

# GUIDELINES FOR REGISTERED CORPORATE SERVICE PROVIDERS

**Issued on 9 May 2025**

# TABLE OF CONTENTS

04	<u>Introduction</u>	27	<u>Prevention of Money Laundering, Proliferation Financing and Terrorism Financing</u>
05	<u>Scope of Regulation of Corporate Service Providers</u>	58	<u>Obligations of Registered Qualified Individuals</u>
12	<u>Regulatory Regime for Corporate Service Providers</u>	62	<u>Annex A – Indicators of Suspicious Transactions</u>
16	<u>Obligations of Registered Corporate Service Providers</u>	74	<u>Annex B – Examples of Risk Factors used in Customer Risk Assessment</u>
25	<u>Money Laundering, Terrorism Financing and Proliferation of Weapons of Mass Destruction</u>	78	<u>Annex C – Customer Acceptance Form</u>

# TABLE OF CONTENTS

92

Annex D – Essential  
Elements of Internal  
Policies, Procedures and  
Controls for the Prevention  
of Activities Related to  
Money Laundering,  
Proliferation Financing and  
Terrorism Financing

105

Glossary of Terms

## Notes on version(s)

Version	Notes
1.0	Issued on 13 January 2023 (AML/CFT Guidelines for RFAs)
2.0 (Current)	Issued on 9 May 2025 (Guidelines for Corporate Service Providers)

## INTRODUCTION

- 1.1 The Corporate Service Providers Act 2024 (CSP Act) establishes the regulatory regime for registered Corporate Service Providers (CSPs) and registered Qualified Individuals (QIs). The Corporate Service Providers Regulations 2025 (Regulations) set out the specific requirements for CSPs, while the Corporate Service Providers (Exemptions) Order 2025 (CSP Exemptions Order) sets out exemptions to certain regulations in the Regulations.
- 1.2 The objective of these Guidelines is to aid registered CSPs and registered QIs in their understanding of their obligations under the CSP Act and the Regulations. The examples provided within these Guidelines are not exhaustive.
- 1.3 These Guidelines may be amended by ACRA from time to time. Registered CSPs and registered QIs are advised to refer to the latest version that is available on ACRA's website.

## SCOPE OF REGULATION OF CORPORATE SERVICE PROVIDERS

2.1 Under the CSP Act, a CSP is an entity which “*carries on a business*” of providing any corporate services.



### Factors to consider when determining whether a CSP is carrying on a business of providing a corporate service

Though not exhaustive, the following are some factors which ACRA will consider when determining whether a CSP is carrying on a business of providing a corporate service:

- (a) Whether the CSP sets up its business with the intention of performing the activities listed in paragraph 2.2
- (b) Whether the CSP advertises or promotes the provision of services, or receives business referrals from other businesses or CSPs concerning the activities in paragraph 2.2
- (c) Whether the CSP performs the activities in paragraph 2.2 for the purposes of gain
- (d) Whether the undertaking of activities listed in paragraph 2.2 is carried out with some degree of system and continuity.

2.2 As set out in section 2(1) of the CSP Act, “*corporate service*” means any of the following services:

- (a) *Forming, on behalf of another person, a corporation or other legal person;*
- (b) *Acting, or arranging for another person to act –*
  - (i) *as a director or secretary of a corporation;*
  - (ii) *as a partner of a partnership; or*
  - (iii) *in a similar capacity in relation to other legal persons;*



### Arranging for another person to act

Persons acting as directors or nominee shareholders by way of business and whose appointments were arranged through a registered CSP will be exempted from registering as a CSP (refer to paragraphs 2.5 and 2.6 for details on exemption). If you act as a nominee director or nominee shareholder for a company / corporation *by way of business* but are not arranged as a CSP, you will be required to register as a CSP<sup>1</sup>.

An example of arranging to act would be if you provided a customer with a shortlist of three proposed company directors and allowed the client to select one of them to act for their company. Persons who are covered include recruitment agencies and headhunting firms who are instructed to find senior employees at director level on behalf of customers.

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<sup>1</sup> Section 145A of the Companies Act 1967 prohibits a person from acting as a nominee director by way of business, unless the person is a registered CSP, or the person’s acting is arranged by a registered CSP.

(c) *Providing a registered office, business address, correspondence or administrative address or other related services for a corporation, partnership or other legal person;*



### Address services

You must register as a CSP if you provide any registered office, business address or correspondence address, administrative address or other related services to a customer that is a company, partnership or similar legal person. This includes providing services such as:

- (a) A registered office address which meets the requirements, under section 142 of the Companies Act 1967 to a customer;
- (b) Business address from which a customer operates a business without having rights to a fixed physical space; and
- (c) Correspondence address through which a customer can be contacted in writing but the customer is not physically present there.

Registration as a CSP is required if the above services are provided to a legal person, rather than to a private individual.



### Landlord-tenant arrangements

A business entity does not need to register as a CSP if it merely rents out its premises to a client business entity that uses the address as its registered office. The determining factor is whether the arrangement is primarily a tenancy agreement for physical occupation rather than a service to provide a mailing address.

The nature of the arrangement should be clearly reflected in the contract between both parties. If the agreement is fundamentally a landlord-tenant relationship for the rental of physical space, registration as a CSP is not required.

(d) *Acting, or arranging for another person to act, as a nominee shareholder on behalf of any corporation, other than a corporation whose securities are listed on an approved exchange within the meaning of section 2(1)<sup>2</sup> of the Securities and Futures Act 2001<sup>3</sup>;*



#### Exemption from registration requirement for nominee shareholders

Persons acting as nominee shareholders by way of business and whose appointments were arranged through a registered CSP will be exempted from registering as a CSP (refer to paragraph 2.6 for details on exemption).

(e) *Carrying out any designated activity<sup>4</sup> in relation to the provision of any accounting service<sup>5</sup>.*



#### Carrying out any designated activity in relation to the provision of any accounting service

Business entities carrying out any designated activity in relation to the provision of any accounting service must register as a CSP. A business entity only needs to be registered as a CSP if they engage in any designated activity (e.g. preparing a set of completion accounts to be used in a real estate transaction) in relation to the provision of any accounting service (e.g. outsourced accounting services) to the same customer.

<sup>2</sup> Section 2(1) of the Securities and Futures Act 2001 provides that “securities exchange” means an approved exchange in respect of the operation of its securities market.

<sup>3</sup> Please refer to the Schedule of the [Securities and Futures \(Recognised Securities Exchange\) Order 2005](#) for a list of recognised securities exchanges.

<sup>4</sup> “Designated activity” means the preparation to carry out or the carrying out of transactions for a customer concerning any of the following activities:

- buying or selling of real estate;
- management of customer money, securities or other assets;
- management of bank, savings or securities accounts;
- organisation of contributions for the creation, operation or management of corporations;
- creation, operation or management of legal persons or legal arrangements, or buying and selling of business entities.

<sup>5</sup> “Accounting service” refers to financial accounting service, internal audit service, management accounting service or taxation service.

Depending on commercial arrangements, some examples of the types of designated activities that business entities may carry out in the course of providing accounting services<sup>6</sup> are as follows:

- (a) Designated activity – Buying and Selling of Real Estate. Examples of such services may include:
  - (i) The business entity is involved in a property transaction, for example, the preparation of completion accounts (e.g. balance sheet adjustments), financial accounting; and
  - (ii) The business entity is given the authority to engage in, or give instructions on behalf of a customer to another person to settle a real estate transaction.
- (b) Designated activity – Management of customer money, securities or other assets, and management of bank, savings or securities accounts. For these designated services, one key factor is whether the accounting service provider has control over the flow of funds, in relation to the provision of accounting services.

For example, whether a fund administrator is an authorised signatory for a customer, and has control over the movement of the customer's funds would be relevant in determining whether these activities would fall within these limbs of the definition of "designated activity". Examples of such services may include:

- (i) Management of customer money (includes receiving, holding and controlling): the business entity makes investments or manages the sale/purchase of assets for customers using funds from its bank account/trust account which you have authority over or handle cash takings belonging to a customer;
- (ii) Payroll services where the business entity is the authorised signatory (e.g. authorising salary payments from customer's account directly into their staff's personal accounts); and
- (iii) Bookkeeping services where the business entity is the authorised signatory.

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<sup>6</sup> Please note that these are general examples on the types of designated services that business entities may carry out in the course of providing accounting services. Independent legal advice may be sought in consideration of specific business models and operations.

(f) *Carrying out an ACRA transaction<sup>7</sup> with the ACRA Registrar using the electronic transaction system<sup>8</sup> –*

- (i) *on behalf of another person; or*
- (ii) *for one or more companies as a secretary of each of those companies.”*

2.3 You do not have to register as a CSP if you are –

- (a) An individual providing your services as a company director or company secretary for the company that employs you;
- (b) An intermediary referring clients to registered CSPs (excluding arrangement for directors); or
- (c) A business that only rents out office premises such as through a landlord and tenant relationship, or grants a right to occupy a carved out specific physical office space, as opposed to a shared space.

2.4 If you perform corporate service activities by way of business and are required to register as a CSP but do not register, you will be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part of a day during which the offence continues after conviction.

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<sup>7</sup> As set out in regulation 2(2) of the Regulations, a reference to carrying out an ACRA transaction using the electronic transaction system includes carrying out the transaction by other means specified or directed by the ACRA Registrar if the electronic transaction system is unavailable.

<sup>8</sup> Under section 28(2) of the ACRA Act, a person may only carry out a transaction with ACRA using the electronic transaction system on behalf of another person, only if that person is a registered CSP. However, specified categories of persons are exempted under the ACRA (Authorised Users of Electronic Transaction System) Regulations 2015 from having to be registered under the ACRA Act as CSPs.

**Exemptions from registration requirement for directors and nominee shareholders arranged by registered corporate service providers**

- 2.5 As prescribed in the CSP Exemptions Order, section 7 of the CSP Act does not apply to a person who acts as a director of a corporation by way of business, where a registered CSP has arranged for that person to act as a director of a corporation. This includes cases where the registered CSP has arranged for that person to act as a nominee director of the company by way of business under section 145A(1)(b) of the Companies Act 1967.
- 2.6 Similarly, section 7 of the CSP Act does not apply to a person who acts as a nominee shareholder of a corporation by way of business, where a registered CSP has arranged for that person to act as a nominee shareholder on behalf of any corporation. This exemption does not apply to corporations whose securities are listed on an approved exchange within the meaning of section 2(1) of the Securities and Futures Act 2001.

## REGULATORY REGIME FOR CORPORATE SERVICE PROVIDERS

### Requirements for registration and renewal of registration as a corporate service provider

- 3.1 A person who wishes to be registered as a CSP or have his/her registration renewed must apply to ACRA under section 8 of the CSP Act, with an accompanying fee<sup>9</sup>. ACRA may grant the registration or renewal, with such conditions and for such period specified by ACRA, or refuse the registration or renewal.
- 3.2 For the purposes of section 9(1)(c) of the CSP Act, factors which the Registrar may consider in determining whether any key appointment holder (KAH) of an applicant for registration or renewal as a CSP is a fit and proper person includes: "
  - (a) *whether the person has been convicted (whether in Singapore or elsewhere) of any offence involving fraud or dishonesty punishable with imprisonment for 3 months or more, or of any relevant offence;*
  - (b) *whether the person is an undischarged bankrupt in Singapore or elsewhere;*
  - (c) *whether the person's previous conduct and compliance history<sup>10</sup> as a key appointment holder, registered corporate service provider or registered qualified individual (if applicable), including (if applicable) as a registered filing agent or registered qualified individual under the ACRA Act as in force immediately before the commencement date of the Subsidiary Legislation, has been satisfactory;*
  - (d) *whether the person has acted in a manner that adversely reflects on the person's commercial integrity, including whether the person has committed professional misconduct, breach of fiduciary duty or serious negligence, or caused, contributed to or facilitated the commission of professional misconduct, breach of fiduciary duty or serious negligence by some other person;*
  - (e) *whether it would be contrary to the national or general public interest for the person to be a key appointment holder of a registered corporate service provider;*

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<sup>9</sup> The fee for a two-year registration period as a CSP is S\$400. This fee applies to both initial registration and renewal of registration.

<sup>10</sup> As a general guide, the person's compliance history for the past five years should be considered.

- (f) whether the person has the capacity and capability to ensure that the corporate service provider is able to properly fulfil the duties and responsibilities of a registered corporate service provider under these Regulations; and
- (g) whether the person's record of compliance with requirements for the following under the Act or any other written law, or the law of any foreign country or territory, is satisfactory:
  - (i) the prevention of money laundering;
  - (ii) the prevention of proliferation financing;
  - (iii) the prevention of terrorism financing."

3.3 For the purposes of section 9(1)(d) of the CSP Act, individual applicants seeking to register or renew their registration as a CSP must successfully complete a mandatory training programme which comprises a prescribed Anti-Money Laundering, Countering Proliferation Financing and Countering the Financing of Terrorism (AML/CPF/CFT) course, and an AML/CPF/CFT Proficiency Test<sup>11</sup> (if required by ACRA), prior to the application. Both the course and test (if required by ACRA) must be completed and passed within a period of 6 months immediately before the date of application for registration or renewal of registration.

3.4 For the purposes of section 9(1)(e) of the CSP Act, non-individual applicants seeking to register or renew their registration as a CSP must require that a KAH of the non-individual applicant successfully complete a mandatory training programme which comprises a prescribed AML/CPF/CFT course and an AML/CPF/CFT Proficiency Test (if required by ACRA), prior to the application. Both the course and test (if required by ACRA) must be completed and passed within a period of 6 months immediately before the date of application for registration or renewal of registration.

### Requirements for registration and renewal of registration as a qualified individual

3.5 A person who wishes to be registered as a QI or have his registration renewed must apply to the Registrar under section 10 of the CSP Act, with an accompanying fee<sup>12</sup>. The Registrar may grant the registration or renewal, with such conditions and for such period specified by the Registrar, or refuse the registration or renewal.

3.6 With reference to section 2(1) of the CSP Act, the definition of "qualified individual" is any of the following:

- (a) an advocate and solicitor of the Supreme Court;

<sup>11</sup> The AML/CPF/CFT Proficiency Test is S\$45 for each attempt.

<sup>12</sup> The fee for a two-year registration period as a QI is S\$200. This fee applies to both initial registration and renewal of registration.

- (b) *a public accountant registered under the Accountants Act 2004;*
- (c) *a member of the Institute of Singapore Chartered Accountants who is –*
  - (i) *a chartered accountant registered under Part 6B of the ACRA Act; or*
  - (ii) *an associate member of the Institute of Singapore Chartered Accountants who has been an associate member for no less than 2 years;*
- (d) *a member of the Association of International Accountants (Singapore Branch);*
- (e) *a member of the Institute of Company Accountants, Singapore;*
- (f) *an associate member or fellow of the Chartered Secretaries Institute of Singapore;*
- (g) *a corporate secretarial agent.”*

3.7 For the purposes of section 11(1)(a) of the CSP Act, individual applicants seeking to register or renew their registration as a QI must successfully complete a mandatory training programme which comprises a prescribed AML/CPF/CFT course, and an AML/CPF/CFT Proficiency Test (if required by ACRA), prior to the application. Both the course and test (if required by ACRA) must be completed and passed within a period of 6 months immediately before the date of application for registration or renewal of registration.

3.8 For the purpose of sections 11(1)(b) and 11(2) of the CSP Act, the factors which the Registrar may consider in determining whether an individual is a fit and proper person for registration as a QI or to remain registered as a registered QI include: “

- (a) *whether the person has been convicted (whether in Singapore or elsewhere) of any offence involving fraud or dishonesty punishable with imprisonment for 3 months or more, or of any relevant offence;*
- (b) *whether the person is an undischarged bankrupt, whether in Singapore or elsewhere;*
- (c) *whether the person’s previous conduct and compliance history<sup>13</sup> as a registered qualified individual, a registered corporate service provider or a key appointment holder (if applicable), including (if applicable) as a registered filing agent or registered qualified individual under the ACRA Act as in force before the commencement date of the Subsidiary Legislation, has been satisfactory;*

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<sup>13</sup> As a general guide, the person’s compliance history for the past five years should be considered.

- (d) *whether the person had acted in a manner that adversely reflects on the person's commercial integrity, including whether the person had committed professional misconduct, breach of fiduciary duty or serious negligence or caused, contributed to or facilitated the commission of professional misconduct, breach of fiduciary duty or serious negligence by some other person;*
- (e) *whether the person has the capacity and capability to properly fulfil the obligations of a registered qualified individual;*
- (f) *whether it would be contrary to the national or general public interest for the applicant to be registered as a registered qualified individual or to remain registered as a registered qualified individual;*
- (g) *whether the person's record of compliance with requirements for the following to which the person is subject under this Act or any other written law or the law of any foreign country or territory is satisfactory:*
  - (i) *the prevention of money laundering;*
  - (ii) *the prevention of proliferation financing;*
  - (iii) *the prevention of terrorism financing."*

## OBLIGATIONS OF REGISTERED CORPORATE SERVICE PROVIDERS

### General requirement on provision of corporate services

- 4.1 In accordance with section 14(1) of the CSP Act, a registered CSP must ensure that the corporate services which the registered CSP carries on a business in, is provided by:
  - (a) one or more registered QIs; or
  - (b) one or more authorised employees of a registered CSP under the supervision of a registered QI.
- 4.2 Under sections 14(1)(b) and 14(2) of the CSP Act, an authorised employee of a registered CSP who provides the corporate service of carrying out an ACRA transaction with the ACRA Registrar using the electronic transaction system –
  - (a) on behalf of another person; or
  - (b) for one or more companies as a secretary of each of those companiesis a prescribed person who may provide that corporate service under the supervision of a registered QI.

### Registered qualified individuals of deemed registered corporate service providers

- 4.3 To minimise the need for multiple registrations, Public Accounting Entities (PAEs) registered under the Accountants Act need not apply to the Registrar to be registered as CSPs if they do not provide any corporate services other than carrying out designated activities related to the provision of accounting services. These PAEs will be treated as deemed registered CSPs.
- 4.4 With reference to sections 15(1) and 15(5) of the CSP Act, the prescribed particulars that a deemed registered CSP must provide to the Registrar in respect of every registered QI employed, engaged or appointed by the deemed registered CSP are the following:
  - (a) NRIC, FIN or passport number, or a foreign equivalent; and
  - (b) name.
- 4.5 For the purposes of section 15(2)(a) of the CSP Act, the prescribed period is 60 days.
- 4.6 For any changes in deemed registered QI appointments of the deemed registered CSP (e.g. after the sole registered QI is no longer registered with the Registrar, or has left the PAE), the deemed CSP should inform the Registrar (by way of email),

failing which every KAH of the PAE who is a public accountant will be treated as a registered QI.

### Arranging for person to act as nominee director

4.7 Under section 16(1) of the CSP Act, all nominee directors acting “*by way of business*” are required to have their acting be arranged by registered CSPs unless they are registered CSPs themselves.<sup>14</sup> Refer to paragraph 2.1 for factors in which the Registrar will consider whether the corporate service is carried out “*by way of business*”.

4.8 In accordance with sections 16(1) and 16(2)(b) of the CSP Act, the factors which a registered CSP “*must consider in determining whether a person is a fit and proper person to be arranged to act as a nominee director of a company include* –

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



#### Examples of relevant offences

Past convictions involving fraud or dishonesty or any relevant offence i.e. an offence under<sup>15</sup>:

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

(b) *whether the person is an undischarged bankrupt, whether in Singapore or elsewhere;*

<sup>14</sup> There requirement for assessing if an individual is fit and proper **will not apply retrospectively** to directors who have been appointed prior to the commencement date of the CSP Act.

<sup>15</sup> Refer to the Glossary of Terms for the full listing of relevant offences.

