

# Implementation of the Corporate Service Providers Act

**ACRA Webinar | 15th and 30th April 2025**



# Opening Remarks



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# CSP Regulatory Updates

**01** Registration Requirements on CSPs

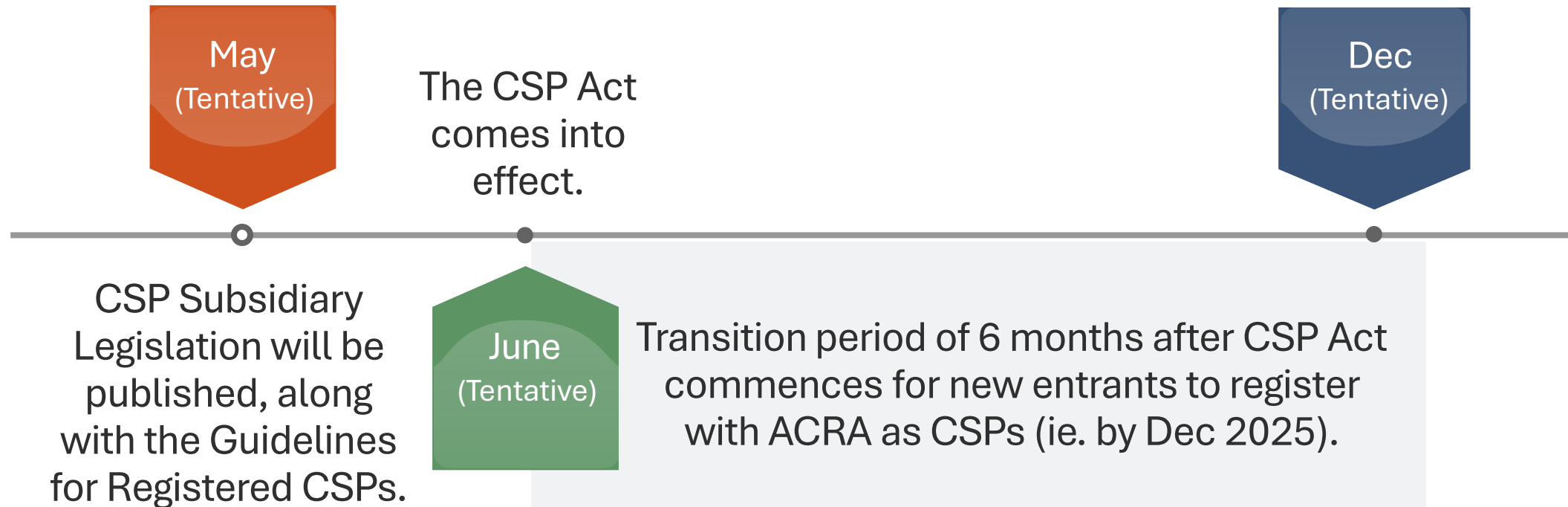
**02** Performing Customer Due Diligence Measures

**03** Remote Transactions

**04** Fit and Proper Considerations for Nominee Directors

**05** Update on Companies and Limited Liability Partnerships (Miscellaneous Amendments) Act 2024

# Timeline of Key Milestones



01

# Registration Requirements on Corporate Service Providers

# Who should register as CSP?

Entities carrying on a business of **providing corporate services** in and from Singapore are required to be registered as CSPs.



Forming of local business entities on behalf of another person

**NEW**

Forming of foreign business entities on behalf of another person

**NEW**



Acting/Arranging for persons to act as directors/nominee shareholders



Transacting with ACRA on behalf of other persons

**NEW**

or as a secretary of a company by way of business

**NEW**



Providing registered office/business address for business entities

**NEW**



Carrying out transactions involving designated activities relating to provision of accounting services

# Providing registered office/business address for business entities

To align with international standards, registration as a CSP is required when providing the following address services to companies, partnerships, or legal persons:



## REGISTERED OFFICE ADDRESS

Which meets the requirements under Section 142 of the Companies Act



## BUSINESS ADDRESS

In which a customer operates a business



## CORRESPONDENCE ADDRESS

At which a customer can be contacted in writing

Potential entrants that fall within this scope include virtual and shared office providers.



# Landlord-Tenant Agreements

“

What if I'm renting  
out a space to a  
company using it  
as their registered  
office?

## Determining factor: The Nature of the Arrangement.

- CSP registration not required-> Landlords leasing out physical space to a company which uses it as their registered office, business or correspondence address
- CSP Registration required -> Examples include offering a business address without a fixed physical space, offering a correspondence address through which a customer can be contacted but is not physically present at e.g. virtual office providers

## Check your Contract:

The nature of your arrangement must be clearly documented.


- E.g. Tenancy agreement identifying a landlord-tenant relationship
- Terms should include rental of dedicated physical space for the business entity (ie. not shared office)

# 02

## **Performing Customer Due Diligence (CDD) Measures**

# Performing Customer Due Diligence Measures

A registered CSP must perform customer due diligence (“CDD”) measures before providing any corporate service to a customer, and where they have reason to suspect money laundering, terrorism financing or proliferation financing (ML/TF/PF) or doubt the veracity/adequacy of previously obtained information.

