ultimate effective control over the trust (including through a chain of control or ownership); and

(ii) for other types of legal arrangements, identify persons in equivalent or similar positions, as those described under subparagraph (i).

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

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

(a) a Singapore Government entity;

(b) a foreign government entity;

(c) an entity listed on the Singapore Exchange;

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

(i) regulatory disclosure requirements; and

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

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

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

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

(i) set out in Appendix 1; or

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

unless the finance company has doubts about the veracity of the CDD information, or suspects that the customer, business relations with, or transaction for the customer, may be connected with money laundering or terrorism financing.

6.17 For the purposes of paragraph 6.16(f) and 6.16(g)(ii), a finance company shall document the basis for its determination that the requirements in those paragraphs

have been duly met.

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

6.18 A finance company 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

6.19 A finance company shall monitor on an ongoing basis, its business relations with customers.

6.20 A finance company shall, during the course of business relations with a customer, observe the conduct of the customer's account and scrutinise transactions undertaken throughout the course of business relations, to ensure that the transactions are consistent with the finance company's knowledge of the customer, its business and risk profile and where appropriate, the source of funds.

6.21 A finance company 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.

6.22 For the purposes of ongoing monitoring, a finance company shall put in place and implement adequate systems and processes, commensurate with the size and complexity of the finance company, to —

(a) monitor its business relations with customers; and

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

6.23 A finance company shall, to the extent possible, inquire into the background and purpose of the transactions in paragraph 6.21 and document its findings with a view to making this information available to the relevant authorities should the need arise.

6.24 A finance company 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.

6.25 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 finance company considers it appropriate to retain the customer —

(a) the finance company shall substantiate and document the reasons for retaining the customer; and

(b) the customer's business relations with the finance company shall be subject to commensurate risk mitigation measures, including enhanced ongoing monitoring.

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

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

6.27 A finance company shall develop policies and procedures to address any specific risks associated with non-face-to-face business relations with a customer or transactions for a customer.

6.28 A finance company shall implement the policies and procedures referred to in paragraph 6.27 when establishing business relations with a customer and when conducting ongoing due diligence.

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

Reliance by Acquiring Finance Company on Measures Already Performed

6.30 When a finance company ("acquiring finance company") acquires, either in whole or in part, the business of another financial institution (whether in Singapore or elsewhere), the acquiring finance company 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 finance company 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 finance company as to the adequacy of AML/CFT measures previously adopted in relation to the business or part thereof now acquired by the acquiring finance company, and document such enquiries.

CDD Measures for Non-Account Holder

6.31 A finance company that undertakes any transaction of a value exceeding S$20,000, or

effects or receives any funds by domestic wire transfer, or by cross-border wire transfer that exceeds S$1,500, for any customer who does not otherwise have business relations with the finance company shall —

(a) perform CDD measures as if the customer had applied to the finance company to establish business relations; and

(b) record adequate details of the transaction so as to permit the reconstruction of the transaction, including the nature and date of the transaction, the type and amount of currency involved, the value date, and the details of the payee or beneficiary.

Timing for Verification

6.32 Subject to paragraphs 6.33 and 6.34, a finance company shall complete verification of the identity of a customer as required by paragraph 6.9, natural persons appointed to act on behalf of the customer as required by paragraph 6.10(b) and beneficial owners of the customer as required by paragraph 6.14 —

(a) before the finance company establishes business relations with the customer;

(b) before the finance company undertakes any transaction of a value exceeding S$20,000 for the customer, where the customer has not otherwise established business relations with the finance company; or

(c) before the finance company effects or receives any funds by domestic wire transfer, or by cross-border wire transfer that exceeds S$1,500, for any customer who has not otherwise established business relations with the finance company.

6.33 A finance company may establish business relations with a customer before completing the verification of the identity of the customer as required by paragraph 6.9, natural persons appointed to act on behalf of the customer as required by paragraph 6.10(b) and beneficial owners of the customer as required by paragraph 6.14 if —

(a) the deferral of completion of the verification is essential in order not to interrupt the normal conduct of business operations; and

(b) the risks of money laundering and terrorism financing can be effectively managed by the finance company.