(c) whether the person's previous conduct and compliance history<sup>16</sup> of the companies of which the person was a director (if applicable) has been satisfactory; and



### Previous conduct and compliance considerations

Poor compliance track record of the individual, including past AML/CPF/CFT violations by the individual or by companies in which he/she previously served as a director. Some factors include but are not limited to whether the individual, whether in Singapore or elsewhere:

- (a) has been disqualified from acting as director and from being involved directly or indirectly in the management of a company;
- (b) has been debarred from being a director of the company;
- (c) has been offered composition for breaches under any written law;
- (d) has been 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.**

(d) 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 or her existing directorships."



### Competency, capacity and capability considerations

The general principle is that CSPs must exercise professional judgement in appointing individuals who possess the necessary competencies as nominee directors.

Some examples in which an individual will not be able to fulfil "fit and proper" requirements include:

- (a) Poor psychological state rendering the individual unable to take on directorship responsibilities. **This is not intended to preclude individuals with chronic illnesses from taking on directorship duties.** Registered CSPs should exercise professional judgement on whether the proposed director is in a sufficiently sound mental state to undertake directorship duties;
- (b) Inability to understand the knowledge of directorship duties and responsibilities;

<sup>16</sup> As a general guide, the person's compliance history for the past five years should be considered.

(c) Too many existing responsibilities on the individual (e.g. multiple commitments or holding a large number of directorships) rendering the individual unable to cope with an additional directorship role. As a general guide, individuals holding more than 50 nominee directorships will need to be assessed on their capacity to take on additional directorships. In addition, they are strongly encouraged to undergo additional training to fulfil their existing directorship duties (e.g. courses on directorship).

4.9 This requirement to assess if a person is fit and proper does not apply to existing persons holding nominee director positions before the commencement of the CSP Act.

4.10 The requirement for a registered CSP to be satisfied that the person whom it arranges to act as a nominee director is fit and proper has to be complied with at the time of arrangement for each company.

**Duty to notify the Registrar**

4.11 In accordance with regulation 13 of the Regulations, a registered CSP must, within the time and in the manner that the Registrar may specify –

- where the registered CSP is also a registered QI, notify the Registrar if the registered CSP proposes to carry out any corporate service by himself or herself;
- notify the Registrar of the name and particulars of each registered QI employed, appointed or engaged by the registered CSP to carry out, or to supervise the carrying out of, any corporate service; and
- where the registered CSP is carrying on business at an address other than its registered office address, notify the Registrar of the address at which the registered CSP carries on business.

4.12 A registered CSP must notify the Registrar of any change to any information or particulars –

- where the change is to information or particulars notified under paragraph 4.11(a) or 4.11(b) — within 14 days after the date of change; or
- where the change is to information notified under paragraph 4.11(c) — as soon as possible after the date of change.

4.13 The particulars that the registered CSP must notify the Registrar of under paragraph 4.11(b) are the following:

- NRIC, FIN or passport number, or a foreign equivalent;

- (b) any address to which correspondence may be forwarded to the registered QI;
- (c) email address;
- (d) contact number.

### Access to electronic transaction system

4.14 As set out in regulation 3 of the Regulations, the Registrar may grant each registered CSP who “*provides the corporate service of carrying out an ACRA transaction with the ACRA Registrar using the electronic transaction system, access to the electronic transaction system for the purpose of carrying out that corporate service* –

- (a) *on behalf of another person; or*
- (b) *for one or more companies as a secretary for each of those companies.”*

4.15 The electronic transaction system must only be used by –

- (a) a registered QI (excluding a deemed registered QI) employed, engaged or appointed by a registered CSP; or
- (b) an authorised employee of a registered CSP under the supervision of the registered CSP (if the registered CSP is also a registered QI) or under the supervision of a registered QI (excluding a deemed registered QI) employed, engaged or appointed by the registered CSP,

who has been granted access to it under paragraph 4.14.

### Exemptions from Part 4 requirements of the Regulations for certain ACRA electronic transactions and limitations on exemptions

4.16 Pursuant to CSP Exemptions Order, Part 4 of the Regulations does not apply to a registered CSP who “*carries on the business of carrying out ACRA transactions with the ACRA Registrar using the electronic transaction system on behalf of another person or for one or more companies as a secretary of each of those companies.”*

4.17 This exemption does not apply where the registered CSP carries out an ACRA transaction with the ACRA Registrar using the electronic transaction system that concerns any of the following:

- (a) forming, on behalf of another person, a corporation or other legal person;
- (b) acting, or arranging for another person to act —
  - (i) as a director or secretary of a corporation;
  - (ii) as a partner of a partnership; or
  - (iii) in a similar capacity in relation to other legal persons;
- (c) providing a registered office, business address, correspondence or administrative address or other related services for a corporation, partnership or other legal person;

- (d) acting, or arranging for another person to act, as a nominee shareholder on behalf of any corporation, other than a corporation whose securities are listed on an approved exchange within the meaning of section 2(1) of the Securities and Futures Act 2001;
- (e) carrying out any designated activity in relation to the provision of any accounting service.

**Internal policies, procedures and controls in respect of access to electronic transaction system**

4.18 As set out in regulation 14 of the Regulations, a registered CSP who provides the corporate service of carrying out an ACRA transaction with the ACRA Registrar using the electronic transaction system as stipulated in paragraph 2.2(f) must develop and implement internal policies, procedures and controls (IPPC) in respect of the registered CSP's access to the electronic transaction system, and in particular, must ensure that –

- (a) the registered CSP's means of access to the electronic transaction system is not used –
  - (i) to carry out any ACRA transaction with the ACRA Registrar, unless the ACRA transaction relates to a customer of the registered CSP and the ACRA transaction is authorised by that customer;
  - (ii) for any purpose prohibited by the Registrar;
  - (iii) for any illegal purpose; or
  - (iv) by any person other than a registered QI (excluding a deemed registered QI) employed, engaged or appointed by the registered CSP, or an authorised employee of the registered CSP under its supervision (if the registered CSP is also a registered QI) or under the supervision of a registered QI (excluding a deemed registered QI) employed, engaged or appointed by the registered CSP;
- (b) any registered QI (excluding a deemed registered QI) employed, engaged or appointed by the registered CSP carries out the duties and responsibilities set out in the Regulations in respect of any ACRA transaction with the ACRA Registrar using the electronic transaction system; and
- (c) any authorised employee of the registered CSP who carries out any ACRA transaction with the ACRA Registrar under the registered CSP's supervision (if the registered CSP is also a registered QI), or under the supervision of a registered QI (excluding a deemed registered QI) employed, engaged or appointed by the registered CSP, complies with –
  - (i) the Registrar's directions;

- (ii) the registered CSP's IPPC; and
- (iii) the instructions of the registered CSP or the registered QI, or both, regarding access to, and use of, the electronic transaction system.

**Duty to assess, report and remedy, etc.**

4.19 A registered CSP who provides the corporate service of carrying out an ACRA transaction with the ACRA Registrar using the electronic transaction system as stipulated in paragraph 2.2(f) must –

- (a) regularly assess; and
- (b) if the Registrar requires, demonstrate to the Registrar, the effectiveness of the registered CSP's IPPC referred to in paragraph 4.18.

4.20 In accordance with regulation 15(2) of the Regulations, if the registered CSP becomes aware of or has reasonable grounds to believe that –

- (a) the registered CSP's means of access to the electronic transaction system has been used to carry out any ACRA transaction with the ACRA Registrar –
  - (i) which does not relate to a customer of the registered CSP, or which is not authorised by that customer;
  - (ii) for any purpose prohibited by the Registrar; or
  - (iii) for any illegal purpose;
- (b) the registered CSP's means of access to the electronic transaction system has been used by any person other than a registered QI (excluding a deemed registered QI) employed, engaged or appointed by the registered CSP, or an authorised employee under the registered CSP's supervision (if the registered CSP is also a registered QI) or under the supervision of a registered QI (excluding a deemed registered QI) employed, engaged or appointed by the registered CSP;
- (c) a registered QI (excluding a deemed registered QI) employed, engaged or appointed by the registered CSP has failed to carry out the duties and responsibilities set out in the Regulations in respect of any ACRA transaction with the ACRA Registrar using the electronic transaction system; or
- (d) an authorised employee of the registered CSP who carries out any ACRA transaction with the ACRA Registrar under the registered CSP's supervision (if the registered CSP is also a registered QI), or under the supervision of a

registered QI (excluding a deemed registered QI) employed, engaged or appointed by the registered CSP, has failed to comply with –

- (i) the Registrar's directions;
- (ii) the registered CSP's IPPC; and
- (iii) the instructions of the registered CSP or the registered QI, or both, regarding access to, and use of, the electronic transaction system,

the registered CSP must, within 2 business days after becoming aware of any of the circumstances described in paragraph 4.20(a) to (d) or having reasonable grounds to believe that these circumstances exist, report to the Registrar.

4.21 The registered CSP must comply with such directions of the Registrar as the Registrar considers necessary or desirable to remedy or rectify any of the occurrences referred to in paragraph 4.20(a), (b), (c) or (d) and to prevent such occurrences from happening in the future.

## MONEY LAUNDERING, TERRORISM FINANCING AND PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

### What is money laundering?

- 5.1 Money laundering is a process carried out with the intention to conceal the benefits obtained from criminal activity so that they are made to appear to have originated from legitimate sources. In this process, money obtained through criminal activity or other criminal property, for example, money or money's worth, securities, tangible property and intangible property, are mixed with or exchanged for money originating from legitimate sources or other assets with no obvious link to their criminal origins.
- 5.2 Generally, the process of money laundering comprises three stages:
  - (a) Placement: the physical disposal of the benefits of criminal activity
  - (b) Layering: the separation of these benefits from their source by creating intervening layers of financial transactions; and
  - (c) Integration: this places the laundered benefits back into the economy so that they re-enter the financial system by appearing to be legitimate business funds.

### What is the financing of terrorism?

- 5.3 Terrorism seeks to influence, compel or intimidate governments or the general public through threats or violence, to cause damage to property or danger to life, to create serious risks to public health or safety, or to disrupt critical public services or infrastructure.
- 5.4 The financing of terrorism involves the funding of such activities<sup>17</sup>. Sources of terrorism financing may be legitimate or illegitimate. For example, they may be derived from criminal activities. They may also be derived from legitimate sources, such as income from legitimate business operations belonging to terrorist organisations. The methods used by terrorist organisations to obtain, move, or conceal funds for their activities can be similar to those used by criminal organisations to launder their funds.

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<sup>17</sup> For registered CSPs with customers set up as Companies Limited by Guarantee and are a non-profit organisation, please refer your customers to supplementary guidance prepared by ACRA available from <https://www.acra.gov.sg/training-and-resources/useful-resources/guide-for-companies-limited-by-guarantee-concerning-money-laundering-and-terrorism-financing>



## Companies limited by guarantee which are non-profit organisations

### FATF Definition of Non-Profit Organisations (NPOs)

A legal person or arrangement or organisation that primarily engages in raising or disbursing funds for purposes such as charitable, religious, cultural, educational, social or fraternal purposes, or for the carrying out of other types “good works”.

### Risks faced by NPOs

Companies limited by guarantee, which are non-profit organisations (CLG-NPOs) may be at risk of being abused for terrorism financing or other forms of terrorist support by virtue of charitable characteristics or activities.

- (a) Hence the importance of filing annual returns and audited financial statements for transparency;
- (b) Guidance has been developed for CLG-NPOs, which can be accessed [here](#);
- (c) NPOs are encouraged to share this guidance to their clients and directors, and to remind them to file suspicious transaction reports (STRs) if any findings or evidence give rise to suspicion;
- (d) Please refer to [Annex A](#) for red flag indicators for the NPO sector. Some examples of red flag indicators are:
  - (i) Large amount of cash transactions/donations without using banking facilities;
  - (ii) Unexpected cash withdrawals from a bank account of the charity;
  - (iii) Charity's funds are comingled with personal or private business funds.

### What is the financing of the proliferation of weapons of mass destruction?

5.5 Financing of proliferation of weapons of mass destruction (WMD) refers to the provision of funds or financial services that support the development, acquisition, or transfer of nuclear, chemical, or biological weapons and their delivery systems. This involves funding research and development, procuring materials and equipment, facilitating transportation and logistics, and supporting the overall infrastructure needed for WMD programmes. These activities may be carried out through various financial channels, including traditional banking systems, informal value transfer methods, and emerging technologies like cryptocurrencies, often employing complex schemes to evade detection and sanctions.

## PREVENTION OF MONEY LAUNDERING, PROLIFERATION FINANCING AND TERRORISM FINANCING

6.1 As stated in section 17(1) of the CSP Act, a registered CSP “*must perform the customer due diligence measures in regulations 19, 20, 21, 22 and 26 of the Regulations –*

- (a) *before providing any corporate service to a customer; and*
- (b) *where the registered corporate service provider has reason –*
  - (i) *to suspect money laundering, proliferation financing or terrorism financing; or*
  - (ii) *to doubt the veracity or adequacy of information obtained from earlier customer due diligence measures.”*

### Risk assessments

6.2 For the purpose of section 17(8) of the CSP Act, a registered CSP must take appropriate steps to identify, assess and understand the risks of money laundering, proliferation financing or terrorism financing (ML/PF/TF) in relation to –

- (a) the registered CSP’s customers;
- (b) the countries or territories which the registered CSP’s customers are from or in;
- (c) the countries or territories in which the registered CSP has operations; and
- (d) the products, corporate services and transactions undertaken by the registered CSP.

6.3 As set out in regulation 19 of the Regulations, the appropriate steps referred to in paragraph 6.2 are –

- (a) documenting the registered CSP’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 registered CSP’s risk assessments up-to-date; and
- (d) providing the registered CSP’s risk assessments to the Registrar upon request.

6.4 The registered CSP must –

- (a) determine the extent of customer due diligence (CDD) measures to be performed in relation to a customer on a risk-sensitive basis, based on the customer risk assessment described in paragraph 6.3, depending on the type of customer, business relationship, product or corporate service; and
- (b) be able to demonstrate to the Registrar that the extent of the measures is appropriate in view of the risks of ML/PF/TF.



### Risk assessment requirements for registered CSPs

A registered CSP should at least take the following steps in its risk assessment:

- (a) Consider the risks of ML/PF/TF it may be exposed to at the national and sectoral level, by taking into the account findings of the Singapore's National ML/TF Risk Assessment (NRA), Terrorism Financing NRA, Proliferation Financing NRA, Legal Persons Risk Assessment and other related authoritative publications<sup>18</sup>.
- (b) Assess the risks identified posed according to various risk categories, including:
  - (i) In relation to its customer – their profile, including their nationality or country of incorporation, whether they are politically-exposed, layers of structures and type and scale of activities;
  - (ii) In relation to the countries or jurisdictions that the registered CSP has operations in or where its customers are from or in:
    - Keep up to date on the list of foreign countries or territories (relevant countries) that are subject to a call made by the Financial Action Task Force (FATF) (through a public statement, notice or directive published on its official website) for countermeasures or enhanced CDD measures<sup>19</sup>. These countries are referred to as “Black list” jurisdictions by the FATF. The CSP should subject customers from these countries or territories to enhanced CDD. CSPs are also expected to take the “List of Jurisdictions under Increased Monitoring” (i.e., Grey list jurisdictions) into consideration when preparing and updating their risk assessment and mitigation plans and perform enhanced CDD

<sup>18</sup> Please refer to the following links: [Money Laundering National Risk Assessment \(mas.gov.sg\)](#), [Terrorism Financing National Risk Assessment \(mas.gov.sg\)](#), [Proliferation Financing \(PF\) National Risk Assessment and Counter-PF Strategy \(mas.gov.sg\)](#), [Money Laundering and Terrorism Financing Risk Assessment of Legal Persons \(mas.gov.sg\)](#), [Money Laundering and Terrorism Financing Risk Assessment of Legal Arrangements in Singapore 2024 \(mas.gov.sg\)](#), [National Strategy for Countering the Financing of Terrorism and Inter-Ministerial Committee Publishes Recommendations to Strengthen Singapore's Anti-Money Laundering Framework: 'Proactive Prevention, Timely Detection, Effective Enforcement \(mas.gov.sg\)](#)

<sup>19</sup> <https://www.fatf-gafi.org/en/countries/black-and-grey-lists.html>

measures, when necessary. For more details, please refer to the sections “**Enhanced customer due diligence** measures” and “Ongoing monitoring and enhanced ongoing monitoring”;

- Take into account the AML/CPF/CFT laws, regulations and standards of the country or jurisdiction, including the quality and effectiveness of the AML/CPF/CFT regime;
- Take into account contextual factors, such as political stability, maturity and sophistication of the regulatory and supervisory regime, level of corruption, financial inclusion etc.

(iii) In relation to the services or transactions that the customer expects the registered CSP to perform such as non-face-to-face transactions, incorporation of companies that have no apparent commercial purpose involving mainly nominee shareholders and/or directors;

before determining the level of overall risk and the appropriate types and extents of controls to be designed and implemented. Please refer to Annex B for a comprehensive list of risk factors.

(c) Based on the risk assessment performed, the registered CSP must ensure that the corresponding extent of controls is put in place to reduce these risks and prevent its business from being used for ML/PF/TF. For example, enhanced CDD measures must be applied to mitigate customers with higher risk, such as those involving the setting of companies without a clear commercial purpose and politically-exposed persons (PEPs).

(d) Monitor the implementation of these controls and enhance them if necessary. Some examples of situations which may be considered in deciding whether these controls should be enhanced are when Singapore regulatory authorities announce trends in ML/PF/TF, changes or enhancements to AML/CPF/CFT measures; and when credible sources highlight emerging trends, typologies and cases pertaining to ML/PF/TF; and

(e) Document the risk assessment, keep it up-to-date and provide the risk assessment information to the Registrar when required.

### Identification and verification of identity of customers and agents

- 6.5 For the purpose of section 17(8)(a) of the CSP Act, a registered CSP must establish the identity<sup>20</sup> of each customer and each of the customer's agents. For this purpose, the registered CSP may refer to the Customer Acceptance Form at Annex C as a guide.
- 6.6 As set out in regulation 20(2) of the Regulations, a registered CSP must "*obtain and record at least the following information of the customer and the customer's agent, if any:*

  - (a) *full name, including any alias;*
  - (b) *the identity card number, birth certificate number or passport number (in the case of an individual), or the incorporation number or registration number (in the case of a customer that is a body corporate or unincorporate);*
  - (c) *existing residential address or address of its place of business or registered office (as the case may be), and contact number;*
  - (d) *the date of birth, incorporation or registration, as the case may be;*
  - (e) *the nationality or place of incorporation or registration, as the case may be."*

- 6.7 Where the customer is a company or foreign company, a registered CSP must also establish and record the identities of all the directors of the company.
- 6.8 Where the transaction relates to the formation of a company or other legal person, a registered CSP must establish the identities of the proposed directors of the proposed company or legal person, or (where applicable) the persons acting in similar capacities to directors in relation to the legal person.
- 6.9 Where the customer is a sole proprietor, partnership, limited partnership or limited liability partnership, a registered CSP must establish and record the identities of the sole proprietor and partners.
- 6.10 Where the customer is a body corporate or unincorporate other than a company, partnership, limited partnership or limited liability partnership, a registered CSP must establish and record the identities of all the persons having executive authority in that body.
- 6.11 Where the customer is a legal person or legal arrangement, a registered CSP must, apart from identifying the customer, also identify the legal form, constitution and powers that regulate the legal person or legal arrangement.

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<sup>20</sup> MyInfo business can be considered as a means of establishing and verifying identities. This is provided the customer's consent has been obtained to release such information to the registered CSP.

6.12 In accordance with regulation 20(8) of the Regulations, a registered CSP must –

- (a) verify the identities of the customer and the customer's agent (if any), as well as the persons referred to in paragraphs 6.7 to 6.10 (if applicable), using reliable and independent sources;
- (b) verify the authority of a customer's agent (if any) to act on behalf of the customer; and
- (c) retain a copy of all documents used in establishing and verifying the matters referred to in sub-paragraphs (a) and (b).

### **Identification and verification of identity of beneficial owners**

6.13 For the purpose of section 17(8)(b) of the CSP Act, a registered CSP must inquire if there exists any beneficial owner in relation to the customer.

