

**DRAFT NOTICE ON EFFECTING ARRANGEMENTS
THROUGH LICENSED TRUST COMPANIES OR EXEMPT
PERSONS UNDER SECTION 15(1)(a) AND 15(1)(b) OF THE ACT**

**DISCLAIMER: This version of the Notice is in draft form and
subject to change.**



The Monetary Authority of Singapore

TRUST COMPANIES ACT (ACT 11 OF 2005)

**NOTICE ON EFFECTING ARRANGEMENTS THROUGH
LICENSED TRUST COMPANIES OR EXEMPT PERSONS
UNDER SECTION 15(1)(a) AND 15(1)(b) OF THE ACT**

Notice No: TCA 0[...]-N0[...]
Issue Date: [...] 05

NOTICE ON EFFECTING ARRANGEMENTS THROUGH LICENSED TRUST COMPANIES OR EXEMPT PERSONS UNDER SECTION 15(1)(a) AND 15(1)(b) OF THE ACT

This Notice is issued pursuant to section 76(1) of the Trust Companies Act 2005 (Act No. 11 of 2005) (“the Act”).

2. APPLICABILITY OF THIS NOTICE

- 2.1 This Notice applies to -
- (a) a licensed trust company;
 - (b) an exempt person under section 15(1)(a) and 15(1)(b) of the Act (hereinafter collectively known as “Relevant Person”) that enters into an arrangement with an exempt person under Regulations 4(1)(d) and 4(1)(e) of Trust Companies (Exemption) Regulations 2005 (“Exempt Person”) wherein such activity (“the Activity”) that is carried out by the Exempt Person is effected under an arrangement between the Exempt Person and the Relevant Person; and
 - (c) an Exempt Person as referred to in subparagraph (b).

3. DEFINITIONS

- 3.1 For the purposes of this Notice –

“Activity” means the trust business that an Exempt Person is permitted to carry out under an arrangement with Relevant Person under Regulations 4(1)(d) and 4(1)(e) of Trust Companies (Exemption) Regulations 2005.

- 3.2 The expressions used in this Notice shall, except where expressly defined in this Notice or where the context otherwise requires, have the same meanings as in the Act.

4. OBLIGATIONS OF RELEVANT PERSON

- 4.1 For any Activity effected by an Exempt Person pursuant to an arrangement between the Exempt Person and the Relevant Person, the Relevant Person shall -

- (a) ensure that the Exempt Person has adequate procedures to comply with the Notice on Prevention of Money Laundering in respect of any person in connection with the Activity;

- (b) ensure that the Exempt Person is competent and have the relevant qualifications to provide the trust business services;
- (c) make checks to determine if the Exempt Person is a fit and proper person having regard to the following criteria –
 - (i) whether the Exempt Person is an undischarged bankrupt in Singapore or elsewhere;
 - (ii) whether execution against the Exempt Person in respect of a judgment debt has been returned unsatisfied in whole or in part;
 - (iii) whether the Exempt Person has, in Singapore or elsewhere, entered into a compromise or scheme of arrangement with his creditors, being a compromise or scheme of operation is still in operation;
 - (iv) whether the Exempt Person –
 - (A) has been convicted, whether in Singapore or elsewhere, of an offence involving fraud or dishonesty or the conviction for which involved a finding that he had acted fraudulently or dishonestly; or
 - (B) has been convicted of an offence whether in Singapore or elsewhere;
 - (vi) whether there is reason to believe that the Exempt Person will not conduct himself professionally or act in an ethical manner in the Activity that will be carried out by the Exempt Person;
- (d) maintain, for six years, documentation or records evidencing compliance of paragraph 4.1(a), (b) and (c) of this Notice such that the relevant authorities in Singapore and the internal and external auditors will be able to judge reliably the transactions of the Relevant Person and the compliance with the Notice.

4.2 Where the Relevant Person becomes aware that the Exempt Person has furnished information that is false or misleading in any material particular, the Relevant Person shall take immediate steps to –

- (a) notify the Authority of its discovery; and
- (b) terminate the arrangement with the Exempt Person.

5. OBLIGATIONS OF EXEMPT PERSON

5.1 The Exempt Person shall furnish to the Relevant Person such information as may be required for the Relevant Person to comply with paragraph 4.1.

5.2 The Exempt Person shall use due care to ensure that the information furnished to the Relevant Person under paragraph 5.1 is not false or misleading in any material particular.

6. CONTRAVENTION OF REQUIREMENTS IMPOSED

6.1 Contravention of any requirement imposed under this Notice is an offence and attracts the penalty specified in section 66 of the Act.

7. EFFECTIVE DATE

7.1 This Notice shall take immediate effect.