6.34 Where the finance company establishes business relations with a customer before verifying the identity of the customer as required by paragraph 6.9, natural persons appointed to act on behalf of the customer as required by paragraph 6.10(b), and beneficial owners of the customer as required by paragraph 6.14, the finance company shall —

(a) develop and implement internal risk management policies and procedures concerning the conditions under which such business relations may be established prior to verification; and

(b) complete such verification as soon as is reasonably practicable.

Where Measures are Not Completed

6.35 Where the finance company 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, or undertake any transaction for any customer. The finance company shall consider if the circumstances are suspicious so as to warrant the filing of an STR.

6.36 For the purposes of paragraph 6.35, completion of the measures means the situation where the finance company has obtained, screened and verified (including by delayed verification as allowed under paragraphs 6.33 and 6.34) all necessary CDD information under paragraphs 6, 7 and 8, and where the finance company has received satisfactory responses to all inquiries in relation to such necessary CDD information.

Joint Account

6.37 In the case of a joint account, a finance company shall perform CDD measures on all of the joint account holders as if each of them were individually customers of the finance company.

Existing Customers

6.38 A finance company 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

6.39 A finance company 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.

6.40 A finance company shall screen the persons referred to in paragraph 6.39 —

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

(b) when the finance company undertakes any transaction of a value exceeding S$20,000 for any customer who has not otherwise established business relations with the finance company;

(c) when the finance company effects or receives any funds by domestic wire transfer, or by cross-border wire transfer that exceeds S$1,500, for a customer who has not otherwise established business relations with the finance company;

(d) on a periodic basis after the finance company establishes business relations with the customer; and

(e) 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 finance company; or

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

6.41 A finance company shall screen all wire transfer originators and wire transfer beneficiaries as defined in paragraph 11, against lists and information provided by the Authority and any other relevant authorities in Singapore for the purposes of determining if there are any money laundering or terrorism financing risks.

6.42 The results of screening and assessment by the finance company shall be documented.

7 SIMPLIFIED CUSTOMER DUE DILIGENCE

7.1 Subject to paragraph 7.4, a finance company may perform such simplified CDD measures as it considers adequate to effectively identify and verify the identity of a customer, any natural person appointed to act on behalf of the customer and any beneficial owner of the customer (other than any beneficial owner that the finance company is exempted from making inquiries about under paragraph 6.16) if it is satisfied that the risks of money laundering and terrorism financing are low.

7.2 The assessment of low risks shall be supported by an adequate analysis of risks by the finance company.

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

7.4 A finance company 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 finance company for itself or notified to finance companies generally by the Authority, or other foreign regulatory authorities; or

(c) where the finance company suspects that money laundering or terrorism financing is involved.

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

7.6 Where the finance company 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.

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;

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

"international organisation politically exposed person" means a natural person who is or has been entrusted with prominent public 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 A finance company shall implement appropriate internal risk management systems, policies, procedures and controls to determine if a customer, 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 A finance company 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 finance company 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 finance company'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 finance company shall increase the degree and nature of monitoring of the business relations with and transactions for the customer, in order to determine whether they appear unusual or suspicious.

8.4 A finance company 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 their business relations or transactions with the finance company present a higher risk for money laundering or terrorism financing.

Other Higher Risk Categories

8.5 A finance company 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.

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 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 finance company shall treat any business relations with or transactions for any such customer as presenting a higher risk for money laundering or terrorism financing; and

(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 finance company for itself or notified to finance companies generally by the Authority or other foreign regulatory authorities, the finance company shall assess whether any such customer presents a higher risk for money laundering or terrorism financing.

8.7 A finance company shall perform the appropriate enhanced CDD measures in paragraph 8.3 for business relations with or transactions for any customer —

(a) who the finance company determines under paragraph 8.5; or

(b) the Authority or other relevant authorities in Singapore notify to the finance company,

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

8.8 A finance company shall, in taking enhanced CDD measures to manage and mitigate any higher risks that have been identified by the finance company 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.