6.14 Where a registered CSP becomes aware pursuant to the inquiry or otherwise that there is one or more beneficial owners in relation to the customer, the registered CSP must identify the beneficial owners and take reasonable measures to verify the identity of every beneficial owner using relevant information or data obtained from reliable sources.

6.15 Where the customer is a body corporate or unincorporate, or a legal arrangement, a registered CSP must take reasonable measures to understand the nature of the customer's business and ownership and control structure of the body corporate or unincorporate, or the legal arrangement, as the case may be.

6.16 As set out in regulation 21(4) of the Regulations, where the customer is a body corporate, a registered CSP must *"identify the beneficial owners of the body corporate by –*

- (a) *identifying the natural persons (whether acting alone or together) who ultimately own all the assets or undertakings of the body corporate;*
- (b) *to the extent that there is doubt under sub-paragraph (a) as to whether the natural persons who ultimately own all the assets or undertakings of the body corporate are the beneficial owners or where no natural persons ultimately own all the assets or undertakings of the body corporate, identifying the natural persons (if any) who have ultimate control or ultimate effective control over the body corporate; and*
- (c) *where no natural persons are identified under sub-paragraph (a) or (b), identifying the natural persons having executive authority in the body corporate, or in equivalent or similar positions."*

6.17 As set out in regulation 21(5) of the Regulations, where the customer is a legal arrangement, a registered CSP must “*identify the following persons*:

- (a) *for an express trust – the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any natural person having ultimate ownership of the assets or undertakings of the trust, or exercising ultimate control or ultimate effective control over the trust (including through a chain of control or ownership or both);*
- (b) *for any other type of legal arrangement – the persons in equivalent or similar positions, as those described under sub-paragraph (a)."*



### Identification and Verification of identities of beneficial owners

**When identifying the natural person who ultimately owns the legal person or legal arrangement, the shareholdings within the ownership structure of the legal person or legal arrangement should be considered, taking into account any aggregated ownership for companies with cross-shareholdings.**

A registered CSP may also consider obtaining an undertaking or declaration from the customer on the identity of, and the information relating to, the beneficial owner. Notwithstanding the obtaining of such an undertaking or declaration, the registered CSP remains responsible for complying with its obligations under the regulations to take reasonable measures to verify the identity of the beneficial owner by, for example, researching publicly available information on the beneficial owner or arranging a face-to-face meeting with the beneficial owner, to corroborate the undertaking or declaration provided by the customer.

**In other situations of higher risks such as foreign customers not residing in Singapore, a registered CSP should take reasonable measures such as accepting statutory declarations, or documents that had been certified to be true copies by notaries public, Commissioner of Oaths, or registered lawyers to ensure that copies of identification documents produced by customers are true copies.**

A registered CSP should keep the documentation of the CDD performed in the identification and verification of the beneficial owner and ensure that it is available upon ACRA's request.

6.18 Under regulation 21(6) of the Regulations, a registered CSP “*need not inquire if there exists any beneficial owner in relation to a customer where the customer is –*

- (a) *an entity listed on the Singapore Exchange;*
- (b) *an entity listed on a stock exchange outside 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, laws or other enforceable means;*
- (c) *a Singapore financial institution;*
- (d) *a financial institution incorporated or established outside Singapore that is subject to and supervised for compliance with requirements for the prevention of money laundering, proliferation financing and terrorism financing, consistent with the standards set by the FATF; or*
- (e) *an investment vehicle, the managers of which are –*
  - (i) *Singapore financial institutions; or*
  - (ii) *financial institutions incorporated or established outside Singapore, and subject to and supervised for compliance with requirements for the prevention of money laundering, proliferation financing and terrorism financing consistent with the standards set by the FATF,”*

unless the registered CSP has doubts about the veracity of the information obtained in carrying out CDD measures or suspects that the customer is carrying out or facilitating ML/PF/TF.

6.19 Where the customer represents that it is a Singapore government entity, a registered CSP –

- (a) must obtain and record the information that is required to confirm that the customer is a Singapore government entity as asserted; and
- (b) need not inquire if there exists any beneficial owner in relation to the customer if the registered CSP has obtained the required information mentioned in subparagraph (a).

6.20 In relation to paragraphs 6.18 to 6.19, a registered CSP must keep a written record of its determination that a customer is of a type specified in those paragraphs.

**Provision of services before completing identification and verification of identity of customers**

6.21 A registered CSP may provide corporate services to a customer before completing the performance of the CDD measures under sections “Identification and verification of identity of customers and agents” and “Identification and verification of identity of beneficial owners” 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 ML/PF/TF can be effectively managed by the registered CSP.

6.22 Under regulation 23(2) of the Regulations, where a registered CSP provides corporate services to a customer before verifying the identities of the customer, the customer’s agents and the beneficial owners of the customer, the registered CSP “must –

- (a) *adopt internal risk management policies and procedures concerning the conditions under which such corporate services may be provided before verification; and*
- (b) *complete such verification as soon as is reasonably practicable.”*

**Customer screening**

6.23 As set out in regulation 22 of the Regulations, a registered CSP must “screen every customer and every agent, connected party and beneficial owner of a customer or, where the transaction relates to the formation of corporations or other legal persons for a customer, every agent, connected party and beneficial owner of the proposed corporation or legal person –

- (a) *against any lists and information provided by the Registrar and any relevant law enforcement authority; and*
- (b) *against any other source of information relating to money laundering, proliferation financing or terrorism financing, as the Registrar may direct.”*

6.24 A registered CSP must also carry out the screening described in paragraph 6.23 to – “

- (a) *determine if the customer or any agent, connected party or beneficial owner of that customer is a designated person as defined in any regulations made under the United Nations Act 2001; and*
- (b) *assess whether the customer or any agent, connected party or beneficial owner of that customer is a terrorist or terrorist entity under the Terrorism (Suppression of Financing) Act 2002.”*

6.25 For the purposes of screening against the relevant individuals and entities, a registered CSP is to subscribe to the following MAS' website on targeted financial sanctions, and to receive alerts to changes to the abovementioned lists:

<http://www.mas.gov.sg/Regulations-and-Financial-Stability/Anti-Money-Laundering-Countering-The-Financing-Of-Terrorism-And-Targeted-Financial-Sanctions/Targeted-Financial-Sanctions/Lists-of-Designated-Individuals-and-Entities.aspx>

In addition to persons listed in the First Schedule of the Terrorism (Suppression of Financing) Act 2002 (Cap. 325) (TSOFA), registered CSPs are to review and conduct screening of existing business relations and transactions of individuals named in the Alert List of Persons Involved in Terrorism or Terrorism Financing Activities that the Registrar circulates on a regular basis<sup>21</sup>.

6.26 A registered CSP is to obtain more information about terrorist designation and the legislation for countering of terrorism, and subscribe to updates at the Inter-Ministry Committee on Terrorist Designation website at:

<https://www.mha.gov.sg/what-we-do/managing-security-threats/countering-the-financing-of-terrorism>

6.27 A registered CSP should check for any adverse news on the customer using free public search tools, commercial databases or other relevant sources on combatting money laundering and financing of terrorism. The output of screening shall be factored in the customer risk assessment performed by the registered CSP. A registered CSP must document the results of the screening of, and any determination made concerning the risks of ML/PF/TF in relation to a customer or any agent, connected party or beneficial owner of a customer. For example, screenshots or printouts of the search results should be retained to evidence that screening had been performed. For registered CSPs with ongoing business

<sup>21</sup> Under the TSOFA, a “*terrorist*” is defined as any person who commits, or attempts to commit, any terrorist act or participates in or facilitates the commission of any terrorist act. It includes any persons set out in the First Schedule to the TSOFA, which was last updated on 11 February 2025. Please refer to the Singapore Statutes Online website: “Terrorism (Suppression of Financing) Act 2002” (<https://sso.agc.gov.sg/Act/TSFA2002>) for the updated First Schedule to the TSOFA. The TSOFA also prohibits all persons from:

- (i) providing or collecting property for terrorist acts;
- (ii) providing property or financial or other related services for terrorist purposes;
- (iii) using or possessing property for terrorist purposes;
- (iv) dealing with property of terrorists, including funds derived or generated from the property;
- (v) entering into or facilitating any financial transaction related to a dealing in property of terrorists; or
- (vi) providing any financial or other related services in respect of any property of terrorists or for the benefit of or on the direction of terrorists.

relationships with the customers, the registered CSP shall screen the customers on a periodic basis on a risk-sensitive basis, based on the customer risk assessment performed by the registered CSP, or when there are any changes or updates to the lists and information provided by the Authority or other relevant authorities in Singapore.

### Performance of customer due diligence measures by third parties

6.28 A registered CSP may rely on a third party to perform any CDD measures (including simplified CDD measures and enhanced CDD measures) which the registered CSP is required to perform, but only if the following requirements are met:

- (a) the registered CSP is satisfied that the third party –
  - (i) is subject to and supervised for compliance with requirements for the prevention of ML/PF/TF, and for the recording and reporting of transactions suspected of involving ML/PF/TF, consistent with the standards set by the FATF; and
  - (ii) has adequate measures in place to comply with those requirements;
- (b) the registered CSP takes appropriate steps to identify, assess and understand the risks of ML/PF/TF in the countries or territories that the third party operates in;
- (c) the third party is not a third party which the registered CSP has been specifically precluded by the Registrar from relying upon;
- (d) the third party is able and willing to provide, without delay, upon the registered CSP's request, any data, documents or information obtained by the third party with respect to the CDD measures performed in relation to the registered CSP's customer.

6.29 As defined in regulation 24(4) in the Regulations, “*third party*” means –

- (a) an advocate and solicitor as defined in section 2(1) of the Legal Profession Act 1966;
- (b) a Singapore financial institution;
- (c) a public accountant as defined in section 2(1) of the Accountants Act 2004; and
- (d) in relation to a registered CSP, its branch, subsidiary, holding company and other related corporation.

6.30 The registered CSP must –

- (a) document the basis for its satisfaction that the requirements in paragraphs 6.28(a) and (b) have been met; and
- (b) immediately obtain from the third party the CDD information which it had obtained.

6.31 For avoidance of doubt, despite the reliance upon a third party, a registered CSP remains responsible for its obligations.

### **Simplified customer due diligence measures**

6.32 A registered CSP may perform the CDD measures in sections ‘Identification and verification of identity of customers and agents’, ‘Identification and verification of identity of beneficial owners’ and ‘Customer screening’ as modified where the registered CSP is of the view that the ML/PF/TF risks in relation to a customer are low.

6.33 As set out in regulation 25(2) of the Regulations, if a registered CSP is of the view that the ML/PF/TF risks are low, the registered CSP may “*adopt such measures as it considers adequate as would effectively* –

- (a) *identify and verify the customer’s identity, the identity of the customer’s agents and the identity of any beneficial owner in relation to a customer; and*
- (b) *screen the customer, the customer’s agents and all the beneficial owners of the customer against any lists and information and any source of information*” mentioned in paragraph 6.23.

6.34 The assessment that the ML/PF/TF risks are low must be supported by an adequate analysis of risks by the registered CSP.

6.35 The simplified CDD measures must be commensurate with the level of risk of ML/PF/TF, based on the risk factors identified by the registered CSP.

6.36 A registered CSP must not perform simplified CDD measures in the following circumstances:

- (a) if the customer is from or in a relevant country or territory;
- (b) where the registered CSP suspects that ML/PF/TF is being committed or facilitated.

6.37 Taking into account the conditions in paragraphs 6.35 and 6.36, a registered CSP may perform simplified CDD measures in relation to a customer that is a Singapore financial institution regulated by MAS.

6.38 In accordance with regulation 25(7) of the Regulations, where a registered CSP performs simplified CDD measures in relation to a customer, the customer's agents and the beneficial owners of the customer, the registered CSP "must document –

- (a) *the details of the risk assessment performed on that customer, including when it was done; and*
- (b) *the nature of the simplified CDD measures.*"

### Enhanced customer due diligence measures

6.39 A registered CSP must perform the CDD measures in sections "Identification and verification of identity of customers and agents", "Identification and verification of identity of beneficial owners" and "Customer screening" as modified –

- (a) in respect of all complex or unusually large transactions, or unusual patterns of transactions that have no apparent or visible economic or lawful purpose;
- (b) when the registered CSP proposes to provide, or has provided corporate services to, or has established a business relationship with any person from or in a relevant country or territory;



#### Enhanced CDD required for relevant country/territory

A relevant country or territory means a foreign country or territory subject to a call made by the FATF (through a public statement, notice or directive published on its official website) for countermeasures or enhanced CDD measures.

- The registered CSP shall keep up-to-date on the list of relevant countries or territories, referred to as "black list" jurisdictions, from the link <https://www.fatf-gafi.org/en/countries/black-and-grey-lists.html>.
- The registered CSP should subject customers from these countries or territories to enhanced CDD.
- The registered CSP is also expected to consider the "List of Jurisdictions under Increased Monitoring" (i.e., Grey list jurisdictions) when preparing and updating their risk assessment and mitigation plans and perform enhanced CDD measures, when necessary.

- (c) in respect of any other categories of customers or any other transactions which the registered CSP determines may present a high risk of ML/PF/TF;
- (d) in respect of a business relationship or transaction with a customer, where the customer is from or in a relevant country or territory;

- (e) in respect of a customer if the registered CSP is not able to establish whether the customer has any –
  - (i) ongoing, apparent or visible operation or business activity; or
  - (ii) economic or business purpose for its corporate structure or arrangement; and
- (f) subject to section “Risk-sensitive approach to enhanced customer due diligence measures in respect of certain politically-exposed persons”, when the registered CSP proposes to provide a corporate service to a PEP.



## Enhanced CDD Measures

As part of due diligence obligations, registered CSPs should thoroughly review, as far as reasonably possible, any transactions that are complex, unusually large, or follow unusual patterns, particularly those without clear economic or legitimate purpose.

In situations where higher ML/PF/TF risks are identified, registered CSPs must implement enhanced CDD measures that correspond to these elevated risks. This includes heightened monitoring of business relationships to identify any unusual or suspicious activities. Refer to ‘Ongoing monitoring and enhanced ongoing monitoring’ section for more details on ongoing monitoring.

Examples of enhanced CDD measures for high-risk business relationships cited by the FATF include:

- Obtaining additional information on the customer (e.g. occupation, volume of assets, information available through public databases, internet, etc.), and updating more regularly the identification data of customer and beneficial owner.
- Obtaining additional information on the intended nature of the business relationship.
- Obtaining information on the source of funds or source of wealth of the customer. Refer to paragraph **6.44(c)** for more details.
- Obtaining information on the reasons for intended or performed transactions.
- Obtaining the approval of senior management to commence or continue the business relationship.
- Conducting enhanced monitoring of the business relationship, by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination.

For more detailed guidance on enhanced CDD measures, registered CSPs may refer to the FATF Recommendations at <https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatf-recommendations.html>.

6.40 As set out in regulation 17 of the Regulations, “*politically-exposed person*” means –

- (a) an individual who is or has been entrusted with any prominent public function in Singapore;
- (b) an individual who is or has been entrusted with any prominent public function in a country or territory outside Singapore; or
- (c) an individual who is or has been entrusted with any prominent public function by an international organisation,

and includes –

- (d) an individual who is an immediate family member of an individual referred to in subparagraph (a), (b) or (c); and
- (e) an individual who is a close associate of an individual referred to in subparagraph (a), (b) or (c).

6.41 The reference to “*prominent public function*” in paragraph 6.40(a) and (b) –

- (a) includes the role held by a head of state, head of government, government minister, senior civil or public servant, senior judicial or military official, senior executive of a state-owned corporation, senior political party official, or member of the legislature; but
- (b) does not include the role held by middle ranking or more junior officials.

6.42 The reference to “*prominent public function*” in paragraph 6.40(c) –

- (a) includes the role held by a director, deputy director, member of the board, or member of the senior management, of the international organisation; but
- (b) does not include the role held by middle ranking or more junior officials.

6.43 In paragraph 6.40(e), an individual (A) is a close associate of another individual (B) if –

- (a) A is a partner of B;
- (b) A is an employee or employer of B;
- (c) A is an officer of any corporation of which B is an officer;

- (d) A and B are both employees of the same individual;
- (e) A is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of B;
- (f) B is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of A; or
- (g) A is a person with whom B has an agreement or arrangement, whether oral or in writing and whether express or implied, to act together to engage the services of a registered CSP.



### Determining whether an individual is a PEP

To determine if a customer/agent/connected party/beneficial owner is a PEP, a registered CSP should ensure that the CDD information is up to date so that they can monitor the business relationship for a change in PEP status.

To do that, registered CSPs can use the internet and media as sources for determining, monitoring, verification of information in relation to PEPs. Registered CSPs may also subscribe to commercial databases to help them in identifying a PEP. Alternatively, self-declaration by a customer of their PEP status can also be accepted. However, a registered CSP should also engage the customers and obtain information pertinent to the different elements of the PEP definition.

For more details on dealing with PEPs, please refer to the FATF guidance paper on PEPs: <http://www.fatf-gafi.org/documents/documents/peps-r12-r22.html>

6.44 In the circumstances mentioned in paragraph 6.39, a registered CSP must perform the CDD measures in sections “Identification and verification of identity of customers and agents”, “Identification and verification of identity of beneficial owners” and “Customer screening” to a higher degree consistent with the higher risks of ML/PF/TF, including, where applicable, the additional measures described as follows:

- (a) inquiring into the background and purpose of any corporate service that the registered CSP is employed, appointed or engaged to carry out;
- (b) obtaining approval from the senior management of the registered CSP to provide or to continue to provide corporate services to a customer;
- (c) establishing, by appropriate and reasonable means the source of wealth and source of funds which are involved in the proposed business relationship; and

## Source of wealth and source of funds

**Source of wealth (SOW)** generally refers to the origin of the customer's paid-up capital, and how the customer came to acquire such wealth. **Source of funds (SOF)** refers to the origin of the funds, which are the subject of the business relationship between the customer and a registered CSP.

Registered CSPs should take reasonable steps to establish the SOW/SOF of their customers and independently corroborate information obtained from the customers against documentary evidence or public information sources appropriate to the customer's risk level.

Registered CSPs should ensure that their policies and procedures to establish the SOW/SOF of customers are risk-proportionate and reasonable, taking into account the unique circumstances and profile of each customer. They should not apply a one-size-fits-all approach for all customers.

In the designing of their policies and procedures to establish SOW and SOF of customers in a risk-proportionate and reasonable manner, registered CSPs should consider the following:

- (i) The information required for the SOF should establish its origin and the underlying economic activity that generated the funds. For example, for company incorporation or changes in shareholding, this could include understanding the source of share capital or consideration for share transfers.
- (ii) The checks required include obtaining pertinent, fit-for-purpose corroborative evidence or conducting independent checks (i.e. not relying solely on the customer's declaration) and making an assessment on the plausibility of customers' SOW, with proper documentation of the assessments. The extent of checks and corroboration should be guided by a risk-based approach, and not unduly hinder legitimate businesses and individuals.
- (iii) Possible SOW/SOF include a customer's business profits, SOW/SOF obtained from his/her current and previous positions, business undertakings and family estates. A registered CSP may utilise independent and reliable documents and information obtained from credible public sources such as publicly available company websites, audited financial statements, property registers, land registers, asset disclosure registers, company registers, past transactions and other sources of information about legal and beneficial ownership where available. Internet and social media searches may also be relied on to reveal useful information about a customer's source of wealth or funds. Assumptions or benchmarks used should be supported by clear and reasonable basis.

**Registered CSPs are reminded that establishing the SOW/SOF of customers is part of a wider set of AML/CPF/CFT controls to ensure the legitimacy of the customers' wealth and transactions. As such, senior management of registered CSPs should:**

- (a) **Exercise close oversight over higher risk accounts:** For example, where a registered CSP is unable to corroborate a significant portion of a customer's wealth, it should escalate the case to its senior management for approval before establishing business relations with the customer and consider whether additional risk-mitigating measures are needed; and
- (b) **Ensure that ongoing monitoring controls take into account the customer's risk profile:** Ongoing monitoring controls should take into account customer information gleaned from SOW/SOF establishment, such as the customer's expected SOF, to facilitate the registered CSP's assessment of whether the customer's corporate transactions are in line with their profile.
- (d) keeping a record in writing of the registered CSP's findings in respect of the CDD measures and the measures in subparagraphs 6.44(a), (b) and (c).