 CSPs should document and keep a record of their CDD documentation for five years. Please keep the documentation of the clients up-to-date, as part of ongoing monitoring.

# Performing Customer Due Diligence Measures

## What are customer due diligence measures?

Customer due diligence measures means prescribed measures for –



Identifying and verifying the identities of the customers and their beneficial owners



Obtaining information on purpose and intended nature of business relationship



Any other measures for detecting or preventing ML/TF/PF (e.g. screening)

# Performing Customer Due Diligence Measures



## Good Practices

- ✓ Perform screening of all relevant parties against commercial databases.
- ✓ Ensure proper identification and verification of identities of customers and their beneficial owner(s).
- ✓ Inspect valid government-issued identification and retention of copy for proper CDD documentation.

# Performing Customer Due Diligence Measures

## Common Weaknesses Observed



- x Inadequate customer risk assessment
- x Neglecting to identify and verify beneficial owner
- x Failing to perform verification of customers' particulars
- x Failing to keep the documentation up-to-date
- x Failing to retain CDD records or inadequate CDD documentation

# Reliance on 3<sup>rd</sup> Parties to Perform CDD Measures

## What does a “third party” mean?



# Performing Customer Due Diligence Measures

## What must CSPs do if CDD cannot be performed/completed?



Decline to provide any corporate service to the customer.



Do not establish a business relationship with the customer.



Terminate any ongoing provision of any corporate service to the customer.



Document reasons why measures were not completed.



Determine whether to file a suspicious transaction report (“STR”).



# Performing Customer Due Diligence Measures

## When to file a suspicious transaction report (STR)?



CSPs are required to consider whether a STR must be filed when:

- Unable to perform/complete CDD
- Has reasonable grounds to suspect that any property may be connected to ML/TF/PF

Please visit our website at [acra.gov.sg](https://acra.gov.sg) for guidance on indicators of suspicious transaction.

CSPs are reminded to promptly file an STR as soon as reasonably practicable upon the establishment of suspicion (i.e. no longer than 5 business days). In cases where transactions have legitimate explanations and do not warrant the filing of an STR, CSPs must document the reasons for not filing a report.

03

## Remote Transactions

# Remote Transactions

**Where a customer is “not physically present” for identification purposes, a registered CSP must take specific and adequate measures to compensate for the higher risk, including ensuring that the customer’s identity is established by additional documents, data or information.**

# Remote Transactions

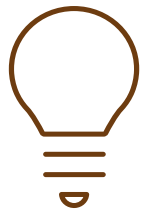


## Incorporation of Companies & Transfer/Sale of Shelf Companies

In a transaction involving the incorporation of companies or transfer of management or ownership or sale of shelf companies, where the customer is not physically present, CSPs are required to conduct a live video call with:

- ✓ At least one proposed director (other than a nominee director); or
- ✓ At least one proposed member who holds at least 50% of the voting rights of the proposed company; or
- ✓ An authorised representative of a proposed member described in the preceding bullet point if the proposed member is a legal person and the authorised representative is an individual.

# Remote Transactions



Please note that the live video call requirement cannot be substituted with the use of a third-party verification platform or notarised documents.

# Remote Transactions



## Appointment of director

To prevent impersonation and strengthen existing non-face-to-face measures, when appointing a director who is not physically present, the CSP must –

- ✓ **Take all reasonable measures** to ensure that the proposed director has consented to act as a director
- ✓ **Ensure that Form 45** in the Second Schedule to the Companies Regulations has been signed by the proposed director
- ✓ **Retain** a copy of Form 45 in its records
- ✗ **Not sign the Form 45** on behalf of the proposed director.

# 04

## **Fit and Proper Considerations for Nominee Directors**

# Fit and Proper Requirements



- A person cannot act as a nominee director by way of business unless their appointment is arranged by a registered CSP.
- Registered CSPs are responsible for conducting "fit and proper" assessments of nominee directors.

**What is 'by way of business'?**



**How to assess if someone is fit and proper?**





## “By way of business”

Some factors to consider when determining whether an individual is providing nominee directorship services “by way of business” include the following



Whether there is a business set up with the intention of providing the services.



Whether the services are advertised or promoted, or business referrals are received.



Whether the services provided are for the purposes of gain.



Whether the services are carried out with some degree of system and continuity.

# Fit and Proper Factors

1

Whether the person has been convicted (whether in Singapore or elsewhere) of any offence involving fraud or dishonesty, or of any relevant offence.

2

Whether the person is an undischarged bankrupt, whether in Singapore or elsewhere.

3

Whether the person's previous conduct and compliance history of the companies of which the person was a director (if applicable) has been satisfactory.

4

Whether the person has the competency, capacity and capability to properly fulfil the obligations of a nominee director, taking into account the person's experience and existing commitments, including the number of his/her existing directorships.

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# Fit and Proper Factors

## **Past convictions involving fraud or dishonesty or any relevant offence i.e. an offence under:**

- section 25 of the CSP Act;
- sections 50 to 57 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992;
- the Terrorism (Suppression of Financing) Act 2002;
- any regulations made under the United Nations Act 2001;
- section 157 of the Companies Act 1967.