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 money-changer's licence or a holder of a remittance licence, or equivalent licences);

(c) in relation to a finance company incorporated in Singapore, its branches, subsidiaries, parent entity, the branches and subsidiaries of the parent entity, and other related corporations; or

(d) in relation to a finance company incorporated outside Singapore, its head office, its parent entity, the branches and subsidiaries of the head office, the branches and subsidiaries of the parent entity, and other related corporations.

9.2 Subject to paragraph 9.3, a finance company 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 finance company 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 finance company 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 finance companies 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 finance company's request, any data, documents or information obtained by the third party with respect to the measures applied on the finance company's customer, which the finance company would be required or would want to obtain.

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

9.4 Where a finance company 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 paragraph 9.2(a)

and (b) have been met, except where the third party is a financial institution set out in Appendix 2; and

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

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

10 CORRESPONDENT BANKING

10.1 Paragraph 10 applies to a finance company when it provides correspondent banking or other similar services in Singapore to a finance company or financial institution that is operating outside Singapore.

10.2 For the purposes of paragraph 10 —

"correspondent bank" means a finance company in Singapore that provides or intends to provide correspondent banking or other similar services;

"correspondent banking" means the provision of banking services by a correspondent bank to a respondent bank;

"payable-through account" means an account maintained at the correspondent bank by the respondent bank but which is accessible directly by a third party to effect transactions on its own behalf;

"respondent financial institution" means a bank or financial institution, outside Singapore to which correspondent banking or other similar services are provided;

"shell financial institution" means a bank or financial institution incorporated, formed or established in a country or jurisdiction where the bank or financial institution has no physical presence and which is unaffiliated with a financial group that is subject to effective consolidated supervision; and

"similar services" include services undertaken for securities transactions or funds transfers, for the financial institution that is operating outside Singapore, whether as principal or for its customers.

10.3 A finance company in Singapore shall perform the following measures, in addition to CDD measures, when providing correspondent banking or other similar services:

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

(i) gather adequate information about the respondent financial institution to understand fully the nature of the respondent financial institution's business, including making appropriate inquiries on its management, its major business activities and the countries or jurisdictions in which it operates;

(ii) determine from any available sources the reputation of the respondent financial institution and the quality of supervision over the respondent financial institution, including whether it has been the subject of money laundering or terrorism financing investigation or regulatory action; and

(iii) assess the respondent financial institution's AML/CFT controls and ascertain that they are adequate and effective, having regard to the AML/CFT measures of the country or jurisdiction in which the respondent financial institution operates;

(b) clearly understand and document the respective AML/CFT responsibilities of each financial institution; and

(c) obtain approval from the finance company's senior management before providing correspondent banking or similar services to a new financial institution.

10.4 Where the correspondent banking or other similar services involve a payable-through account, the correspondent bank shall be satisfied that —

(a) the respondent financial institution has performed appropriate measures at least equivalent to those specified in paragraph 6 on the third party having direct access to the payable-through account; and

(b) the respondent financial institution is able to perform ongoing monitoring of its business relations with that third party and is willing and able to provide CDD information to the correspondent bank upon request.

10.5 The correspondent bank shall document the basis for its satisfaction that the requirements in paragraphs 10.3 and 10.4 are met.

10.6 No finance company shall enter into or continue correspondent banking or other similar services relationship with another bank or financial institution that does not have adequate controls against money laundering or terrorism financing activities, is not effectively supervised by the relevant authorities or is a shell financial institution.

10.7 A finance company shall also take appropriate measures when establishing correspondent banking or other similar services relationship, to satisfy itself that its respondent financial institutions do not permit their accounts to be used by shell financial institutions.

11 WIRE TRANSFERS

11.1 Paragraph 11 shall apply to a finance company when it effects the sending of funds by wire transfer or when it receives funds (including serial payments and cover payments) by wire transfer on the account of the wire transfer originator or the wire transfer beneficiary but shall not apply to a transfer and settlement between the finance company and another financial institution where the finance company and the other financial institution are acting on their own behalf as the wire transfer originator and the wire transfer beneficiary.