**Risk-sensitive approach to enhanced customer due diligence measures in respect of certain politically-exposed persons**

6.45 A registered CSP may adopt a risk-sensitive approach in determining whether to perform enhanced CDD measures or the extent of enhanced CDD measures to be performed for all or any of the following:

- (a) a PEP who is or has been entrusted with any prominent public function in Singapore, or an immediate family member or close associate of that person;
- (b) a PEP who is or has been entrusted with any prominent public function by an international organisation, or an immediate family member or close associate of that person;
- (c) a PEP who has stepped down from his/her prominent public function, taking into consideration the level of influence he/she may continue to exercise after stepping down from such prominent public function, or an immediate family member or close associate of that person.

6.46 Paragraph 6.45 does not apply where the PEP's transactions with the registered CSP present, or where the provision of corporate services to the PEP presents a high risk for ML/PF/TF.



### Foreign PEP

If a registered CSP is dealing with a foreign PEP, or his immediate family or close associate, the registered CSP shall perform enhanced CDD measures and enhanced ongoing monitoring for these individuals.

Foreign PEPs are always considered high risk and warrants the application of enhanced due diligence measures. Please refer to 'Enhanced customer due diligence measures' section for details on enhanced CDD requirements.

### Remote transactions

6.47 Where a customer is "*not physically present*" for identification purposes under section "Identification and verification of identity of customers and agents", 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.



### What does "not physically present" mean?

"Not physically present" refers to situations where there is no face-to-face contact between the registered CSP and the client for identification purposes. This definition applies regardless of the client's nationality or residency status (whether foreign or Singaporean/PR) - the key factor is whether face-to-face contact is conducted.

When clients are not physically present, registered CSPs must implement enhanced due diligence measures to compensate for the higher risks involved. These measures must be at least as robust as those required for face-to-face verification and include obtaining additional documents, data, or information to establish the customer's identity.

For example, consider a scenario where a foreign entity with an existing subsidiary in Singapore wishes to incorporate another subsidiary. If the proposed directors, members, or authorised representatives of the prospective subsidiary cannot be physically present in Singapore for verification, this would constitute a non-face-to-face situation requiring enhanced verification measures, regardless of their nationality.

6.48 Where the corporate service to be provided involves the incorporation of a company, or involves the transfer of management or ownership or sale of a shelf company, a registered CSP must perform a live video call with –

- (a) at least one proposed director (other than a nominee director);
- (b) at least one proposed member who does hold not less than 50% of the voting rights of the proposed company; or
- (c) an authorised representative of a proposed member described in subparagraph (b) if the proposed member is a legal person and the authorised representative is an individual,

for the purpose of verifying –

- (d) the identities of the proposed director, member or authorised representative; and
- (e) that the proposed director, member or authorised representative has been validly authorised to receive the corporate service to be provided or represent the company concerned.

6.49 For the purposes of paragraph 6.48,

- (a) A “shelf company” is a legal entity that is created and operational but remains dormant (i.e. it does not carry out business activities and has no income).
- (b) An “authorised representative” is an individual who may represent a member described in paragraph 6.48 if the member is a legal person. To ensure that the authorised representative has been validly authorised, the registered CSP should request for formal documentation such as a board resolution that clearly establishes the individual’s authority to act on behalf of the members.



### Why is a live video call essential for such transactions?

The requirement for a live video call specifically applies to remote transactions involving the incorporation of a company or the transfer of management, ownership, or sale of a shelf company. In these scenarios, it is crucial to verify not only the identities of the proposed directors, members, or authorised representatives but also to confirm that these individuals are validly authorised to receive the corporate service or represent the company concerned.

While notarised documents and third-party verification tools like DocuSign ID Verification can verify identity documents, they **cannot replace the need for a live video call.**

A live video call allows registered CSPs to confirm that they are dealing with a live person rather than pre-recorded footage through real-time interaction and verification.

The live interaction allows registered CSPs to assess the person's responses and behaviour in real-time, verify that the identity document belongs to the person presenting it, and ask spontaneous questions to ensure authenticity.

Given that identity theft is an emerging risk in corporate transactions, enhanced due diligence measures through live video calls provide necessary additional safeguards that cannot be achieved through notarised documents or digital verification tools alone.



### What is the required duration of the live video call?

The duration of the video call should be sufficient to complete proper verification procedures. Registered CSPs should ensure they have adequately verified both the individual's identity and their authority to act in the proposed capacity. This ensures that the risk of identity theft and transparency in these higher-risk transactions where customers are not physically present are adequately mitigated.



### Is there a list of minimum verification procedures that must be conducted during the live video call?

The Registrar does not prescribe the methods or means in the conduct of the live video calls. Registered CSPs should adopt a risk-based approach and exercise professional judgement based on your relationship and interactions with the customer.

Registered CSPs should determine additional verification procedures based on their risk assessment of the customer, including taking into account any CDD measures previously performed. While specific systems, recording requirements, and attendance protocols are not prescribed, registered CSPs should ensure their chosen methods adequately fulfil the verification objectives and maintain proper documentation of the process.

6.50 The registered CSP must keep proper records of each live video call mentioned in paragraph 6.48 in a manner that is sufficient to demonstrate compliance with paragraph 6.47.



### Documentation of live video calls

As this is a new requirement, ACRA will not mandate that the live video calls be recorded. However, registered CSPs are strongly encouraged to record the video calls.

Notwithstanding the above, registered CSPs must take and retain a screenshot of the video call. This screenshot serves as evidence that the video call took place with the relevant persons as described in paragraph 6.48 and that the required verifications were conducted through live interaction.

Registered CSPs must maintain these screenshots as part of their record-keeping obligations to demonstrate compliance with the live video call requirements.

6.51 In a transaction involving the appointment of a director where the director is not physically present, a registered CSP –

- (a) must take all reasonable measures to ensure that the proposed director has consented to act as a director
- (b) must ensure that Form 45 in the Second Schedule to the Companies Regulations has been signed by the proposed director and retain a copy of the same; and
- (c) must not sign the Form 45 on behalf of the proposed director.

6.52 Paragraph 6.48 does not apply where the corporate service is performed for the purposes of a transaction for a customer who is being represented by an advocate or solicitor or a public accountant in respect of the transaction.

6.53 In addition, a registered CSP can consider the following measures to compensate for the higher risk such as:

- (a) Ensuring that the customer's identity is established by additional documents, data or information;
- (b) Implementing supplementary measures to verify or certify the documents supplied;

### **Duty to perform CDD measures on a risk-sensitive basis**

6.54 A registered CSP must perform the CDD measures in sections “Identification and verification of identity of customers and agents”, “Identification and verification of identity of beneficial owners” and “Customer screening” and any simplified or enhanced CDD measures on a risk-sensitive basis –

- (a) based on a customer risk assessment described under section “Risk assessments” performed in respect of a customer; and
- (b) taking into account any CDD measures previously performed, the time when CDD measures were last performed, and the adequacy of documents, data or information previously obtained from that performance.

### **Record-keeping**

6.55 For the purpose of section 17(5) of the CSP Act, the prescribed period for which a registered CSP must keep all records obtained through CDD measures is 5 years, beginning on the date on which the registered CSP stops providing corporate services to the customer.

6.56 Additionally, all records obtained through CDD measures must be kept in a manner sufficient to permit a reconstruction of individual transactions (including the amounts and types of currency involved, if any).

### **Ongoing monitoring and enhanced ongoing monitoring**

6.57 A registered CSP must conduct ongoing monitoring of every business relationship with a customer.

6.58 A registered CSP must perform enhanced ongoing monitoring to detect or prevent ML/PF/TF –

- (a) in respect of all complex or unusually large transactions, or unusual patterns of transactions that have no apparent or visible economic or lawful purpose;
- (b) when the registered CSP has established a business relationship with any person from or in a relevant country or territory;
- (c) in respect of any other categories of customers or any other transactions which the registered CSP determines may present a high risk of ML/PF/TF;
- (d) in respect of a business relationship or transaction with a customer, where the customer is from or in a relevant country or territory;
- (e) in respect of a customer if the registered CSP is not able to establish whether the customer has any –

- (i) ongoing, apparent or visible operation or business activity; or
- (ii) economic or business purpose for its corporate structure or arrangement; and

(f) when the registered CSP has established a business relationship with a PEP.

6.59 A registered CSP must not rely on a third party to conduct ongoing monitoring of a business relationship with customers.

### **Internal policies, procedures and controls in respect of money laundering, proliferation financing and terrorism financing**

6.60 As set out in regulations 33 of the Regulations, a registered CSP must “*establish and maintain adequate internal policies, procedures and controls to prevent money laundering, proliferation financing and terrorism financing relating to the following matters:*

- (a) *CDD measures (including simplified and enhanced CDD measures) and ongoing monitoring (including enhanced ongoing monitoring)*
- (b) *reporting;*
- (c) *record-keeping;*
- (d) *risk assessment and management;*
- (e) *audit of the internal policies, procedures and controls;*
- (f) *the monitoring and management of compliance with, and the internal communication of, the internal policies, procedures and controls;*
- (g) *hiring and training of employees;*
- (h) *customer screening.”*

6.61 The IPPC referred to in paragraph 6.60 include –

- (a) IPPC which provide for the identification and scrutiny of –
  - (i) complex or unusually large transactions;
  - (ii) unusual patterns of transactions which have no apparent economic or visible lawful purpose; and
  - (iii) any other activity which a registered CSP regards as particularly likely by its nature to be related to ML/PF/TF;

- (b) IPPC which specify the taking of additional measures, where appropriate, to mitigate the risk of –
  - (i) the development of new products and new business practices, including new delivery mechanisms, for ML/PF/TF; and
  - (ii) the use of new or developing technologies, for both new and pre-existing products, for ML/PF/TF; and
- (c) IPPC to determine whether any customer, beneficial owner of a customer, or agent of a customer is a PEP.

6.62 A registered CSP must, in deciding what the adequate IPPC mentioned in paragraph 6.60 are, take into consideration the following:

- (a) any risk of ML/PF/TF;
- (b) the size of the registered CSP's business.

6.63 Please refer to Annex D for the essential elements of an IPPC for the prevention of ML/PF/TF. A registered CSP has the discretion to customise its IPPC in addition to those elements provided in Annex D, to ensure that the IPPC is reflective of its business context. The registered CSP's senior management should be actively involved in the approval process of the registered CSP's IPPC.

### **Group policy**

6.64 Where a registered CSP has one or more branches or subsidiaries, the registered CSP must develop and implement group-wide programmes for preventing ML/PF/TF which include –

- (a) policies and procedures for the sharing of information within the group for the purposes of CDD and risk management of ML/PF/TF;
- (b) adequate safeguards on the confidentiality and use of the information mentioned in subparagraph 6.64(a) that is shared.

6.65 Where –

- (a) A registered CSP has a branch or subsidiary in a country or territory outside Singapore; and
- (b) that country or territory is known to have inadequate measures in relation to the detection and prevention of ML/PF/TF –
  - (i) as determined by the registered CSP;
  - (ii) as notified to the registered CSP by the Registrar or any relevant authority in that country or territory; or

(iii) as identified by the FATF,

the registered CSP must, to the extent that the laws of that country or territory permit, ensure that the group-wide programmes mentioned in paragraph 6.64 are strictly observed by the management of that branch or subsidiary.

6.66 Subject to paragraph 6.67, where –

- (a) a registered CSP has a branch or subsidiary in a country or territory outside Singapore; and
- (b) that country or territory has laws where the minimum requirements in relation to the detection and prevention of ML/PF/TF are less stringent than those in Singapore,

the registered CSP must ensure that the branch or subsidiary implements, to the extent that the laws of that country or territory permit, the requirements for the prevention of ML/PF/TF that are applicable in Singapore.

6.67 If the laws of the country or territory mentioned in paragraph 6.66 do not permit the implementation of the requirements for the prevention of ML/PF/TF that are applicable in Singapore, a registered CSP must apply appropriate additional measures to manage the risks of ML/PF/TF.

### **Duty to assess and report**

6.68 A registered CSP must –

- (a) regularly assess; and
- (b) if the Registrar requires, demonstrate to the Registrar,

the effectiveness of the IPPC referred to under the “Internal policies, procedures and controls in respect of money laundering, proliferation financing and terrorism financing” section.

### Audit and compliance management

6.69 In accordance with subparagraph 6.60(e) relating to “*audit of the internal policies, procedures and controls*”, a registered CSP must implement and maintain an audit function that is –

- (a) independent; and
- (b) able to regularly assess the effectiveness of the IPPC of the registered CSP, and its compliance with the Regulations.



#### Requirements of an audit function

A registered CSP must implement and maintain an independent audit function, and be able to regularly assess the effectiveness of these IPPC.

A registered CSP may engage an external auditor/external auditing entity to perform an audit of its IPPC.

A registered CSP who is a sole proprietor, cannot be appointed as both the compliance officer and internal auditor. If appointed as the compliance officer, the sole proprietor must appoint an independent third party as an external auditor/external auditing entity to ensure sufficient independence.

6.70 In accordance with subparagraph 6.60(f) relating to “*the monitoring and management of compliance with, and the internal communication of the internal policies, procedures and controls*”, a registered CSP must –

- (a) develop compliance management arrangements to continually review and update IPPC for the prevention of ML/PF/TF; and
- (b) appoint an employee or officer in a management position as the compliance officer in relation to the prevention of ML/PF/TF.

6.71 A registered CSP must grant the compliance officer mentioned in subparagraph 6.70(b), as well as any other persons appointed to assist the compliance officer, timely access to all customer records and other relevant information which they may require to discharge their functions.

### Employees and training

6.72 In accordance with subparagraph 6.60(g) on “*hiring and training of employees*”, a registered CSP must –

- (a) implement screening procedures for the hiring of fit and proper persons as employees; and



## Examples of factors to be considered for the screening of potential employees

A registered CSP may consider, in determining whether a potential employee is fit and proper, when conducting screening of individuals whom it may wish to hire as its employees are:

- (a) whether the individual has been convicted in Singapore of any offence involving fraud or dishonesty punishable with imprisonment for 3 months or more;
- (b) whether the individual's previous conduct and compliance history as any of the following (as applicable) has been satisfactory;
  - (i) a registered CSP (including a registered filing agent under the revoked Regulations);
  - (ii) an employee or KAH of a registered CSP (including an employee of a registered filing agent under the revoked Regulations);
  - (iii) a registered QI (including a registered QI under the revoked Regulations).

- (b) ensure that the registered CSP's employees, whether in Singapore or elsewhere, are trained –
  - (i) the laws for the prevention of ML/PF/TF, the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992, the Terrorism (Suppression of Financing) Act 2002 and other legislation concerning the prevention of ML/PF/TF as may be specified by ACRA;
  - (ii) prevailing methods of, and trends in, ML/PF/TF; and
  - (iii) the registered CSP's IPPC for the prevention of ML/PF/TF, including the roles and responsibilities of employees, registered QIs and officers of the registered CSP in relation to these IPPC.



## Training for employees

### Scope of training

Training of employees should also cover the following areas:

- (a) Recognition of and dealing with suspicious activities and transactions;
- (b) The impact that money laundering and financing of terrorism and proliferation may have on a registered CSP, its business, customers and employees;

- (c) The money laundering and financing of terrorism and proliferation risks that a registered CSP faces, given the nature of its business and services;
- (d) The changing behaviour and practices of money launderers and those financing terrorism and proliferation;
- (e) The IPPC that have been put in place by the registered CSP to identify, reduce and manage ML/PF/TF risks;
- (f) Different CDD measures, and, on-going monitoring measures; and
- (g) Effective ways of determining whether customers are PEPs and to understand, assess and handle the potential risks associated with PEPs. Training may use real-life case studies and examples and input and analysis from experienced and trained employees.

#### **Frequency of training**

The frequency of training should be sufficient to maintain the knowledge and competence of employees to apply CDD measures appropriately. For avoidance of doubt, employees should at least be trained on an annual basis.

6.73 A registered CSP must keep written records of the measures taken under paragraph 6.72.

### Provision of information

6.74 A registered CSP must, at such times and within such periods as may be specified by the Registrar, provide the Registrar with –

- (a) the following information relating to the registered CSP's customers as of such date as may be specified by ACRA:
  - (i) the total number of customers for which corporate services were provided;
  - (ii) a list of the nationalities of the customers;
  - (iii) a list of the places of residency of the customers who are individuals;
  - (iv) a list of the places of incorporation or formation of the customers that are not individuals;
- (b) the following information relating to ACRA transactions carried out for the registered CSP's customers as of 1 January (or as of such other day of a month as the Registrar may specify) of each year:
  - (i) the total number of ACRA transactions;
  - (ii) the types of ACRA transactions;
  - (iii) the total number of ACRA transactions carried out for persons who are not citizens or permanent residents of Singapore;
  - (iv) the total number of company incorporations, and registrations of businesses, limited liability partnerships and limited partnerships, carried out for persons who are not citizens or permanent residents of Singapore;
  - (v) the total number of ACRA transactions carried out for PEPs and customers described in paragraphs 6.39(b), 6.58(b) and 6.58(c);
  - (vi) the total number of company incorporations, and registrations for businesses, limited liability partnerships and limited partnerships, carried out for PEPs and customers described in 6.39(b), 6.58(b) and 6.58(c);
- (c) any other information regarding the registered CSP's activities as a registered CSP that the Registrar may require for the purpose of monitoring the registered CSP's compliance.

### Compliance with directions

6.75 As set out in regulation 39 of the Regulations, a registered CSP “*must, in its provision of corporate services, comply with any written directions that the Registrar may issue for compliance with any FATF recommendation*”.

6.76 The written directions referred to in paragraph 6.75 include –

- (a) written directions with respect to the standards to be maintained by a registered CSP in the conduct of its business;
- (b) where a registered CSP is contravening, is likely to contravene, or has contravened any provision of the Regulations, written directions to require the registered CSP –
  - (i) to comply with that provision or to cease contravention of that provision;
  - (ii) to take any action necessary to enable the registered CSP to conduct its business in accordance with sound principles for the prevention of ML/PF/TF; and
  - (iii) to make good any default committed by the registered CSP;
- (c) written directions for any other purpose specified in the Regulations.

### New products, practices and technologies

6.77 As set out in regulations 40 of the Regulations, a registered CSP must “*identify and assess the risks of money laundering, proliferation financing and terrorism financing 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 existing products.”*

6.78 A registered CSP must undertake risk assessments to prevent activities related to ML/PF/TF prior to the launch or use of the products, practices and technologies mentioned in paragraph 6.77 and must take appropriate measures to manage and mitigate the risks.

6.79 A registered CSP must, in complying with the requirements of paragraphs 6.77 and 6.78, pay special attention to any –

- (a) new products and new business practices, including new delivery mechanisms, that favour anonymity; and
- (b) new or developing technologies for both new and pre-existing products that favour anonymity.

### Reporting of suspicious transactions

6.80 A registered CSP must have procedures in place to report suspicious transactions. The minimum areas to be covered in the procedures should include –

- (a) Persons to whom they have to report;
- (b) Avenue to report suspicious transactions;
- (c) Information required to be in a suspicious transaction report (STR); and
- (d) Timeliness of STR.

6.81 A registered CSP must have procedures for reporting or escalating suspicious transactions to the compliance officer and/or Senior Management.

6.82 If in the course of carrying out a registered CSP's work, any of its officers, registered QIs or employees knows or has reasonable grounds to suspect that any property may be connected to ML/PF/TF, he/she must promptly alert the compliance officer or a member of the senior management of the registered CSP. The compliance officer or senior management of the registered CSP should consider making a STR to the Suspicious Transaction Reporting Office (STRO) of the Commercial Affairs Department (CAD). The STR should be lodged as soon as reasonably practicable upon the establishment of suspicion, no longer than 5 business days. STRs for higher risk cases such as TFS/sanctions are to be filed within 1 business day, if not immediately.

