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PAWNBROKERS ACT 2015 (ACT 2 OF 2015)

PAWNBROKERS ACT 2015 (AMENDMENT OF THIRD SCHEDULE) ORDER 2019

In exercise of the powers conferred by section 82 of the Pawnbrokers Act 2015, the Minister for Law makes the following Order:

Citation and commencement

1. This Order is the Pawnbrokers Act 2015 (Amendment of Third Schedule) Order 2019 and comes into operation on 10 April 2019.

Amendment of paragraph 1

2. Paragraph 1(1) of the Third Schedule to the Pawnbrokers Act 2015 is amended —

(a) by inserting, immediately after the definition of “beneficial owner”, the following definitions:

““business day” means a day other than a Saturday, Sunday or public holiday;

“cash” means currency notes and coins (whether of Singapore or of a foreign country or territory) which are legal tender and circulate as money in the country or territory of issue;

“cash equivalent” means any physical or electronic form of a voucher, token, stamp, coupon, card or other article the redemption of which in accordance with its terms entitles the holder to receive any precious stone, precious metal or precious product up to the value stated on or recorded in or in respect of the voucher, token, stamp, coupon, card or other article;”;

(b) by inserting, immediately after the definition of “close associate”, the following definition:

““customer” means a person to whom a pawnbroker sells or intends to sell any precious stone, precious metal or precious product;”;

(c) by deleting the words “sibling or parent” in the definition of “family member” and substituting the words “a sibling, an adopted sibling or a step-sibling or a parent or step-parent”;

(d) by deleting the words “or in relation to” in paragraph (c) of the definition of “politically-exposed person”;

(e) by inserting, immediately after the definition of “politically-exposed person”, the following definition:

““precious metal”, “precious product” and “precious stone” have the meanings given by section 2 of the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Act 2019 (Act 7 of 2019);” and

(f) by inserting, immediately after the definition of “relevant loan”, the following definition:

““relevant transaction” means any of the following transactions conducted wholly or partly in Singapore:

(a) a sale of any precious stone, precious metal or precious product by a pawnbroker to a customer, for which cash or a cash equivalent exceeding \$20,000 is received as payment;

(b) 2 or more sales of any precious stone, precious metal or precious product in a single day by a pawnbroker to the same customer, or to customers whom the pawnbroker knows act on behalf of the same person, for which cash or a cash equivalent in total exceeding \$20,000 is received as payment;”.

Amendment of heading to Part 2

3. The Third Schedule to the Pawnbrokers Act 2015 is amended by inserting, immediately after the word “DILIGENCE” in the heading of Part 2, the words “AND OTHER”.

Amendment of paragraph 2

4. Paragraph 2 of the Third Schedule to the Pawnbrokers Act 2015 is amended —

(a) by inserting, immediately after sub-paragraph (a) of sub-paragraph (1), the following sub-paragraph:

“(aa) before the pawnbroker enters into a relevant transaction;”;

(b) by inserting, immediately after the word “pawner” in sub-paragraph (3)(b), the words “, the customer”; and

(c) by inserting, immediately after the word “pawner” wherever it appears in sub-paragraph (4), the words “or customer”.

Amendment of paragraph 3

5. Paragraph 3 of the Third Schedule to the Pawnbrokers Act 2015 is amended —

(a) by inserting, immediately after the words “identity of the pawner,” in sub-paragraph (2), the words “the customer;”;

(b) by inserting, immediately after the words “behalf the pawner” in sub-paragraph (2), the words “or customer”;

(c) by inserting, immediately after the words “the pawner” wherever they appear in sub-paragraphs (3), (4) and (5), the words “or customer”; and

(d) by deleting the words “, the pawner’s business and the pawner’s risk profile, including the pawner’s source of funds” in sub-paragraph (4) and substituting the words “and the pawner’s or customer’s business, risk profile and source of funds”.