11.2 For the purposes of paragraph 11 —

"batch transfer" means a transfer comprising a number of individual wire transfers that are sent by a wire transfer originator to the same financial institutions, irrespective of whether the individual wire transfers are intended ultimately for one or more wire transfer beneficiaries;

"cover payment" means a wire transfer that combines a payment message sent directly by the ordering institution to the beneficiary institution with the routing of the funding instruction from the ordering institution to the beneficiary institution through one or more intermediary institutions;

"intermediary institution" means the financial institution in a serial payment or cover payment chain that receives and transmits a wire transfer on behalf of the ordering institution and the beneficiary institution, or another intermediary institution;

"serial payment" means a direct sequential chain of payment where the wire transfer and accompanying payment message travel together from the ordering institution to the beneficiary institution, directly or through one or more intermediary institutions;

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

"unique transaction reference number" means a combination of letters, numbers or symbols, determined by the payment service provider in accordance with the protocols of the payment and settlement system or messaging system used for the wire transfer, and which permits the traceability of the wire transfer;

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

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

Responsibility of the Ordering Institution

(I) Identification and Recording of Information

11.3 Before effecting a wire transfer, every finance company that is an ordering institution shall —

(a) identify the wire transfer originator and verify his or its identity, as the case may be (if the finance company has not already done so by virtue of paragraph 6); and

(b) record adequate details of the wire transfer so as to permit its reconstruction, including but not limited to, the date of the wire transfer, the type and amount of currency transferred and the value date.

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

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

(a) the name of the wire transfer originator;

(b) the wire transfer originator's account number (or unique transaction reference number where no account number exists);

(c) the name of the wire transfer beneficiary; and

(d) the wire transfer beneficiary's account number (or unique transaction reference number where no account number exists).

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

11.5 In a cross-border wire transfer where the amount to be transferred exceeds S$1,500, every finance company which is an ordering institution shall include in the message or payment instruction that accompanies or relates to the wire transfer the information required by paragraph 11.4(a) to 11.4(d) and any of the following:

(a) the wire transfer originator's —

(i) residential address; or

(ii) registered or business address, and if different, principal place of business,

as may be appropriate;

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

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

11.6 Where several individual cross-border wire transfers from a single wire transfer originator are bundled in a batch file for transmission to wire transfer beneficiaries, a finance company shall ensure that the batch transfer file contains —

(a) the wire transfer originator information required by paragraph 11.5[4] and which has been verified; and

(b) the wire transfer beneficiary information required by paragraph 11.5[5] ,

which are fully traceable within the beneficiary country.

(IV) Domestic Wire Transfers

11.7 In a domestic wire transfer, every finance company that is an ordering institution shall either —

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

(i) the name of the wire transfer originator;

(ii) the wire transfer originator's account number (or unique transaction reference number where no account number exists); and

(iii) any of the following:

(A) the wire transfer originator's:

(1) residential address; or

(2) registered or business address, and if different, principal place of business,

[4] Please note the references to paragraph 11.4(a) and (b) in paragraph 11.5.

[5] Please note the references to paragraph 11.4(c) and (d) in paragraph 11.5.

as may be appropriate;

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

(C) the date and place of birth, incorporation or registration of the wire transfer originator (as may be appropriate); or

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

(i) that these details will permit the transaction to be traced back to the wire transfer originator and wire transfer beneficiary;

(ii) the ordering institution shall provide the wire transfer originator information set out in paragraph 11.7(a) within 3 business days of a request for such information by the beneficiary institution, by the Authority or other relevant authorities in Singapore; and

(iii) the ordering institution shall provide the wire transfer originator information set out in paragraph 11.7(a) immediately upon request for such information by law enforcement authorities in Singapore.

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

11.9 Where the ordering institution is unable to comply with the requirements in paragraphs 11.3 to 11.8, it shall not execute the wire transfer.