6.83 A STR may be made electronically via the STRO Online Notices and Reporting Platform (SONAR). More details on how to file STRs via SONAR are available on CAD's website: <https://www.police.gov.sg/sonar>

6.84 A report should be filed with STRO, CAD as soon as practicable. If a decision is made not to file a STR by the compliance officer or senior management of the registered CSP, the reasons for the non-filing should be documented and made available to the Registrar when required.

6.85 Where a registered CSP forms knowledge or suspicion of ML/PF/TF, and reasonably believes that performing any of the measures as required 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 registered CSP may stop performing those measures. The registered CSP shall document the basis for its assessment and file an STR without delay.

6.86 Please refer to Annex A for indicators that a registered CSP should take note of in deciding whether to file a STR.

## OBLIGATIONS OF REGISTERED QUALIFIED INDIVIDUALS

### Appointment of authorised employees by registered qualified individuals

7.1 A registered QI who is a registered CSP or is a partner of or is employed, engaged or appointed by a registered CSP, must –

- (a) provide the Registrar with the identity, together with any particulars that the Registrar may determine, of each authorised employee appointed by him or her to carry out any ACRA transaction with the Registrar using the electronic transaction system under the supervision of the registered QI; and
- (b) notify the Registrar of any change, or of any change in any particulars, of an authorised employee referred to in subparagraph 7.1(a).

7.2 A registered QI who is a registered CSP, or is a partner of or is employed, engaged or appointed by a registered CSP, must not appoint an individual as an authorised employee to carry out any transaction with the Registrar using the electronic transaction system if he/she has reasonable cause to believe that the individual –

- (a) is not a fit and proper person; or
- (b) is not an employee of the registered CSP.

7.3 A registered QI who is, or is employed, engaged or appointed by, a registered CSP must withdraw the appointment of any individual as an authorised employee if –

- (a) the registered QI has reasonable cause to believe that the individual has ceased to be a fit and proper person; or
- (b) the individual has ceased to be employed by the CSP.

### Duties in respect of transactions

7.4 A registered QI must –

- (a) ensure that a document used by him/ her for, or in connection with, any transaction with the Registrar using the electronic transaction system is complete and in the proper form;
- (b) not use any document for, or in connection with, any transaction with the Registrar using the electronic transaction system, if he/ she believes, or has reasonable grounds to believe, that any information in the document is inaccurate;
- (c) not carry out any transaction with the Registrar unless –

- (i) the transaction relates to a customer of the registered QI (if the registered QI is also the registered CSP), or the principal registered CSP; and
- (ii) the transaction is authorised by that customer; and

(d) not access the electronic transaction system –

- (i) for any purpose prohibited by ACRA; or
- (ii) for any illegal purpose.

### **Duty over authorised employees in respect of transactions**

7.5 A registered QI individual must take all reasonable steps and measures –

- (a) to ensure that any document used by an authorised employee for, or in connection with, any transaction with the Registrar using the electronic transaction system is complete and in the proper form;
- (b) to ensure that no document is used by an authorised employee for, or in connection with, any transaction with the Registrar using the electronic transaction system, if any information in the document is inaccurate;
- (c) to prevent an authorised employee from carrying out any transaction with the Registrar using the electronic transaction system, unless the transaction –
  - (i) relates to a customer of the registered QI (if the registered QI is also the registered CSP), or the principal registered CSP; and
  - (ii) is authorised by that customer;
- (d) to prevent an authorised employee from accessing the electronic transaction system –
  - (i) for any purpose prohibited by ACRA; or
  - (ii) for any illegal purpose; and
- (e) to prevent an authorised employee from carrying out any transaction with the Registrar using the electronic transaction system, if the authorised employee –
  - (i) is not a fit and proper person; or
  - (ii) has ceased to be employed by the registered QI (if the registered QI is also a registered CSP), or by the principal registered CSP.

**Duty to report and rectify, etc.**

7.6 A registered QI must notify the Registrar if he/she is aware, or has reasonable grounds to believe, that –

- (a) any document used for, or in connection with, any transaction with the Registrar carried out by the registered QI or an authorised employee appointed by the registered QI using the electronic transaction system is incomplete or not in the proper form;
- (b) any document used for, or in connection with, any transaction with the Registrar using the electronic transaction system by the registered QI or by the authorised employee appointed by the registered QI, is inaccurate;
- (c) a transaction with the Registrar using the electronic transaction system by the registered QI or by the authorised employee appointed by the registered QI has been carried out which –
  - (i) does not relate to a customer of the registered QI (if he or she is also a registered CSP), or the principal registered CSP; or
  - (ii) is not authorised by that customer;
- (d) his/her means of access to the electronic transaction system has been used by the registered QI or by the authorised employee appointed by the registered QI to access the electronic transaction system for –
  - (i) any purpose prohibited by ACRA; or
  - (ii) any illegal purpose; or
- (e) an authorised employee of the registered QI has carried out any ACRA transaction with the Registrar using the electronic transaction system when the authorised employee –
  - (i) was not at the time a fit and proper person; or
  - (ii) has ceased to be employed by the registered QI (if he or she is also a registered CSP), or by the principal registered CSP.

7.7 A registered QI must comply with such directions of the Registrar as the Registrar considers necessary or desirable to remedy or rectify any of the occurrences referred to in paragraph 7.6 and to prevent such occurrences from happening in the future.

**Duty to produce documents, provide information, etc.**

7.8 A registered QI must –

- (a) produce any document, and provide any information or explanation, that the Registrar or an officer authorised by the Registrar reasonably requires to determine whether a contravention of the Regulations is being or has been committed; and
- (b) permit the Registrar or the officer authorised by the Registrar to retain and make copies of any document produced.

**“Fit and proper” factors for authorised employees**

7.9 For the purposes of paragraphs 7.2(a), 7.3(a), 7.5(e)(i) and 7.6(e)(i), a registered QI may, in determining whether an authorised employee is a fit and proper person, take into account whether the authorised employee’s previous conduct and compliance history as any of the following (as applicable) has been satisfactory:

- (a) a registered CSP (including a registered filing agent under the revoked Regulations);
- (b) an employee or KAH of a registered CSP (including an employee of a registered filing agent under the revoked Regulations);
- (c) a registered QI (including a registered QI under the revoked Regulations).

**Compliance with directions**

7.10 A registered QI must, in relation to the use of the electronic transaction system, comply with any written directions that the Registrar may issue –

- (a) for compliance with any FATF recommendation; or
- (b) to require the registered QI to cease any use of the electronic transaction system that adversely affects or may adversely affect the cybersecurity of the electronic transaction system, based on factors which the Registrar may consider:
  - (i) cybersecurity risks;
  - (ii) risks affecting the integrity of the data kept in the electronic transaction system; and
  - (iii) risks affecting the access to the electronic transaction system by other users.

## ANNEX A – INDICATORS OF SUSPICIOUS TRANSACTIONS

The following lists are not exhaustive and should be used as a general guide only. The registered CSP must file a suspicious transaction report if there are indicators that a transaction is suspicious. However, there may be valid or legitimate explanations for the transactions. In such a case, a suspicious transaction report need not be filed, but the registered CSP should document the reasons for not filing a report.

Indicators relating to incorporation
• Use of complex, multi-layered ownership structures or bearer shares that obscure the true beneficial owners
• Extensive use of nominees, especially those with no apparent connection to the business or its industry
• Initial capital coming from high-risk jurisdictions or sources that cannot be easily verified
• Incorporation in or strong links to countries known for lax financial regulations or high levels of financial crime
• Lack of physical presence, employees, or genuine business operations
• Pressure to complete the incorporation process unusually quickly, often with incomplete due diligence information
• Company representatives who seem unfamiliar with the business or industry they claim to be entering
• Formation of numerous related companies in a short period without clear business justification
• Use of a name that does not reflect the stated business purpose or is very similar to well-known legitimate companies
• Initial capital that seems unusually large or small for the stated business purpose
• Resistance to supplying standard due diligence information or providing verifiable contact details
• Unexplained involvement of politically-exposed persons in the company structure
• Discrepancies or irregularities in incorporation documents or supporting materials

- Use of cash, cryptocurrencies, or other non-standard methods to pay for incorporation services
- Creation of multiple shell companies or subsidiaries with no apparent business purpose, especially in high-risk jurisdictions

#### Indicators relating to provision of address

- Frequent changes in company's registered address, especially to locations that seem unrelated to the business without apparent business justification
- Frequent requests to forward mail to various addresses, particularly in high-risk jurisdictions
- Little to no visible business correspondence or activity for a company that claims to be operational
- Companies registered at the address with business activities that do not match their correspondence or visitors
- Frequent correspondence with or visitors from countries known for lax financial regulations
- The volume or nature of mail doesn't align with the company's declared size or activities
- Excessive concerns about privacy or requests to withhold information from authorities

#### Indicators relating to appointment of nominee shareholders

- Frequent or unexplained transfers of beneficial ownership
- Beneficial owners whose profiles do not match the company's stated business activities or financial capacity
- Requests to handle share transfers or dividend payments in ways that seem designed to obscure the money trail
- Requests for nominees to act for other nominee entities, creating layers of opacity
- Nominee arrangements that seem disproportionate or unnecessary for the stated business type or size

**Transactions which do not make economic sense**

- Transactions that cannot be reconciled with the usual activities of the customer, such as frequent changes in company directors or shareholders, company's name, authorised signatories, and business activities without apparent business justification
- Frequent changes in company ownership, especially involving complex structures or offshore entities, without clear business rationale
- Excessive share capital increases or reductions without clear business justification, particularly if inconsistent with the company's size or operations
- Business dealings significantly larger or smaller than would be expected for the company's apparent size or industry
- Engagement in transactions or industries completely unrelated to the company's stated business purpose
- Frequent incorporation and dissolution of subsidiary companies within short periods
- Appointment of directors or officers with exorbitant compensation packages disproportionate to the company's size or performance
- Inexplicable patterns of dividend payments or other profit distributions, especially to unfamiliar entities
- Purchase or sale of assets/issuance of shares at values significantly above or below market rates without justification
- Frequent changes in company auditors, especially if moving to less reputable firms
- Establishment of offshore entities in tax havens unrelated to the company's core business activities
- Mergers or acquisitions with companies in unrelated industries without a clear strategic rationale
- Repeated alterations to the financial year-end date, potentially to delay reporting obligations
- Excessive borrowing or lending between related companies with vague terms or no apparent repayment schedule or at non-market interest rates

- Creation of multiple share classes with disproportionate voting rights that don't align with economic interests

#### **Transactions involving large amounts of cash**

- Large share acquisitions or company buyouts paid for primarily in cash, especially if the amount seems disproportionate to the company's value or the purchaser's known financial capacity
- Significant increases in share capital or paid-up capital funded by cash deposits, particularly if the source of funds is unclear or from multiple small deposits
- Large loans between related companies or subsidiaries that are repaid in cash rather than through normal banking channels
- Unusually large dividend payments made in cash, especially if inconsistent with the company's profitability or previous dividend history
- Mergers, acquisitions, or other major corporate restructuring activities financed primarily through cash transactions
- Establishing new companies or subsidiaries with unusually large initial cash deposits, particularly if inconsistent with the stated business purpose
- Acquisition of significant company assets (e.g., property, equipment) paid for in cash rather than through normal financial instruments
- Multiple cash transactions structured to fall just below the amount that would trigger mandatory reporting to financial authorities
- Sudden appearance of large cash reserves on the company's books without clear business justification
- Payment for nominee shareholder or director services in large amounts of cash
- Buying out minority shareholders or altering the company's share structure using significant amounts of cash
- Maintaining unusually large petty cash funds or frequently replenishing petty cash with large amounts

### Investment-related transactions

- Sudden investments in industries or sectors completely unrelated to the company's core business, without clear strategic justification
- Extensive use of nominee shareholders for investment holdings, particularly in high-risk jurisdictions
- Rapid and unexplained shifts in investment focus or strategy
- Investment decisions made with unusual urgency, especially if documentation is incomplete

### Transactions involving unidentified parties

- Share issuances or transfers to parties whose identities are not fully disclosed or verified
- Trust arrangements or nominee structures where the ultimate beneficiaries are not revealed
- Use of intermediaries or agents who refuse to disclose their clients' identities
- Issuance or transfer of bearer shares, which allow for anonymous ownership
- Corporate actions or changes initiated through online platforms that don't require robust identity verification
- Loans or capital injections from sources that cannot be clearly identified
- Changes in company ownership where the new beneficial owners are not fully identified
- Use of power of attorney arrangements where the principal's identity is not clearly established

### Other types of transactions

- Transactions with shell companies or entities that appear to have no real business operations
- The customer fails to reasonably justify the purpose of a transaction when queried by the registered CSP
- Transactions with countries or entities that are reported to be associated with terrorism activities or with persons that have been designated as terrorists

- The customer uses intermediaries which are not subject to adequate AML/CPF/CFT laws
- Transactions that are suspected to be in violation of another country's or jurisdiction's foreign exchange laws and regulations

### Higher-risk jurisdictions

- Funds are remitted, resources transferred and/or activities carried out to/in locations which are:
  - Countries designated by national authorities;
  - FATF non-cooperative countries/territories; and/or
  - Areas where terrorist entities have substantial presence
- Records of overseas partners or beneficiaries are kept and maintained in areas where terrorist entities are known to have a substantial presence
- Charity's representatives frequently travel to areas where terrorists are known to have substantial presence

### Indicators of Possible Money Laundering Activity

#### Indicators relating to the incorporation of shell companies

- Companies registered in Singapore with no apparent business and low paid-up capital.
- Companies use addresses of the registered FA or PO Box addresses as their registered/mailing addresses.
- Multiple bank accounts opened with various banks for no apparent economic or business reasons.
- Authorised bank signatories are usually foreign directors and shareholders located overseas.
- Bank accounts are opened at around the same period foreign directors are in Singapore to incorporate their companies.
- Frequent large incoming remittances into bank accounts from different individuals and companies, located mainly overseas.

- After receipt of funds in the bank accounts, the funds are usually moved out of Singapore within the next few days. These bank accounts generally have low balances.
- Transaction patterns in the bank accounts are often do not align with the company's principal business.
- Companies incorporated by foreign directors with no links or activities in Singapore
- Multi-jurisdictional or complex structures of corporate entities are established

**Other indicators of possible money laundering activity  
(applicable to other crimes)**

- Customers give suspicious information for CDD purposes.
- Customers unwilling/unable to provide information for CDD purposes.
- Customers use suspicious-looking identity documents for CDD purposes.
- Customers uncontactable for CDD purposes.
- Customers featured in adverse news.
- Transactions involving politically-exposed persons.
- Unrealistic turnover in customer's financial statements.
- Unusual/Uneconomical movement of funds.

## Indicators of Possible Terrorism Financing

Adverse news related to terrorism financing
<ul style="list-style-type: none"> <li>Customers or counterparties of customers featured in adverse news or sanction lists related to terrorism and/or terrorism financing.</li> </ul>
<ul style="list-style-type: none"> <li>Customers or counterparties of customers who are designated entities in the following sanctions lists: <ul style="list-style-type: none"> <li>Domestic designations pursuant to UNSCR 1373: First Schedule of the TSOFA<sup>22</sup></li> <li>Designations maintained by the UN Security Council Committee, pursuant to UNSCR 1267, 1989, and 2253: United Nations' ISIL (Da'esh) &amp; Al Qaida Sanctions List; and UNSCR 1988: United Nations Taliban List<sup>23</sup></li> </ul> </li> </ul>
High-risk transaction patterns
<ul style="list-style-type: none"> <li>Transactions indicated as 'donations' or 'contributions to humanitarian aid' (in particular to non-profit or religious organisations in a conflict zone)</li> </ul>
<ul style="list-style-type: none"> <li>Transactions linked to the purchase of items that may be used for terrorism activities, where the declared purpose of the transaction does not match the profile of the parties involved</li> </ul>
<ul style="list-style-type: none"> <li>Transactions with entities located in conflict zones (where terrorism-related activities or entities are present) and where the declared purpose for the transaction does not match the profile of the parties involved</li> </ul>
<ul style="list-style-type: none"> <li>Dormant accounts with minimal activity show inflows from unknown origins, followed by fund transfers to beneficiaries or ATM withdrawals in conflict zones.</li> </ul>
<ul style="list-style-type: none"> <li>Customer suddenly procuring and/or shipping oil equipment to conflict zones, where the activity is not consistent with the customer's line of business or occupation.</li> </ul>
<ul style="list-style-type: none"> <li>Customers log on to their online accounts from locations in conflict zones in a manner that does not appear to have a lawful or legitimate purpose.</li> </ul>
<ul style="list-style-type: none"> <li>Customers who have frequent cash deposits and withdrawals</li> </ul>

<sup>22</sup> First Schedule of the TSOFA available from <https://sso.agc.gov.sg/Act/TSFA2002?ProvlDs=Sc1-#Sc1->

<sup>23</sup> United Nations Security Council Consolidated List available from <https://main.un.org/securitycouncil/en/content/un-sc-consolidated-list>

- Counterparties of customers who make frequent cash deposits into customer's accounts

### Indicators of Possible Proliferation Financing

High-risk transaction pattern
<ul style="list-style-type: none"> <li>• Transaction involves designated persons</li> <li>• Transaction involves a person or entity in higher-risk countries or jurisdictions known to be involved in proliferation of weapons of mass destruction or proliferation financing activities</li> <li>• Transaction involves person or entity in foreign country of diversion concern</li> <li>• The customer or counterparty or its address is similar to one of the parties found on publicly available lists of "denied persons" or has a history of export control contraventions</li> <li>• Customer activity does not match the business profile, or end-user information does not match the end-user's business profile</li> <li>• A freight forwarding firm is listed as the product's final destination</li> <li>• Order for goods is placed by firms or persons from foreign countries other than the country of the stated end-user</li> <li>• Transaction involves shipment of goods incompatible with the technical level of the country to which it is being shipped, (e.g. semiconductor manufacturing equipment being shipped to a country that has no electronics industry)</li> <li>• Transaction involves possible shell companies (e.g. companies do not have a high level of capitalisation or displays other shell company indicators)</li> <li>• Transaction demonstrates links between representatives of companies exchanging goods i.e. same owners or management</li> <li>• Transaction involves containers whose numbers have been changed or ships that have been renamed</li> <li>• Circuitous route of shipment (if available) and/or of the financial transaction is structured in a circuitous manner</li> </ul>

- Trade finance transaction involves shipment routes (if available) through countries with weak export control laws or weak enforcement of export control laws
- Transaction involves persons or companies (particularly trading companies) located in countries with weak export control laws or weak enforcement of export control laws
- Transaction involves shipment of goods inconsistent with normal geographic trade patterns (e.g. does the country involved normally export/import goods involved?)
- Transaction involves financial institutions with known deficiencies in AML/CPF/CFT controls and/or domiciled in countries with weak export control laws or weak enforcement of export control laws
- Based on the documentation obtained in the transaction, the declared value of the shipment was obviously under-valued vis-à-vis the shipping cost
- Inconsistencies in information contained in trade documents and financial flows, such as names, companies, addresses, ports of call, final destination etc.
- Pattern of wire transfer activity that shows unusual patterns or has no apparent purpose
- Customer vague/incomplete on information it provides, resistant to providing additional information when queried
- New customer requests letter of credit transaction awaiting approval of new account
- Wire instructions or payment from or due to parties not identified on the original letter of credit or other documentation

### Potential Indicators of Sanctions Evasion Activity

#### High-risk transaction pattern

- Involvement of items controlled under weapons of mass destruction export control regimes or national control regimes
- Involvement of a person connected with a country of proliferation concern (e.g. a dual-national), and/or dealing with complex equipment for which he/she lacks technical background
- Use of cash or precious metals (e.g. gold) in transactions for industrial items

- Involvement of a small trading, brokering or intermediary company, often carrying out business inconsistent with their normal business
- Involvement of a customer or counterparty, declared to be a commercial business, whose transactions suggest they are acting as a money-remittance business
- Transactions between companies on the basis of “ledger” arrangements that obviate the need for international financial transactions
- Customers or counterparties to transactions are linked (e.g. they share a common physical address, IP address or telephone number, or their activities may be coordinated)
- Involvement of a university in a country of proliferation concern
- Evidence that documents or other representations (e.g. relating to shipping, customs, or payment) are fake or fraudulent
- Use of personal account to purchase industrial items

### Red Flag Indicators for Non-Profit Organisations

#### Donor-related Indicators

- The donor or beneficiary is unwilling to provide complete information about its beneficial owners or underlying beneficiaries
- Donations are made through third parties instead of the donor himself/herself without apparent legitimate purposes
- Donor sending funds in multiple transactions in small amounts and/or involving multiple parties
- Large donations are made using a personal account or the donor makes large contributions that appear to be more than the usual amount that particular profile(s) of the donor(s) would typically make
- Unusual request for refund of donations
- Donations involving virtual assets, especially where the ownership of the virtual assets cannot be easily traced to the donor(s)
- Multiple small transactions to avoid triggering identification or reporting requirements

### Beneficiary-related Indicators

- Detection of ML/TF concerns over fund raisers/volunteers or beneficiaries (e.g. from adverse news, including TF-related sanctions measures from credible authorities)
- No logical purpose in the financial transactions or there appears to be no link between the stated charitable activities of the beneficiary and the parties in the transaction
- Use of funds not consistent with the organisation's purposes
- A large number of donations made through fund transfers ordered in small amounts in an apparent effort to avoid triggering identification or reporting requirements, or foreign exchange transactions performed on behalf of beneficiaries

### Funds-related Indicators

- Funds are comingled with personal or private business funds
- Multiple accounts are used to collect and channel funds to a small number of beneficiaries, particularly in high-risk terrorist areas or transactions involving foreign currency, which are subsequently transferred to high-risk terrorist areas within a short period of time

### High-risk areas indicators

- Use of cash couriers to transfer funds into areas with known terrorist activity
- Funds are remitted, resources transferred and/or activities carried out to/in locations which are:
  - Countries designated by national authorities;
  - FATF non-cooperative countries/territories; and/or
  - Areas where terrorist entities have a substantial presence.