Amendment of paragraph 4

6. Paragraph 4 of the Third Schedule to the Pawnbrokers Act 2015 is amended —

- (a) by inserting, immediately after the words “the pawner’s” in sub-paragraphs (1) and (2), the words “or the customer’s”;
- (b) by inserting, immediately after the word “pawner” wherever it appears in sub-paragraphs (2) and (3), the words “or customer”; and
- (c) by inserting, immediately after the word “pawner” in the paragraph heading, the words “or customer”.

Amendment of paragraph 5

7. Paragraph 5 of the Third Schedule to the Pawnbrokers Act 2015 is amended —

- (a) by inserting, immediately after the word “pawner” in sub-paragraph (1), the words “or customer”; and
- (b) by inserting, immediately after the word “Pawner” in the paragraph heading, the words “or customer”.

Amendment of paragraph 6

8. Paragraph 6 of the Third Schedule to the Pawnbrokers Act 2015 is amended —

- (a) by inserting, immediately after the word “pawner” in sub-paragraph (1), the words “or customer”;
- (b) by deleting sub-paragraphs (a) and (b) of sub-paragraph (4);
- (c) by deleting sub-paragraph (d) of sub-paragraph (4) and substituting the following sub-paragraph:
 - “(d) a financial institution that is subject to and supervised for compliance with requirements for the prevention of money laundering and the financing of terrorism by the Monetary Authority of Singapore, as listed in Appendix 1 of the direction known as MAS Notice 626 issued by the Monetary Authority of Singapore; or”; and

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- (d) by inserting, immediately after the word “Pawner” in the paragraph heading, the words “or customer”.

Amendment of paragraph 8

9. Paragraph 8(3) of the Third Schedule to the Pawnbrokers Act 2015 is amended by inserting, immediately after the word “pawners”, the word “, customers”.

Amendment of paragraph 9

10. Paragraph 9 of the Third Schedule to the Pawnbrokers Act 2015 is amended —

- (a) by deleting sub-paragraph (c) of sub-paragraph (1) and substituting the following sub-paragraph:

“(c) the pawner, or a person on whose behalf the pawner is acting, in any relevant loan —

- (i) is from or in, or the relevant loan relates to, any country or jurisdiction that the Registrar has notified the pawnbroker is a country or jurisdiction in relation to which the FATF has called for countermeasures or enhanced customer due diligence measures; or
- (ii) is from or in any country or jurisdiction that the Registrar has notified the pawnbroker is a country or jurisdiction identified to have inadequate measures to prevent money laundering and the financing of terrorism; or”;

- (b) by inserting, immediately after sub-paragraph (1), the following sub-paragraph:

“(1A) A pawnbroker who enters or intends to enter into a relevant transaction must perform enhanced customer due diligence measures if —

- (a) the relevant transaction is unusually large;
- (b) the customer has entered into 2 or more relevant transactions that have no apparent or visible economic or lawful purpose;
- (c) the customer, or a person on whose behalf the customer is acting, in any relevant transaction —

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- (i) is from or in, or the transaction relates to, any country or jurisdiction that the Registrar has notified the pawnbroker is a country or jurisdiction in relation to which the FATF has called for countermeasures or enhanced customer due diligence measures; or
 - (ii) is from or in any country or jurisdiction that the Registrar has notified the pawnbroker is a country or jurisdiction identified to have inadequate measures to prevent money laundering and the financing of terrorism; or
- (d) the pawnbroker has reason to believe that the customer, the person on whose behalf the customer is acting, or the relevant transaction, may present a high risk of money laundering or terrorism financing.”;
- (c) by inserting, immediately after the words “relevant loan” in paragraph (a) of the definition of “enhanced customer due diligence measures” in sub-paragraph (3), the words “or relevant transaction”;
- (d) by deleting the word “and” at the end of paragraph (a) of the definition of “enhanced customer due diligence measures” in sub-paragraph (3);
- (e) by inserting the word “and” at the end of paragraph (b) of the definition of “enhanced customer due diligence measures” in sub-paragraph (3), and by inserting immediately thereafter the following paragraph:
- “(c) increasing the degree and nature of monitoring of the transactions entered into with a customer so as to identify suspicious transactions, including transactions or patterns of transactions which are inconsistent with the customer’s profile.”; and
- (f) by deleting the definition of “higher-risk foreign country” in sub-paragraph (3).