Responsibility of the Beneficiary Institution

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

11.11 For cross-border wire transfers, a beneficiary institution shall identify and verify the identity of the wire transfer beneficiary if the identity has not been previously verified.

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

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

(b) the appropriate follow-up action.

Responsibility of the Intermediary Institution

11.13 A finance company that is an intermediary institution shall retain all the required wire transfer originator and wire transfer beneficiary information accompanying the wire transfer.

11.14 Where technical limitations prevent the required wire transfer originator or wire transfer beneficiary information accompanying a cross-border wire transfer from remaining with a related domestic wire transfer, a record shall be kept, for at least five years, by the receiving intermediary institution of all the information received from the ordering institution or another intermediary institution.

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

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

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

(b) the appropriate follow-up action.

12 RECORD KEEPING

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

12.2 A finance company shall perform the measures as required by paragraph 12.1 such that —

(a) all requirements imposed by law (including this Notice) are met;

(b) any individual transaction undertaken by the finance company 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 finance company are able to review the finance company's business relations, transactions, records and CDD information and assess the level of compliance with this Notice; and

(d) the finance company 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.

12.3 Subject to paragraph 12.5 and any other requirements imposed by law, a finance company shall, for the purposes of record retention under paragraphs 12.1 and 12.2, and when setting its record retention policies, comply with the following record retention periods:

(a) for CDD information relating to the business relations, wire transfers and transactions undertaken without an account being opened, as well as account files, business correspondence and results of any analysis undertaken, a period of at least 5 years following the termination of such business relations or completion of such wire transfers or transactions; and

(b) for data, documents and information relating to a transaction, including any information needed to explain and reconstruct the transaction, a period of at least 5 years following the completion of the transaction.

12.4 A finance company 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.

12.5 A finance company shall retain records of data, documents and information on all its business relations with or transactions for a customer pertaining to a matter which is under investigation or which has been the subject of an STR, in accordance with any request or order from STRO or other relevant authorities in Singapore.

13 PERSONAL DATA

13.1 For the purposes of paragraph 13, "individual" means a natural person, whether living or deceased.

13.2 Subject to paragraph 13.3 and for the purposes of complying with this Notice, a finance company shall not be required to provide an individual customer, an individual appointed to act on behalf of a customer, an individual connected party of a customer or an individual beneficial owner of a customer, with —

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

(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 finance company; 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 finance company.

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

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

(i) his full name, including any alias;

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

(iii) his residential address;

(iv) his date of birth;

(v) his nationality;

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

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

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

14 SUSPICIOUS TRANSACTIONS REPORTING

14.1 A finance company shall keep in mind the provisions in the CDSA[6] 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.

14.2 A finance company 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.

14.3 A finance company 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 —

(a) the finance company 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 finance company, decides to withdraw a pending application to establish business relations or a pending transaction, or to terminate existing business relations.

14.4 Where a finance company 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 finance company may stop performing those measures. The finance company shall document the basis for its assessment and file an STR.

15 INTERNAL POLICIES, COMPLIANCE, AUDIT AND TRAINING

15.1 A finance company shall develop and implement adequate internal policies, procedures and controls, taking into consideration its money laundering and terrorism financing

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

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

15.2 The policies, procedures and controls shall meet all requirements of this Notice.

Group Policy

15.3 For the purposes of paragraphs 15.4 to 15.9, a reference to finance company means a finance company incorporated in Singapore.

15.4 A finance company shall develop a group policy on AML/CFT to meet all requirements of this Notice and extend this to all of its branches and subsidiaries in its financial group.

15.5 Where a finance company 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 finance company for itself, notified to finance companies generally by the Authority or other foreign regulatory authorities,

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

15.6 Subject to the finance company putting in place adequate safeguards to protect the confidentiality and use of any information that is shared, the finance company 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.

15.7 Such policies and procedures shall include the provision, to the finance company'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 laundering and terrorism financing risk management purposes.

15.8 Where the AML/CFT requirements in the host country or jurisdiction differ from those in Singapore, the finance company 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.