Note: A registered CSP is advised to keep its email address with the Registrar updated in order to receive updates to indicators.

## ANNEX B – EXAMPLES OF RISK FACTORS USED IN CUSTOMER RISK ASSESSMENT

***Higher risks*** - There may be circumstances where the risks of ML/PF/TF are higher and enhanced controls, including enhanced CDD measures and enhanced on-going monitoring may have to be performed. Examples of higher-risk factors include, but are not limited to, the following:

### Customer risk factors

- (a) The business relationship is conducted in unusual circumstances (e.g. significant unexplained geographic distance between a registered CSP and the customer);
- (b) Non-resident customers;
- (c) Legal persons or arrangements that are personal asset-holding vehicles;
- (d) Companies that have unaccounted use of nominee shareholders or bearer shares;
- (e) Businesses that are cash-intensive;
- (f) Ownership structure of the customer appears unusual or excessively complex given the nature of its business;
- (g) The customer or a group of customers makes frequent unaccounted transactions to the same individual or group of individuals;
- (h) The customer has criminal convictions involving fraud or dishonesty;
- (i) The customer, beneficial owner, or agent is a politically-exposed person;
- (j) The customer does not have up-to-date company accounts;
- (k) The customer makes frequent unaccounted changes to its shareholders or directors;
- (l) The customer's business makes substantial losses;
- (m) The customer makes regular transactions which are unrelated to the original business it was originally set up to conduct;
- (n) The customer gives unusual instructions or makes inexplicable changes to instructions;
- (o) The customer shows unwillingness to provide evidence of identification or provides unsatisfactory evidence of identification of himself/herself, his/her beneficial owners, and/or connected parties;

- (p) The customer holds multiple travel documents or possesses travel documents issued by countries known to offer citizenship and residency by investment (CBI/RBI) programmes or countries flagged by FATF;
- (q) Where there are difficulties in obtaining details of the customer's beneficial owners, connected parties or both;
- (r) Target customer markets and segments;
- (s) Profile and number of customers identified as higher risk; and
- (t) Volumes and sizes of customers' transactions and funds transfers, considering the usual activities and the risk profiles of the customers.

Country/Territory risk factors

- (a) Countries or territories identified by credible sources, such as FATF mutual evaluation or detailed assessment reports or published follow-up reports, as not having adequate anti-money laundering, countering proliferation financing and countering the financing of terrorism (AML/CPF/CFT) systems;
- (b) Countries or territories subject to sanctions, embargoes or similar measures issued by, for example, the United Nations;
- (c) Countries or territories identified by credible sources as having significant levels of corruption or other criminal activity; and
- (d) Countries or territories identified by credible sources as providing funding or support for terrorist activities, or having designated terrorist organisations operating within their territories.

Services/Transactions risk factors

- (a) Anonymous transactions (which may include cash);
- (b) Non face-to-face business relationships or transactions;
- (c) Payments received from unassociated third parties for services or transactions provided;
- (d) Incorporation of shell companies with nominee shareholders and/or directors;
- (e) Purchase of companies or business entities that have no obvious commercial purpose;
- (f) Transfer of funds without provision of underlying services or transactions;
- (g) Unusually large cash payments in circumstances where payment would normally be made by other forms such as cheque, bank draft, etc.;

- (h) Unusual instructions to structure fund transfer amounts to avoid thresholds set by banks;
- (i) Divergence from the type, volume or frequency of services or transactions expected in the course of the business relationship with the customer;
- (j) Services or transactions that are unusual for the type of customer or that do not make commercial sense; and
- (k) Structuring of shareholdings with the intention to avoid identification of beneficial owners.

**Lower risks** - There are circumstances where the risks of ML/PF/TF may be lower, and where reduced controls, including simplified CDD measures, may be allowed to be performed. Examples of potentially lower-risk situations include, but are not limited to, the following:

Customer risk factors

- (a) The customer is a –
  - (i) Singapore financial institution<sup>24</sup> that is subject to and supervised for compliance with requirements for the prevention of ML/PF/TF by the MAS; or
  - (ii) Financial institution incorporated or established outside Singapore that is subject to and supervised for compliance with requirements for the prevention of ML/PF/TF, consistent with the standards set by the FATF.
- (b) The customer is an –
  - (i) Entity listed on the Singapore Exchange; or
  - (ii) Entity listed on a stock exchange outside Singapore that is subject to –
    - a. Regulatory disclosure requirements; and
    - b. Requirements relating to adequate transparency in respect of its beneficial owners (imposed through stock exchange rules, law or other enforceable means).

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<sup>24</sup> <https://eservices.mas.gov.sg/fid>

Country/Territory risk factors

- (a) Countries or territories identified by credible sources, such as FATF mutual evaluation or detailed assessment reports, as having adequate AML/CPF/CFT systems; and
- (b) Countries or territories identified by credible sources as having low levels of corruption or other criminal activities.

## ANNEX C – CUSTOMER ACCEPTANCE FORM

Conducting Customer Due Diligence (CDD) is important for you as a professional intermediary, as a thorough understanding of your customers and their behaviour through adequate and appropriate due diligence measures will allow you to discover unusual or potentially suspicious and illicit activities undertaken by your customers.

This form is to assist you in conducting CDD on your customers before determining if you should establish a business relationship with them. Please adapt this form to suit your business requirements. The information collected should be verified against independent and reliable sources. Where screenings are being performed for the purpose of risks assessments, please ensure all relevant supporting documents are retained accordingly.

### **PART 1 – INFORMATION ABOUT THE CUSTOMERS, AGENTS, CONNECTED PARTIES, BENEFICIAL OWNERS AND POLITICALLY-EXPOSED PERSONS**

#### **Section A1 – Information on the Customer/Agent/Connected Party**

You should obtain information on the customer (individual) who is requesting your services. You should also obtain information on the agent (individual or entity) acting on behalf of the customer (business entity), and on any connected party who is a natural person having executive authority in the legal person or arrangement (e.g., Directors, Managing Directors, Partners, Chief Executive Officers).

Please obtain evidence of the agent's authority to act on behalf of the customer (e.g. board resolution or Power of Attorney).

*(Please duplicate the section below if there is more than one customer, agent or connected party)*

Individual Information			
Capacity in which the individual is acting	<input type="checkbox"/> Customer	<input type="checkbox"/> Agent	<input type="checkbox"/> Connected Party
Full name (including any aliases)			
Residential address			
Unique identification number (NRIC number/Passport/ Birth Certificate Number/ FIN etc.)		Expiry date of identification document (if applicable)	

Date of birth		
Gender	<input type="checkbox"/> M <input type="checkbox"/> F	
Nationality/Nationalities (where applicable)		
Contact number(s) with country code	+	
Email address(es)		
Intended nature and purpose of business relationship	<i>(Please indicate the type of services required)</i>	

For a transaction relating to the formation of a legal person, you must establish the identities of the proposed directors.

<b>Politically-Exposed Persons (PEPs)</b>			
Is the individual a PEP?  A PEP includes the following:  a) an individual who is or has been entrusted with any prominent public function in Singapore; or b) an individual who is or has been entrusted with any prominent public function in a country or territory outside Singapore; or c) an individual who is or has been entrusted with any prominent public function by an international organisation; and includes – d) an individual who is an immediate family member of an individual referred to in paragraph (a), (b) or (c); or e) an individual who is a close associate of an individual referred to in paragraph (a), (b) or (c)	Yes	No	

## Section A2 – Information on Business Entity

You should obtain information on the business entity that the customer/agent (if any) is representing or proposed to be formed.

*(Please duplicate the section below to provide more information on the entity that the customer/agent is representing or entity to be formed.)*

Entity Information	
Name of entity or proposed entity*	
Former names (if any)	
Trading names (if any)	
Unique Entity Number (UEN) issued by the Registrar	
Address or intended address of the registered office	
Address of principal place of business (if different from above)	
Place/Country or proposed place/country of registration	
Date or proposed date of registration	
Contact number(s) with country code	+
Email address(es)	
Nature of business	<i>(Please indicate nature of business for this entity)</i>
Primary jurisdictions where the customer conducts business transactions	

Name(s) of all connected parties (Directors/Partners)	<i>(Please use section A1 to obtain information for each connected parties identified. For a transaction relating to the formation of a legal person, you must establish the identities of the proposed directors.)</i>
Information on legal form, constitution and powers that regulate and binds the entity	

### Section B – Information on Customer’s Ultimate Beneficial Owner(s)

You should obtain information on the ultimate beneficial owner(s) of the entity. A beneficial owner is an individual:

- i. Who ultimately owns all of the assets or undertakings of the customer (whether or not the customer is a body corporate);
- ii. Who has ultimate control or ultimate effective control over, or has executive authority in, the customer; or
- iii. On whose behalf the customer has employed or engaged the services of the registered corporate service provider.

*(Please duplicate the section below if there is more than one Beneficial Owner.)*

Beneficial Owner Details		
Full name of beneficial owner (including any aliases)		
Residential address		
Nationality		
Unique Identification Number (NRIC number/Passport/ Birth Certificate Number/ FIN etc.)		Expiry date of identification document (if applicable)
Date of birth		
Contact number(s) with country code	+	

Email address(es)	
Provide information on the nature of beneficial ownership (e.g. more than 25% of ownership of the company) or person having executive authority	
Information on ownership and control structure of, or over the customer	<b><i>For customers that are legal persons, you should understand and provide the control structure when identifying who the beneficial owner is.</i></b>

Politically-Exposed Persons (PEPs)		
<p><b>Is the beneficial owner a PEP?</b></p> <p>A PEP includes the following:</p> <ul style="list-style-type: none"> <li>a) an individual who is or has been entrusted with any prominent public function in Singapore; or</li> <li>b) an individual who is or has been entrusted with any prominent public function in a country or territory outside Singapore; or</li> <li>c) an individual who is or has been entrusted with any prominent public function by an international organisation;</li> </ul> <p>and includes –</p> <ul style="list-style-type: none"> <li>d) an individual who is an immediate family member of an individual referred to in paragraph (a), (b) or (c); or</li> <li>e) an individual who is a close associate of an individual referred to in paragraph (a), (b) or (c)</li> </ul>	Yes	No

### Section C – Information about Politically-Exposed Persons (PEPs), their Immediate Family Members and Close Associates

You should obtain the following information to establish how the customer, their immediate family member or close associate qualifies as a PEP.

*(Please duplicate the section below if there is more than one PEP.)*

*(Section can be omitted if there is no PEP.)*

Information on PEP	
Is the identified individual a:	
Name of PEP	
Country/ international organisation which PEP holds prominent public function	
Describe nature of prominent public function that the person is or has been entrusted with (e.g. consider scope of authority of influence associated with the position)	
Period of time in which the person is/was a PEP (or date of stepping down, if applicable)	
Other relevant information	

If the business relationship is with a foreign PEP, his immediate family member or his close associate, you must perform enhanced CDD measures before establishing a business relationship.

If the PEP, his immediate family member or his close associate, is identified –

- i. As a Singapore PEP, or
- ii. As an International Organisation PEP, or
- iii. Has left a prominent public function, but may still wield significant influence

you may adopt a risk-sensitive approach in determining whether to perform enhanced CDD or the extent of enhanced CDD measures. Document your reasoning and risk assessment for this decision. However, if your business relationship and proposed transactions with this person present a high risk of ML/PF/TF, you must perform enhanced CDD measures.

## Section D – Enhanced CDD<sup>25</sup> relating to source of wealth and funds

If the risk associated with the customer, beneficial owners or any connected parties is high, you should obtain the following information about the customer, beneficial owners or any connected parties in the business relationship. If you assess that enhanced CDD is not required, document your reasoning and risk assessment for this decision.

<b>Additional Information</b> <i>(Please duplicate this section for as many persons as needed)</i>	
Information on the person's source of wealth (SOW)	
Information on the person's source of funds (SOF) in the establishment of the business relationship or the proposed business relationship	
Any other information as necessary	

## Section E - Customer's/Agent's Declaration

The person who provided the information to you can sign off against the information.

I declare that the information provided in this form is true and correct.

<b>*Name of Customer/Agent</b>	
<b>*Unique Identification Number (NRIC number/Passport/Birth Certificate Number/FIN etc.)</b>	
<b>Date</b>	
<b>Signature</b>	

**\*Delete where applicable**

<sup>25</sup> Examples of situations where enhanced CDD may be required include the individuals identified as:

- (a) A foreign PEP, or his family members and close associates.
- (b) A high-risk domestic PEP, or his family members and close associates.
- (c) A high-risk international organisation PEP, or his family members and close associates.
- (d) A high-risk individual.

**PART 2 – RISK ASSESSMENT FORM (FOR CSP'S INTERNAL USE)**

You should assess the ML/PF/TF risks that you may reasonably expect to face in the course of business for each customer. To do so, you must have regard to various factors such as the nature of services required by your customer, the customer's inherent risk and risk arising from your customer's business. The list and its sections below are not exhaustive and should be adapted to suit your business context.

**Section A – Nature of Services Required by Customer**

Services	Select where applicable	Details
1) Forming, on behalf of another person, a corporation or other legal person	<input type="checkbox"/>	
2) Acting, or arranging for another person to act – i) as a director or secretary of a corporation; ii) as a partner of a partnership; or iii) in a similar capacity in relation to other legal persons	<input type="checkbox"/>	
3) Providing a registered office, business address, correspondence or administrative address or other related services for a corporation, partnership or other legal person	<input type="checkbox"/>	
4) Acting, or arranging for another person to act, as a nominee shareholder on behalf of any corporation, other than a corporation whose securities are listed on an approved exchange within the meaning of section 2(1) of the Securities and Futures Act 2001	<input type="checkbox"/>	
5) Carrying out any designated activity in relation to the provision of any accounting service	<input type="checkbox"/>	

<p>6) Carrying out an ACRA transaction with the ACRA Registrar using the electronic transaction system –</p> <p>i) on behalf of another person; or</p> <p>ii) for one or more companies as a secretary of each of those companies</p>	<input type="checkbox"/>	
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## Section B - Risk Assessment of Customer

You need to understand the ML/PF/TF risks associated with your customers. The following checklists are examples of factors that you should consider when performing a risk assessment. The checklists are not exhaustive and should be augmented on a case-by-case basis.

### B1 Customer's Risk Factors

Question	Yes	No
1) Is this a new customer?	<input type="checkbox"/>	<input type="checkbox"/>
2) Is the customer a public company listed on any stock exchange and exempted from disclosure requirements?	<input type="checkbox"/>	<input type="checkbox"/>
3) Is the customer a legal person or an entity that can hold assets in its own name?	<input type="checkbox"/>	<input type="checkbox"/>
4a) Does the customer use nominee director(s) or shareholder(s)?	<input type="checkbox"/>	<input type="checkbox"/>
4b) Where applicable, do the nominee shareholders represent majority ownership?	<input type="checkbox"/>	<input type="checkbox"/>
5) Does the ownership structure of the customer appear unusual or excessively complex given the nature of its business?	<input type="checkbox"/>	<input type="checkbox"/>
6) Is the customer's business cash-intensive?	<input type="checkbox"/>	<input type="checkbox"/>
7) Does the customer frequently make unaccounted cash transactions to similar recipient(s)?	<input type="checkbox"/>	<input type="checkbox"/>

Question	Yes	No
8) Do the proposed directors/partners/shareholders have prior criminal convictions involving fraud or dishonesty?	<input type="checkbox"/>	<input type="checkbox"/>
9) Is any of the customer, beneficial owner or its agent a politically-exposed person?	<input type="checkbox"/>	<input type="checkbox"/>
10) Are the customer's company financial statements outdated?	<input type="checkbox"/>	<input type="checkbox"/>
11) Do the customer's shareholders and/or directors frequently change, and the changes are within reason?	<input type="checkbox"/>	<input type="checkbox"/>
12) Is there any problem obtaining the required information in the relevant form?	<input type="checkbox"/>	<input type="checkbox"/>
13) Can the information obtained be verified by independent and reliable sources?	<input type="checkbox"/>	<input type="checkbox"/>
14) Is the customer a charitable or non-profit organisation which is not registered in Singapore <sup>26</sup> ?	<input type="checkbox"/>	<input type="checkbox"/>
15) Does the customer appear to be a shell company?	<input type="checkbox"/>	<input type="checkbox"/>
16) Is the customer in a high-risk industry <sup>27</sup> ?	<input type="checkbox"/>	<input type="checkbox"/>
17) The registered CSP has performed screening of particulars of the customer, beneficial owners of the customer, persons acting on behalf of the customer, and connected parties of the customer against the required information sources, i.e., Alert list provided by ACRA, on Google, the sanctions lists published by the Office of Foreign Assets Control of the US Department of the Treasury <sup>28</sup> , against the regulations under the United Nations Act 2001; First Schedule of the Terrorism (Suppression of Financing) Act 2002; and/or other third party screening database.	<input type="checkbox"/>	<input type="checkbox"/>
Are there adverse news or information arising?		

<sup>26</sup> Please refer to [www.charities.gov.sg](http://www.charities.gov.sg) for more information.

<sup>27</sup> As determined by the firm, such as with reference to publications and guidance issued from time to time by the FATF.

<sup>28</sup> Refer to the US OFAC website available from <https://sanctionssearch.ofac.treas.gov/>.

Question	Yes	No
18) Exceptions noted from particulars of the customer, beneficial owners of the customer, persons acting on behalf of the customer, or connected parties of the customer cannot be disposed of satisfactorily.	<input type="checkbox"/>	<input type="checkbox"/>

*If “Yes” has been selected for most of the 18 questions above, you are advised to adopt a risk-sensitive approach and perform enhanced CDD measures before establishing a business relationship with the customer.*

## **B2 Country/Territory Risk Factors**

Consider the following factors (if applicable): Customer’s nationality, Place of formation/incorporation, Residential address, Permanent address, Place of operation, Place where business is established; etc.