Amendment of paragraph 10

11. Paragraph 10 of the Third Schedule to the Pawnbrokers Act 2015 is amended —

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- (a) by inserting, immediately after the words “paragraph 9(1)(a) to (d)” in sub-paragraph (2)(a)(i), the words “or 9(1A)(a) to (d)”;
 - (b) by inserting, immediately after the word “pawner,” in sub-paragraph (2)(a)(ii) and (c), the words “the customer,”;
 - (c) by inserting, immediately after the words “on whose behalf the pawner” in sub-paragraph (2)(a)(ii) and (c), the words “or customer”; and
 - (d) by inserting, immediately after the word “pawners” in sub-paragraph (3), the words “or customers”.

New paragraph 10A

12. The Third Schedule to the Pawnbrokers Act 2015 is amended by inserting, immediately after paragraph 10, the following paragraph:

“Customer due diligence measures for existing customers

10A. A pawnbroker may, based on the pawnbroker’s assessment of materiality and risk, perform the customer due diligence measures mentioned in paragraphs 3, 4, 5, 6, 9 and 10 in relation to an existing customer using information previously obtained from customer due diligence measures in relation to the same customer, taking into account —

- (a) when customer due diligence measures (if any) were last applied to that customer; and
- (b) the adequacy of information already obtained by the pawnbroker in relation to that customer.”.

Amendment of paragraph 13

13. Paragraph 13(1) of the Third Schedule to the Pawnbrokers Act 2015 is amended by inserting, immediately after sub-paragraph (c), the following sub-paragraphs:

- “(ca) a customer is unable or unwilling to provide any information requested by the pawnbroker, or decides not to proceed with a transaction when requested to provide information;
- (cb) the relevant transaction is part of an unusual pattern of transactions with no apparent economic or lawful purpose;”.

New paragraph 13A

14. The Third Schedule to the Pawnbrokers Act 2015 is amended by inserting, immediately after paragraph 13, the following paragraph:

“Cash transaction report

13A.—(1) For the purposes of section 74A(1) —

- (a) the form for a cash transaction report is Form NP 759 or Form NP 784 as set out at the website at <https://www.police.gov.sg>; and
- (b) the time for the submission of a cash transaction report is not later than the 15th business day after the date on which the relevant transaction is entered into.

(2) For the purposes of section 74A(2), the period for which a copy of a cash transaction report must be kept is 5 years after the date of submission of the cash transaction report.”.

Amendment of paragraph 14

15. Paragraph 14 of the Third Schedule to the Pawnbrokers Act 2015 is amended —

- (a) by deleting the words “any person on whose behalf a pawner” in sub-paragraph (5) and substituting the words “a customer, any person on whose behalf a pawner or customer”; and
- (b) by inserting, immediately after the word “pawner” in the paragraph heading, the words “or customer”.

Amendment of paragraph 15

16. Paragraph 15 of the Third Schedule to the Pawnbrokers Act 2015 is amended by inserting, immediately after the words “measures to” in sub-paragraph (b), the words “manage and”.

Amendment of paragraph 16

17. Paragraph 16 of the Third Schedule to the Pawnbrokers Act 2015 is amended —

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- (a) by inserting, immediately after the word “loan” in sub-paragraph (1), the words “or entering into a relevant transaction”;
 - (b) by deleting the words “the First Schedule to” in sub-paragraph (2);
 - (c) by deleting the words “any person on whose behalf a pawner” in sub-paragraph (3) and substituting the words “a customer, any person on whose behalf a pawner or customer”; and
 - (d) by inserting, immediately after the word “pawner” in the paragraph heading, the words “or customer”.

Made on 8 April 2019.

NG HOW YUE
*Permanent Secretary,
Ministry of Law,
Singapore.*

[LAW 82/006; AG/LEGIS/SL/222/2015/4 Vol. 1]

(To be presented to Parliament under section 82(3) of the Pawnbrokers Act 2015).