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 finance company shall apply additional appropriate measures to manage the money laundering and terrorism financing risks, report this to the Authority and comply with

such further directions as may be given by the Authority.

Compliance

15.10 A finance company shall develop appropriate compliance management arrangements, including at least, the appointment of an AML/CFT compliance officer at the management level.

15.11 A finance company shall ensure that the AML/CFT compliance officer, as well as any other persons appointed to assist him, is suitably qualified and, has adequate resources and timely access to all customer records and other relevant information which he requires to discharge his functions.

Audit

15.12 A finance company shall maintain an audit function that is adequately resourced and independent, and that is able to regularly assess the effectiveness of the finance company's internal policies, procedures and controls, and its compliance with regulatory requirements.

Employee Hiring

15.13 A finance company shall have in place screening procedures to ensure high standards when hiring employees and appointing officers.

Training

15.14 A finance company 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, detecting and reporting of suspicious transactions;

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

(c) the finance company's internal policies, procedures and controls on AML/CFT and the roles and responsibilities of employees and officers in combating money laundering and terrorism financing.

Endnotes on History of Amendments

1. MAS Notice 824 dated 2 July 2007 with effect from 2 July 2007.
   (a) MAS Notice 824 (Amendment) 2009 with effect from 3 July 2009.
   (b) MAS Notice 824 (Amendment) 2009 with effect from 2 December 2009.
   (c) MAS Notice 824 (Amendment) 2013 with effect from 23 January 2013.
   (d) MAS Notice 824 (Amendment) 2014 with effect from 1 July 2014.
2. MAS Notice 824 dated 2 July 2007 cancelled with effect from 24 May 2015.
3. MAS Notice 824 dated 24 April 2015 with effect from 24 May 2015.

Appendix 1

1. Financial institutions that are licensed, approved, registered (including a fund management company registered under paragraph 5(1)(i) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg. 10)) or regulated by the Authority but do not include —

   (a) holders of stored value facilities, as defined in section 2(1) of the Payment Systems (Oversight) Act (Cap. 222A); and

   (b) a person (other than a person referred to in paragraphs 2 and 3) who is exempted from licensing, approval or regulation by the Authority under any Act administrated by the Authority, including a private trust company exempted from licensing under section 15 of the Trust Companies Act (Cap. 336) read with regulation 4 of the Trust Companies (Exemption) Regulations (Rg. 1).

2. Persons exempted under section 23(1)(f) of the Financial Advisers Act (Cap. 110) read with regulation 27(1)(d) of the Financial Advisers Regulations (Rg. 2).

3. Persons exempted under section 99(1)(h) of the Securities and Futures Act (Cap. 289) read with paragraph 7(1)(b) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations.

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 section 7 of the Banking Act (Cap.19).

2. Merchant banks approved under section 28 of the Monetary Authority of Singapore Act (Cap. 186).

3. Finance companies licensed under section 6 of the Finance Companies Act (Cap. 108).

4. Financial advisers licensed under section 6 of the Financial Advisers Act (Cap. 110) except those which only provide advice by issuing or promulgating research analyses or research reports, whether in electronic, print or other form, concerning any investment product.

5. Holders of a capital markets services licence under section 82 of the Securities and Futures Act (Cap. 289).

6. Fund management companies registered under paragraph 5(1)(i) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg. 10).

7. Persons exempted under section 23(1)(f) of the Financial Advisers Act read with regulation 27(1)(d) of the Financial Advisers Regulations (Rg. 2) except those which only provide advice by issuing or promulgating research analyses or research reports, whether in electronic, print or other form, concerning any investment product.

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

9. Approved trustees approved under section 289 of the Securities and Futures Act.

10. Trust companies licensed under section 5 of the Trust Companies Act (Cap. 336).

11. Direct life insurers licensed under section 8 of the Insurance Act (Cap. 142).

12. Insurance brokers registered under the Insurance Act which, by virtue of such registration, are exempted under section 23(1)(c) of the Financial Advisers Act except those which only provide advice by issuing or promulgating research analyses or research reports, whether in electronic, print or other form, concerning any investment product.