Please refer to the [Guidelines for Registered Corporate Service Providers – Glossary of Terms](#) for the full listing of relevant offences.

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# Fit and Proper Factors

What constitutes  
a poor  
compliance  
track record of a  
director?



Some factors include (but not limited to) whether the individual has been:

- ❏ disqualified from acting as director and from being involved directly or indirectly in the management of a company;
- ❏ debarred from being a director of the company;
- ❏ offered composition fines for breaches under any written law;
- ❏ prosecuted for breaches of statutory obligations in court.



As a general guide, the person's compliance history for the past five years should be considered.

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# Fit and Proper Factors

**Some examples in which an individual will not be able to fulfil ‘fit and proper’ requirements:**



Individual’s physical or mental capacity could limit their ability to take on directorship responsibilities.



Individual is unable to understand the duties and responsibilities of directorship.



Individual has too many existing commitments (e.g. multiple roles or directorships).  
For those with >50 nominee directorships, assess capacity and recommend additional directorship training.



CSPs must exercise professional judgement in appointing individuals who possess the necessary competencies as nominee directors.

**05**

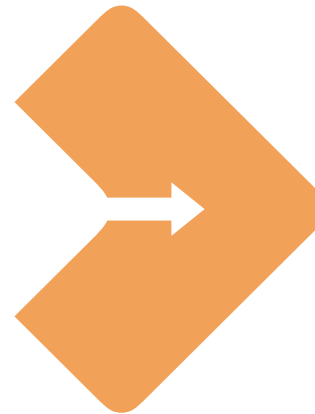
**Update on Companies and Limited  
Liability Partnerships  
(Miscellaneous Amendments) Act  
2024**

# Register of Registrable Controllers

To facilitate prompt access by competent authorities to beneficial owner information for all companies and LLPs upon their incorporation/registration, the requirement has been amended:

## Current Requirement

Companies and LLPs are required to keep a Register of Registrable Controllers (“RORC”) within 30 days of being incorporated/ registered.



## Amended Requirement

Companies and LLPs are required to maintain and keep the RORC **from the date of the company's incorporation/LLP's registration.**

# Register of Registrable Controllers



- CSPs are encouraged to remind their customers to comply the provision **to set up and keep a RORC from the date of their incorporation.**
- To maintain the accuracy and currency of the RORC, CSPs are encouraged to remind their **customers of the new requirement to send notices to their registrable controllers annually** to confirm the accuracy of their particulars, and provide any updates, if necessary.

# Declaration of Nominee Status

Companies and foreign companies are required to **file all information kept in their registers of nominee directors and nominee shareholders** with ACRA for ACRA to maintain such information.

What does this mean? “

Companies and foreign companies will have to lodge the following information with the central register maintained by ACRA:

- ✓ All particulars contained in the registers of nominee directors & nominee shareholders kept by companies and foreign companies.
- ✓ All updates to the companies' and foreign companies' registers of nominee directors & nominee shareholders after the initial lodgement of particulars.

The nominee status of the directors and shareholders will be made publicly available.

# Declaration of Nominee Status



CSPs are encouraged to remind their customers to **maintain and update their registers of nominee directors and nominee shareholders** in preparation for the filing of the information in the central register maintained by ACRA.

# Publications

CSPs are highly encouraged to access the following links to view comprehensive AML/CFT publications and risk assessments for a deeper understanding of ML/TF risks facing the sector:

<b>Risk Assessment Publications</b>	<ul style="list-style-type: none"><li>▪ <a href="#"><u>Money Laundering and Terrorism Financing Risk Assessment of Legal Persons in Singapore 2024</u></a></li><li>▪ <a href="#"><u>Singapore's Terrorism Financing National Risk Assessment 2024</u></a></li><li>▪ <a href="#"><u>Money Laundering Risk Assessment Report Singapore 2024</u></a></li><li>▪ <a href="#"><u>Proliferation Financing National Risk Assessment</u></a></li></ul>
<b>FATF Guidance</b>	<ul style="list-style-type: none"><li>▪ <a href="#"><u>FATF Guidance on Beneficial Ownership for Legal Persons</u></a></li><li>▪ <a href="#"><u>FATF Guidance on Proliferation Financing Risk Assessment and Mitigation</u></a></li><li>▪ <a href="#"><u>FATF Guidance for a Risk-Based Approach for Trust and Company Service Providers</u></a></li></ul>
<b>Other Publications/ Useful Links</b>	<ul style="list-style-type: none"><li>▪ <a href="#"><u>National Strategy for Countering the Financing of Terrorism</u></a></li><li>▪ <a href="#"><u>Trade-Based Money Laundering Trends and Developments</u></a></li><li>▪ <a href="#"><u>Targeted financial sanctions</u></a></li><li>▪ <a href="#"><u>Inter-Ministerial Committee - Terrorist Designation (IMC-TD)</u></a></li><li>▪ <a href="#"><u>Guidelines on STR Reporting</u></a></li></ul>

# THANK YOU



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