Question	Yes	No
1) Is the customer connected to or transacting with a country or territory in relation to which the FATF has called for countermeasures?	<input type="checkbox"/>	<input type="checkbox"/>
2) Is the customer connected to or transacting with a country or territory in relation to which the FATF has subject to increased monitoring <sup>29</sup> ?	<input type="checkbox"/>	<input type="checkbox"/>
3) Is the customer connected to or transacting with a country or a territory that is sanctioned by a regulatory body, such as the United Nations (UN) <sup>30</sup> ?	<input type="checkbox"/>	<input type="checkbox"/>
4) Is the customer connected to or transacting with a country or a territory that is identified to be funding or supporting terrorist activities or that has designated terrorist organisations operating within their territories?	<input type="checkbox"/>	<input type="checkbox"/>

*If “Yes” has been selected for question 1, you must perform enhanced CDD measures.*

*If “Yes” has been selected for questions 2 to 4 above, you are advised to adopt a risk-sensitive approach and perform enhanced CDD measures before establishing a business relationship with the customer.*

<sup>29</sup> Refer to the FATF website for a list of jurisdictions which the FATF has subject to increased monitoring.

<sup>30</sup> Please refer to the MAS and MHA-IMC\_TD website links to check on the lists of countries sanctioned by the UN.

**B3 Services/ Transactions Risk Factors**

Question	Yes	No	NA
1) Has the customer given any instruction to perform a transaction (which may include cash) anonymously?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) Has the customer transferred any funds without providing underlying services or transactions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) Are there unusual patterns of transactions that have no apparent economic purpose or large cash payments, in which disbursement would have been normally made by other modes of payment (such as cheque, bank drafts etc.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) Are there unaccounted payments received from unknown or un-associated third parties for services and/or transactions provided by the customer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5) Is there instruction from the customer to incorporate "shell" companies with nominee shareholder(s) and/or director(s)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6) Does the customer intend to purchase companies or business entities with no apparent commercial purpose?  This would include:  a) Multi-layer, multi-country and complex group structures. b) Setting up entities in Singapore where there is no obvious commercial purpose, or any other personal or economic connection to the customer.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7) Is this business relationship being established without any physical meeting?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8) Are there any transactions being performed without any physical meeting?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9) Are the transactions required by the customer inconsistent with the professional intermediaries' knowledge of the customer's risk profile and nature of business?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10) Is the customer physically present for identification purposes in a proposed incorporation transaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Question	Yes	No	NA
11) Is the customer physically present for identification purposes in a proposed transaction involving the transfer of management or ownership or sale of a shelf company?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If “Yes” has been selected for most of the 11 questions above, you are advised to adopt a risk-sensitive approach and perform enhanced CDD measures before establishing a business relationship with the customer/customer.*

*If “No” has been selected for question 10 and/or 11, you must take measures to compensate for the higher risk for such remote transactions.*

#### **Customer Risk Rating**

Low     Medium     High

Reasons for customer’s risks rating:

#### **Recommendation For Acceptance of Customer<sup>31</sup> (Please attach documentation of the reasons for accepting a high-risk customer.)**

Recommended     Not Recommended<sup>32</sup>

Name of Recommending Officer:

Position:

Date:

Signature:

#### **Approval for Acceptance of Customer (Please attach documentation of the reasons where approval is contrary to the recommendation.)**

<sup>31</sup> Please note that separation of duties is a good practice regarding having separate persons conduct risk assessments of customers and approve their acceptance.

<sup>32</sup> You should consider escalating to the compliance officer or senior management and/or filing a Suspicious Transaction Report where necessary.

Approved  Not Approved<sup>26</sup>

Name of Approving Officer:

Position:

Date:

Signature:

## ANNEX D – ESSENTIAL ELEMENTS OF INTERNAL POLICIES, PROCEDURES AND CONTROLS FOR THE PREVENTION OF ACTIVITIES RELATED TO MONEY LAUNDERING, PROLIFERATION FINANCING AND TERRORISM FINANCING

*[Note: This section sets out the minimum requirements of an IPPC. A registered CSP should consider additional elements, where appropriate, to tailor an IPPC for its own business. A registered CSP should details its processes accordingly, as applicable to its operations, to ensure that the IPPC reflects its business context and is based on the registered CSP's entity risk assessment.]*

### Policy statement and description of key AML/CPF/CFT officers and their roles and responsibilities

- 1.1 An IPPC should include a policy statement describing the registered CSP's role in and its commitment to combatting ML/PF/TF. It may consider the following points when drafting its policy statement:
  - (a) What is the registered CSP's role in combatting ML/PF/TF?
  - (b) What is the risk appetite of the registered CSP towards combatting ML/PF/TF?
  - (c) What are the values the registered CSP will promote within the organisation towards promoting AML/CPF/CFT?
- 1.2 An IPPC should include descriptions of the key AML/CPF/CFT officers within the registered CSP and their specific roles and responsibilities. For example, the IPPC should spell out the particular persons responsible for filing STRs, training and screening employees.
- 1.3 An IPPC should specify who holds the compliance officer position in relation to AML/CPF/CFT.
- 1.4 An IPPC should describe the access powers that the compliance officer and his/her assistants have concerning timely access to all customer records and other relevant information they would require to comply with their duties to prevent ML/PF/TF.
- 1.5 An IPPC should elaborate on the checks and balances or safeguards set up within the registered CSP to ensure a clear delineation of roles and responsibilities. For example, the person who introduces or recommends a customer should not be the same person who approves the customer to be accepted.
- 1.6 An IPPC should state that the registered CSP must regularly assess and demonstrate to the Registrar (if required) the effectiveness of the IPPC.

- 1.7 For IPPCs sourced from external providers, the registered CSP should evaluate the risk factors within and consider any other risk factors that are relevant to its business context before determining the overall level of risk and the appropriate type and extent of mitigation measures. The type and extent of the mitigating measures must be appropriate to the risk of ML/PF/TF, and the size of the registered CSP's business.
- 1.8 An IPPC should also state how frequently the IPPC will be updated to ensure its relevancy.

### **Identification and assessment of risks and application of a risk-based approach**

*[Note: This section sets out the requirements for the registered CSP to describe the risks faced by the registered CSP's business operations and how the registered CSP identifies these risks. It should include:*

- (a) *How the registered CSP identifies and assesses the risks faced in the course of its business;*
- (b) *How often the registered CSP reviews the risks posed by the customer;*
- (c) *The respective CDD processes (CDD) for different risks identified;*
- (d) *How the registered CSP monitors the effectiveness of its IPPC.]*

- 2.1 Describe how the registered CSP (and its group) conduct a risk assessment of its business to identify, assess and understand its ML/PF/TF risks in relation to –
  - (a) the profile of its customers;
  - (b) the countries or territories which its customers are from or in;
  - (c) the countries or territories in which the registered CSP has operations;
  - (d) the registered CSP's products, corporate services and transactions undertaken.
- 2.2 Describe how the registered CSP determines the overall risk level and types and extents of controls to be designed and implemented to mitigate these risks and prevent its business from being used for ML/PF/TF.
- 2.3 Describe how the following matters will be identified and scrutinised by the persons responsible in the registered CSP:
  - (a) Complex or unusually large transactions;
  - (b) Unusual patterns of transactions which have no apparent economic or visible lawful purpose;

- (c) State any other activity the registered CSPs would regard by its nature as related to ML/PF/TF.
- 2.4 Describe how the registered CSP ensures that its risk assessment is up-to-date through regular reviews and assessment before implementing new products, practices or technologies.
- 2.5 Describe how the risk assessment will be documented, the frequency of review, and the parties responsible.
- 2.6 Describe how the registered CSP will demonstrate to the Registrar that the extent of the CDD measures adopted is appropriate in view of the ML/PF/TF risks, e.g. documentation of the risk assessment, procedures adopted for the different extent of CDD measures, persons responsible, etc.

### **Performance of customer due diligence measures**

*[Note: In this section, registered CSPs should indicate how they design the appropriate level of controls after assessing the risks in Section 2. Registered CSPs should elaborate on the level of CDD that was implemented on customers based on their risk classifications.*

*This section should include:*

- (a) *How the registered CSP identifies and verifies the identities of customers/agents*
- (b) *What are the CDD procedures for each risk category (simplified, normal and enhanced) of customers identified.*
- (c) *How the registered CSP identifies and verifies the identities of beneficial owners of their customers.*
- (d) *How the registered CSP performs customer screening.*
- (e) *What are the on-going monitoring or enhanced on-going monitoring procedures for the customers, including the frequency of review.]*

- 3.1 Describe when CDD measures must be performed.
  - (a) State that a registered CSP must perform CDD measures when it establishes a business relationship with any customer, suspects ML/PF/TF, or doubts the veracity of adequacy of documents, data or information previously obtained.
  - (b) Describe the other scenarios where a registered CSP will perform CDD measures for existing customers based on its risk-sensitive approach.
- 3.2 Describe the CDD processes on how the customer/agent is identified and verified. This should include the following:

- (a) Describe how the registered CSP obtains and records the following basic identification information of the customer/customer's agent:
  - full name, including any alias;
  - the identity card number, birth certificate number or passport number (in the case of an individual), or the incorporation number or registration number (in the case of a customer that is a body corporate or unincorporate);
  - existing residential address or address of its place of business or registered office (as the case may be), and contact number;
  - the date of birth, incorporation or registration, as the case may be;
  - the nationality or place of incorporation or registration, as the case may be.
- (b) Describe how the registered CSP identifies and verifies all directors where the customer is a company or foreign company;
- (c) Describe how the registered CSP identifies and verifies proposed directors or equivalent persons for new company/legal person formations;
- (d) Describe how the registered CSP identifies and verifies the sole proprietor and partners for sole proprietorships, partnerships, limited partnerships and limited liability partnerships;
- (e) Describe how the registered CSP identifies and verifies persons with executive authority in other types of corporate bodies;
- (f) Describe how the registered CSP identifies and verifies the legal form, constitution and powers for legal persons and arrangements;
- (g) Describe the procedures to verify the authority of a customer's agent to act on behalf of the customer;
- (h) Describe the verification methods that the registered CSP uses from reliable and independent sources;
- (i) Describe the document retention requirements and procedures;
- (j) Describe the circumstances where business relationships may be established before verification of the identities of the customer/customer's agent/beneficial owners is complete (e.g. if the deferral of completion of verification is essential in order not to interrupt the normal conduct of business operations and the risk of ML/PF/TF can be effectively managed by the registered CSP.);

- (k) Describe the internal risk management policies and procedures the registered CSP must take if it establishes a business relationship before verification of identities of the customer and the customer's agents, are completed; and
- (l) Specify the timeframe within which verification of identities must be completed, e.g. as soon as reasonably practicable.

3.3 Describe the process of identifying and verifying the identity of beneficial owners. This should include the following:

- (a) Describe the procedure for inquiring if any beneficial owner exists in relation to a customer;
- (b) Describe the situations where inquiry is not required, subject to the registered CSP having doubts about the veracity of information obtained in carrying out CDD measures or suspects that its customers is carrying out or facilitating ML/PF/TF;
- (c) Describe the procedure the registered CSP will take to confirm that the customer is a Singapore government entity and the information to obtain;
- (d) Describe the process of determining that a customer falls into the categories for which inquiry into the existence of a beneficial owner is not required;
- (e) Describe the procedures to take when the registered CSP becomes aware that there are beneficial owners in relation to the customer. Elaborate on the procedures to identify the identity of the beneficial owners and the procedures to verify the identity of the beneficial owner;
- (f) Describe the processes the registered CSP will take to understand the nature of the customer's business, ownership and control structure for a customer that is not an individual, i.e. a body corporate, unincorporated or legal arrangement;
- (g) Describe the procedure the registered CSP will take to identify the beneficial owners of a customer that is a body corporate, using the three-step test;
- (h) Describe the procedure the registered CSP will take to identify the following persons, if the customer is a legal arrangement:
  - (i) For express trusts, the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any natural person having ultimate ownership of the assets or undertakings of the trust, or exercising ultimate control or ultimate effective control over the trust (including through a chain of control or ownership or both);
  - (ii) Persons in equivalent or similar positions for any other type of legal arrangement.

3.4 Describe the screening procedures of the registered CSP. This includes the following:

- (a) Indicate the sources of information used for screening and screening software subscriptions (if any);
- (b) Indicate the persons to be screened against the information sources (e.g. a customer, the customer's agent, a connected party of a customer, beneficial owners of a customer);
- (c) Describe the screening procedures, including persons responsible for screening, investigating name hits and establishing hit criteria;
- (d) Describe the procedures of documenting the screening results and assessing risks of the persons screened.

3.5 Describe the situations where simplified CDD measures may be taken, and elaborate on these measures:

- (a) A statement that simplified CDD measures are appropriate only if the registered CSP has determined that the ML/PF/TF risk is low;
- (b) Scenarios where simplified CDD is prohibited, which are where a customer is from a jurisdiction in which FATF has called for countermeasures, including enhanced CDD to be performed, and where the registered CSP suspects that ML/PF/TF is being committed or facilitated;
- (c) Describing the process the registered CSP will take to assess that the risk of ML/PF/TF is low and the factors the registered CSP should consider. The risk assessment must be documented with details, including when it was done and the nature of the simplified CDD measures;
- (d) A description of the simplified CDD measures, which must include screening, that the registered CSP will adopt to identify and verify the identities of the customer, the customer's agent and any beneficial owner in relation to a customer.

3.6 Describe the situations where the registered CSP must perform enhanced CDD, including the following:

- (a) Customer/agent/beneficial owner(s) from or in a country or territory outside Singapore known to have inadequate measures for the prevention of ML/PF/TF;
- (b) Customer/agent/ beneficial owner(s) from or in country or territory for which FATF has called for countermeasures, including enhanced CDD measures to be performed;

- (c) Categories of customer/agent/beneficial owner(s) or other transactions which the registered CSP considers may present a high risk of ML/PF/TF.
- (d) Customer/agent/beneficial owner(s) who is politically exposed, including those who have stepped down, their immediate family members or close associates.
- (e) Customer/agent/beneficial owner(s) who is not physically present for identification purpose.
- (f) Any other business relationships and/or transactions arising from the registered CSP's products, corporate services and transactions that require enhanced CDD based on the CSP's risk assessment.

3.7 Describe the procedures for enhanced CDD, which includes the following:

- (a) Describe how the registered CSP makes inquiries into the background and purpose of any corporate service that the registered CSP is engaged in carrying out;
- (b) Describe how approval is to be obtained from the registered CSP senior management to establish or continue the proposed business relationship;
- (c) Describe the measures to establish the source of wealth and source of funds involved in the proposed business relationship; and
- (d) Describe the procedures for documenting and maintaining written records of all CDD findings.

3.8 Describe the process of how a PEP is identified, which includes the following:

- (a) A description of how to identify the customer/customers' agent/beneficial owner of a customer who falls under the definition of PEP in accordance with the Regulations, and their immediate family or close associate;
- (b) The process of determining if a customer/customers' agent/beneficial owner of a customer, their immediate family or close associate is a PEP person, including the sources of information for verification and required documentation;
- (c) State that enhanced CDD measures must be adopted with foreign exposed PEPs;
- (d) Describe the enhanced CDD measures to be adopted where a foreign exposed PEP is involved;
- (e) A description of scenarios where the registered CSP may adopt a risk-sensitive approach to determine whether to perform enhanced CDD or the extent of enhanced CDD measures. Describe when such risk-sensitive approach does

not apply, specifically in situations where the PEP's transactions or the provision of corporate services to the PEP presents a high risk for ML/PF/TF; and

(f) Describe the process, including the assessment criteria for determining the extent of enhanced CDD measures to be performed when adopting a risk-sensitive approach.

3.9 Describe procedures for remote transactions, which includes the following:

- (a) Identify products, corporate services and transactions undertaken that qualify as remote transactions based on the registered CSP's risk assessment of its products, services, and transactions undertaken;
- (b) Describe the processes for remote transactions involving incorporation of a company or transfer of management or ownership or sale of a shelf company, which must include at least a live video call with at least one proposed director or proposed member of the proposed company;
- (c) Describe the procedures for remote transactions involving the appointment of directors who are not physically present;
- (d) Describe the procedures and processes for other identified remote transactions; and
- (e) Describe the additional measures that the registered CSP implement to mitigate higher risks associated with remote transactions, including obtaining additional documents, data or information to establish the identity of the customer and implementing supplementary measures to verify or certify the documents supplied.

3.10 Describe the process where a third party performs CDD. How does the registered CSP ensure that the following requirements are met before relying on the CDD performed by the third party:

- (a) Describe how the registered CSP will determine that the third party is one of the following persons:
  - (i) An advocate and solicitor;
  - (ii) A Singapore financial institution;
  - (iii) A public accountant; and
  - (iv) A registered CSP and its branch, subsidiary, holding company and other related corporation;

- (b) Describe how the registered CSP checked that the third party is not one which the Registrar specifically precluded from reliance;
- (c) Describe how the third party is subject to and supervised for compliance with AML/CPF/CFT requirements, consistent with the standards set by the FATF and document the assessment;
- (d) Describe the measures that the third party has in place to comply with the ML/PF/TF standards set by the FATF, and document the assessment;
- (e) Where applicable, describe the steps that the registered CSP will take to identify, assess and understand the risks of ML/PF/TF in the countries or territories in which the third party operates;
- (f) Describe measures in place to ensure that the third party is able and willing to provide, without delay, upon the registered CSP's request, any document obtained by the third party with respect to the CDD measures performed in relation to the registered CSP's customer.

3.11 Describe the actions to take where CDD cannot be performed or completed before the registered CSP establishes a business relationship with a customer. This should include but is not limited to:

- (a) State the considerations the registered CSP takes into account when deciding whether or not to carry out any further transactions with or for the customer;
- (b) State the considerations the registered CSP takes into account when deciding whether or not to establish a business relationship with the customer;
- (c) State the considerations the registered CSP takes into account when deciding whether or not to terminate any existing business relationship with the customer;
- (d) State the considerations the registered CSP takes into account when deciding whether or not to make a disclosure under the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act and the Terrorism (Suppression of Financing) Act.

3.12 Describe the procedures in which ongoing monitoring must be performed. This should include but is not limited to:

- (a) Describe how transactions are scrutinised and undertaken throughout the relationship (including, where necessary, the source of funds) to ensure that the transactions are consistent with the registered CSP's knowledge of the customer, and his/her business and risk profile;

- (b) Describe how the documents, data or information obtained in the course of performing CDD (including simplified and enhanced CDD measures) are kept up-to-date;
- (c) Describe how every business relationship is reviewed based on the registered CSP's risk assessment;
- (d) Describe how often ongoing monitoring is conducted over the course of the business relationship;
- (e) Describe how the above measures will be adapted for enhanced ongoing monitoring.

### **Arranging for a person to act as a nominee director**

*[Note: This section applies to registered CSPs who provide the corporate service of acting, or arranging for another person to act, as a director of a corporation. It requires registered CSPs to detail their processes for determining the fitness and propriety of such persons.]*

- 4.1 State the policy that the registered CSP must not arrange for a person to act as a nominee director of a corporation unless satisfied that the person is fit and proper.
- 4.2 Describe the procedures the registered CSP will undertake to assess that the proposed director is fit and proper and obtain the necessary information to establish this satisfaction.

### **Recordkeeping**

*[Note: This section is meant for registered CSPs to detail their recordkeeping procedures as part of their CDD measures. It must include the duration the records are kept, which must be a minimum of 5 years after terminating the business relationship with the customer. These records should permit the reconstruction of individual transactions and may be kept in different formats (e.g. hard copies or electronically).]*

- 5.1 Describe the process for maintaining documents related to risk assessments and CDD measures (including simplified and enhanced). This should include a description of the format, the record retention period for each type of document and the types of documents kept. The type of records to be kept should include, but is not limited to:
  - (a) Copies of all documents used in establishing and verifying the customer's, agent's, and BO's identity;
  - (b) Documentation of the agent's authority to enter into a business relationship on behalf of a customer;
  - (c) Records of screenings performed on customers, BOs and agents;

- (d) Documentation of the purpose and intended nature of the business relationship;
- (e) Written justification for cases where inquiry into the existence of a BO is not required;
- (f) Documentation that a third party the registered CSP relies on to perform CDD has met the legal requirements;
- (g) Written record of findings and the risk assessment for cases where simplified CDD measures are performed;
- (h) Written records of findings regarding PEPs;
- (i) Written findings regarding high-risk customers or transactions where enhanced CDD measures were performed;
- (j) Screenshots of live video calls conducted to mitigate the risk in remote transactions;
- (k) Fit and proper assessments on proposed nominee directors; and
- (l) Documentation of information leading up to any STRs filed or not filed, and copies of STRs filed with STRO or the Police.

5.2 State other supporting records the registered CSP will maintain for business relationships subject to CDD measures or ongoing monitoring.

### **Filing an STR**

*[Note: This section is meant for registered CSPs to detail their processes for identifying suspicious transactions, determining when to file STRs, and identifying the persons responsible for such filings.]*

6.1 Describe the registered CSP's procedures for handling suspicious transactions:

- (a) Identify the designated person(s) within the registered CSP to whom employees must report possible suspicious transactions for STR filing consideration;
- (b) Detail the escalation process for determining whether to file an STR;
- (c) Outline the internal guidelines that specify the information requirements to include in an STR;
- (d) Specify the internal timeline requirements for STR filing.

(e) List the indicators used to identify suspicious transactions<sup>33</sup>.

### **Audit, compliance management and internal communication**

*[Note: This section is meant for registered CSPs to detail how they ensure the relevance of the IPPC and how the IPPC is communicated to employees, in accordance with their operational context.]*

- 7.1 Describe how the registered CSP implements and maintains an independent audit function to regularly assess the effectiveness of its IPPC.
- 7.2 Describe how the registered CSP implements and maintains an independent audit function to regularly assess its compliance with AML/CPF/CFT obligations.
- 7.3 Describe how the registered CSP communicates the IPPC to authorised employees, officers and registered QIs to ensure their awareness of their roles in preventing ML/PF/TF.
- 7.4 Describe the compliance management arrangements for the continual review and update of the IPPC.

### **Hiring and training of employees**

*[Note: This section is intended for registered CSPs to detail their procedures for employee screening during the hiring process and their AML/CPF/CFT training programmes.]*

- 8.1 Describe how the registered CSP screens its employees to ensure they are fit and proper persons.
- 8.2 Describe the training methods and the frequency of employee training on the registered CSP's IPPC, prevailing methods and trends in ML/PF/TF and laws relating to AML/CPF/CFT measures.

### **Group policy**

*[Note: This section applies to registered CSPs with branches or subsidiaries in Singapore or elsewhere to detail their group-wide AML/CPF/CFT obligations to mitigate ML/PF/TF risks.]*

- 9.1 State the registered CSP's obligation to develop and implement group-wide programmes for ML/PF/TF prevention, as required for registered CSPs with one or more branches or subsidiaries.
- 9.2 Describe the policies and procedures for intra-group information sharing related to CDD and risk management, with adequate safeguards implemented to maintain confidentiality.

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<sup>33</sup> CSPs can refer to Annex A of the CSP Guidelines for indicators of suspicious transactions.

### Use of electronic transaction system

*[Note: This section applies to registered CSPs who file transactions with the Registrar on behalf of their customers. Registered CSPs should detail their procedures in relation to the use of and access to the electronic transaction system by their registered QIs and authorised employees.]*

- 10.1 Describe the processes to ensure that access to the electronic transaction system is restricted to the registered CSP, its registered QIs and authorised employees, including setting role-based access controls, requiring regular maintenance of the employee lists following resignations and providing regular security awareness training to registered QIs and authorised employees.
- 10.2 Describe how the registered CSP ensures that the electronic transaction system access is used only for its customers and that all transactions performed are authorised by the customer. Examples include reviewing the client list on a periodic basis and requiring authorisation before each transaction is performed.
- 10.3 Describe measures on how the registered CSP ensures that its access is not used for any purpose prohibited by the Registrar or for any illegal purpose.
- 10.4 Details procedures for reporting to the Registrar when the registered CSP becomes aware or has reasonable grounds to believe that its access has been used for purposes prohibited by the Registrar or for any illegal purpose.
- 10.5 State registered QIs' obligation to comply with the duties and responsibilities in the Regulations.
- 10.6 Describe the duties and responsibilities specified in the Regulations.
- 10.7 Describe the procedures for reporting to the Registrar when the registered CSP becomes aware or has reasonable grounds to believe that its registered QIs and/or authorised employees are not compliant with the Regulations.
- 10.8 Detail the processes ensuring authorised employees comply with ACRA's directions, the registered CSP's IPPC for the use of electronic transaction system, and the instructions given by the registered CSP and/or its registered QIs regarding access to, and use of, the electronic transaction system.
- 10.9 State that the registered CSP will comply with ACRA's necessary or desirable directions to remedy or rectify any of the above occurrences and prevent such occurrences from happening in the future.

## GLOSSARY OF TERMS

<b>Accounting Entity</b>	Means –  (a) an accounting corporation; (b) an accounting firm; (c) an accounting limited liability partnership; or (d) a public accountant who is registered under section 8 of the Business Names Registration Act 2014 as the sole proprietor of a business in providing public accountancy services.
<b>ACRA Act</b>	Means the Accounting and Corporate Regulatory Authority Act 2004.
<b>ACRA Fifth Schedule Act</b>	Means any of the written laws specified in the first column of the Fifth Schedule to the ACRA Act.
<b>ACRA Registrar</b>	Means –  (a) in relation to an ACRA Second Schedule Act – the Registrar as defined in that Act; or (b) in relation to an ACRA Fifth Schedule Act – the person specified in the second column of the Fifth Schedule to the ACRA Act opposite the ACRA Fifth Schedule Act as specified in the first column of that Schedule.
<b>ACRA Transaction</b>	In relation to the ACRA Registrar of an ACRA Second Schedule Act or ACRA Fifth Schedule Act, means:  (a) the filing or lodging of any document with the ACRA Registrar, or the submission, production, delivery, providing or sending of any document to the ACRA Registrar, under the ACRA Second Schedule Act or ACRA Fifth Schedule Act; (b) the making of any application, submission or request to the ACRA Registrar under the ACRA Second Schedule Act or ACRA Fifth Schedule Act;

	<ul style="list-style-type: none"> <li>(c) the provision of any undertaking or declaration to the ACRA Registrar under the ACRA Second Schedule Act or ACRA Fifth Schedule Act; or</li> <li>(d) the extraction, retrieval or accessing of any document, record or information maintained by the ACRA Registrar under the ACRA Second Schedule Act or ACRA Fifth Schedule Act.</li> </ul>
<b>Agent</b>	In relation to a customer, means a person appointed by the customer to act on the customer's behalf in any business relationship.
<b>AML/CPF/CFT Course</b>	Means the course known as "Anti-Money Laundering, Countering Proliferation Financing and Countering the Financing of Terrorism" conducted by a person appointed by the Registrar;
<b>AML/CPF/CFT Test</b>	Means the test approved by the Registrar in respect of the AML/CPF/CFT course.
<b>Assistant Registrar</b>	Means an Assistant Registrar of CSPs appointed under section 5(2)(b) of the CSP Act 2024.
<b>Authorised Employee</b>	In relation to a registered CSP, means an employee of the registered CSP who is appointed by a registered QI (being one who is the registered CSP or who is employed, engaged or appointed by the registered CSP, and who is not a deemed registered QI) to carry out any ACRA transaction with the ACRA Registrar using the electronic transaction system under the supervision of the registered QI.
<b>Authority</b>	Means the Accounting and Corporate Regulatory Authority established by section 3 of the ACRA Act.
<b>Beneficial Owner</b>	In relation to a customer, means – <ul style="list-style-type: none"> <li>(a) an individual who ultimately owns all of the assets or undertakings of the customer (whether or not the customer is a body corporate);</li> <li>(b) an individual who has ultimate control or ultimate effective control over, or has executive authority in, the customer; or</li> </ul>

	<p>(c) an individual on whose behalf the customer has employed or engaged the services of a registered CSP.</p>
<b><i>Business Relationship</i></b>	In the context of a relationship between a registered CSP and a customer, means a business, professional or commercial relationship between the registered CSP and the customer in the provision of a corporate service to the customer.
<b><i>Company/Corporation</i></b>	Is defined as a company incorporated pursuant to the Companies Act 1967 or pursuant to any corresponding written law.
<b><i>Compliance Management Arrangements</i></b>	<p>Mean carrying out regular reviews, assessments and updates of the adequacy of IPPC to ensure that money laundering, proliferation financing and terrorism financing (ML/PF/TF) risks are mitigated effectively. Examples of areas that may be reviewed are:</p> <ul style="list-style-type: none"> <li>(a) Whether there are areas of weakness in the registered CSP where appropriate risk-sensitive checks may not be being carried out in accordance with the CSPs Regulations 2025;</li> <li>(b) Whether correct and updated records are kept; and</li> <li>(c) Whether there are any new products, services or procedures that may be used for ML/PF/TF which must be catered for.</li> </ul>
<b><i>Connected Party</i></b>	<ul style="list-style-type: none"> <li>(a) in relation to a customer which is an entity (other than a partnership, limited partnership (LP) or limited liability partnership (LLP)), means a director of the entity, or an individual having executive authority in the entity;</li> <li>(b) in relation to a customer which is a partnership, LP or LLP, means any partner or manager of the partnership, LP or LLP; or</li> <li>(c) in relation to a customer which is a legal arrangement, means any individual having executive authority (if any) in the arrangement.</li> </ul>

<b>Corporate Secretarial Agent</b>	Means an individual who – <ul style="list-style-type: none"> <li>(a) Is carrying on the business of providing corporate secretarial services and has been doing so for at least 3 years in the preceding 5 years; and</li> <li>(b) Has been a secretary of a company for at least 3 years in the preceding 5 years.</li> </ul>
<b>Corporate Service</b>	Means any of the following services: <ul style="list-style-type: none"> <li>(a) forming, on behalf of another person, a corporation or other legal person;</li> <li>(b) acting, or arranging for another person to act – <ul style="list-style-type: none"> <li>(i) as a director or secretary of a corporation;</li> <li>(ii) as a partner of a partnership; or</li> <li>(iii) in a similar capacity in relation to other legal persons;</li> </ul> </li> <li>(c) providing a registered office, business address, correspondence or administrative address or other related services for a corporation, partnership or other legal person;</li> <li>(d) acting, or arranging for another person to act, as a nominee shareholder on behalf of any corporation, other than a corporation whose securities are listed on an approved exchange within the meaning of section 2(1) of the Securities and Futures Act 2001;</li> <li>(e) carrying out any designated activity in relation to the provision of any accounting service;</li> <li>(f) carrying out an ACRA transaction with the ACRA Registrar using the electronic transaction system – <ul style="list-style-type: none"> <li>(i) on behalf of another person; or</li> <li>(ii) for one or more companies as a secretary of each of those companies.</li> </ul> </li> </ul>
<b>Corporate Service Provider (CSP)</b>	Means a person who carries on a business of providing any corporate service.

<b>Customer</b>	In relation to a registered CSP, means any person who employs or engages the registered CSP to carry out any corporate service on the person's behalf.
<b>Customer Due Diligence (CDD) Measures</b>	Has the meaning given by section 17(8) of the CSP Act 2024.
<b>Deemed Registered CSP</b>	Means an accounting entity that is treated under section 7(2) of the CSP Act 2024 as registered under section 8 of the CSP Act 2024 as a registered CSP.
<b>Deemed Registered Qualified Individual (QI)</b>	Means a KAH of a deemed registered CSP who is treated under section 15(3) of the CSP Act as registered under section 10 of the CSP Act as a registered QI.
<b>Deputy Registrar</b>	Means a Deputy Registrar of CSPs appointed under section 5(2)(b) of the CSP Act 2024.
<b>Designated Activity</b>	Means the preparation to carry out or the carrying out of transactions for a customer concerning any of the following activities: <ul style="list-style-type: none"> <li>(a) buying or selling of real estate;</li> <li>(b) management of client money, securities or other assets;</li> <li>(c) management of bank, savings or securities accounts;</li> <li>(d) organisation of contributions for the creation, operation or management of corporations;</li> <li>(e) creation, operation or management of legal persons or legal arrangements, or buying and selling of business entities.</li> </ul>
<b>Director</b>	Has the same meaning given by section 4(1) of the Companies Act 1967, which includes any person occupying the position of director of a corporation by whatever name called, and includes a person in accordance with whose directions or instructions the directors or the majority of the directors of a corporation are accustomed to act and an alternate or substitute director.

<b><i>Electronic Transaction System</i></b>	Means the electronic transaction system established by the Authority under section 27(1) of the ACRA Act.
<b><i>Enhanced CDD Measures</i></b>	Means the measures referred to in regulation 26 of the CSPs Regulations 2025.
<b><i>Enhanced Ongoing Monitoring</i></b>	Means ongoing monitoring that is enhanced in terms of the degree and nature of monitoring of an ongoing business relationship with the customer, in order to determine whether the customer's transactions or activities appear unusual or suspicious over the course of the business relationship concerned.
<b><i>FATF</i></b>	Means the intergovernmental body known as the Financial Action Task Force.
<b><i>FATF Recommendation</i></b>	Means any recommendation relating to the prevention of ML/PF/TF adopted by the FATF.
<b><i>Foreign Company</i></b>	Means a company incorporated outside Singapore.
<b><i>Immediate Family Member</i></b>	Means a spouse, a child, an adopted child, a stepchild, a sibling, a stepsibling, an adopted sibling, a parent or a step-parent.
<b><i>Internal Communication</i></b>	Means having procedures in place to alert the relevant persons working for the registered CSP, such as its registered QIs and employees, of: <ul style="list-style-type: none"> <li>(a) how criminals may make use of the registered CSP to launder money or fund terrorism or proliferation, to enable the registered CSP to take appropriate action to prevent and report such activities; and</li> <li>(b) updates on guidance and news issued by authorities in Singapore.</li> </ul>
<b><i>International Organisation</i></b>	Means an entity – <ul style="list-style-type: none"> <li>(a) established by formal political agreements between member countries or territories that have the status of international treaties;</li> <li>(b) whose existence is recognised by law in member countries or territories; and</li> </ul>

	(c) which is not treated as a resident institutional unit of the country or territory in which it is located.
<b>Key Appointment Holder (KAH)</b>	In relation to any person (X), means any of the following persons: <ul style="list-style-type: none"> <li>(a) where X is a sole proprietorship – the sole proprietor;</li> <li>(b) where X is a partnership or LP – a partner of the partnership or LP;</li> <li>(c) where X is a company – <ul style="list-style-type: none"> <li>(i) a member of the board of directors; or</li> <li>(ii) an individual for the time being holding the office of chairperson or chief executive officer of the company;</li> </ul> </li> <li>(d) where X is a LLP – a partner or manager of the LLP;</li> <li>(e) any person, other than a person mentioned in paragraph (a), (b), (c) or (d), by whatever name called, who is principally responsible for the management and conduct of X's business activities in providing corporate services.</li> </ul>
<b>Legal Arrangement</b>	Means an express trust or other similar legal arrangement.
<b>Legal Person</b>	Means an entity other than a natural person that can receive corporate services from a registered CSP or otherwise own property.
<b>Limited Liability Partnership (LLP)</b>	Means a limited liability partnership registered under the Limited Liability Partnerships Act 2005.
<b>Limited Partnership (LP)</b>	Means a limited partnership registered under the Limited Partnerships Act 2008.
<b>Nominee Director</b>	Means a director who is accustomed or under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of any other person.

<b>Nominee Shareholder</b>	<p>In relation to a corporation, means a shareholder who satisfies either or both of the following:</p>
	<ul style="list-style-type: none"> <li>(c) the shareholder is accustomed or under an obligation whether formal or informal to vote, in respect of shares in the corporation of which the shareholder is the registered holder, in accordance with the directions, instructions or wishes of any other person;</li> <li>(d) the shareholder receives dividends, in respect of shares in the corporation of which the shareholder is the registered holder, on behalf of any other person.</li> </ul>
<b>Ongoing Monitoring</b>	<p>In relation to an ongoing business relationship, means the registered CSP –</p>
	<ul style="list-style-type: none"> <li>(a) scrutinising corporate services undertaken throughout the course of the relationship (including, where necessary, the source of funds) to ensure that the corporate services provided are consistent with the registered CSP's knowledge of the customer and the customer's business and risk profile; and</li> <li>(b) keeping the documents, data or information obtained in the course of performing CDD measures (including simplified and enhanced CDD measures) up-to-date by undertaking reviews of existing CDD data, documents and information, particularly for higher risk categories of customers.</li> </ul>
<b>Politically-Exposed Person (PEP)</b>	<p>Means:</p>
	<ul style="list-style-type: none"> <li>(a) an individual who is or has been entrusted with any prominent public function in Singapore;</li> <li>(b) an individual who is or has been entrusted with any prominent public function in a country or territory outside Singapore; or</li> <li>(c) an individual who is or has been entrusted with any prominent public function by an international organisation;</li> </ul> <p>and includes –</p>

	<ul style="list-style-type: none"> <li>(d) an individual who is an immediate family member of an individual referred to in paragraph (a), (b) or (c); and</li> <li>(e) an individual who is a close associate of an individual referred to in paragraph (a), (b) or (c).</li> </ul>
<b>Public Accountant</b>	Has the meaning given by section 2(1) of the Accountants Act 2004.
<b>Registrar</b>	Means the Registrar of CSPs appointed under section 5(2)(a) of the CSP Act 2024, and includes any Deputy Registrar or Assistant Registrar.
<b>Relevant Country or Territory</b>	Means a foreign country or territory that is subject to a call made by the FATF (through a public statement, notice or directive published on its official website) for countermeasures or enhanced CDD measures.
<b>Relevant Offence</b>	<p>Means an offence under –</p> <ul style="list-style-type: none"> <li>(a) section 25 of the CSP Act 2024;</li> <li>(b) sections 50 to 57 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992;</li> <li>(c) the Terrorism (Suppression of Financing) Act 2002;</li> <li>(d) any regulations made under the United Nations Act 2001;</li> <li>(e) any provision of any other written law relating to – <ul style="list-style-type: none"> <li>(i) the prevention of money laundering;</li> <li>(ii) the prevention of proliferation financing; or</li> <li>(iii) the prevention of terrorism financing;</li> </ul> </li> <li>(f) the law of any foreign country or territory relating to – <ul style="list-style-type: none"> <li>(i) the prevention of money laundering;</li> <li>(ii) the prevention of proliferation financing; or</li> <li>(iii) the prevention of terrorism financing; or</li> </ul> </li> </ul>

	(g) section 157 of the Companies Act 1967.
<b>Revoked Regulations</b>	Means the Accounting and Corporate Regulatory Authority (Filing Agents and Qualified Individuals) Regulations 2015.
<b>Simplified CDD Measures</b>	Means the measures referred to in regulation 25 of the CSPs Regulations 2025.
<b>Singapore Financial Institution</b>	Means a financial institution as defined in section 2 of the Financial Services and Markets Act 2022.
<b>Singapore Government Entity</b>	Means a ministry or department of the Government, an organ of State or a statutory board.
<b>Statutory Board</b>	Means a body corporate or unincorporate established by or under any public Act to perform or discharge a public function.
<b>Subsidiary or Subsidiaries</b>	In relation to a registered CSP, has the meaning given by section 5(1) of the Companies Act 1967.

# About Accounting and Corporate Regulatory Authority

The Accounting and Corporate Regulatory Authority (ACRA) is the regulator of business registration, financial reporting, public accountants, and corporate service providers. We are responsible for developing the accountancy sector and setting the accounting standards for companies, charities, co-operative societies, and societies in Singapore. ACRA fosters a vibrant and trusted business environment that enables innovation and growth and contributes towards making Singapore the best place for business.

For more information, please visit [www.acra.gov.sg](http://www.acra.gov.sg)

