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Financial Services and Markets (Amendment) Bill

Bill No. 11/2023.

Read the first time on 20 March 2023.

A BILL

i n t i t u l e d

An Act to amend the Financial Services and Markets Act 2022 and to make related amendments to the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act is the Financial Services and Markets (Amendment) Act 2023 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

5 **New Part 4A**

2. In the Financial Services and Markets Act 2022 (called in this Act the principal Act), after Part 4, insert —

“PART 4A

10 INFORMATION SHARING SCHEME FOR PRESCRIBED FINANCIAL INSTITUTIONS

Division 1 — Preliminary

Purpose of this Part

15 **28A.**—(1) The purpose of this Part is to permit the disclosure, publication and sharing of certain information (despite any restriction against the disclosure, publication or sharing of that information imposed by law, contract or rules of professional conduct) between or amongst the persons mentioned in subsection (2), for any of the following purposes:

- (a) the prevention and detection of money laundering;
- 20 (b) the prevention and detection of terrorism financing;
- (c) the prevention and detection of the financing of proliferation of weapons of mass destruction.

(2) The persons mentioned in subsection (1) are any of the following:

- 25 (a) any bank in Singapore or financial institution (other than a bank), to which this Part applies;
- (b) the Authority;
- (c) any STRO;
- 30 (d) any person specified in the second column of Part 1 or 2 of the Third Schedule.

(3) Any information disclosed, published or shared under this Part may only be used for a purpose mentioned in subsection (1), except as otherwise provided for in this Part.

Interpretation of this Part

28B. In this Part —

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“bank in Singapore” has the meaning given by section 2(1) of the Banking Act 1970;

“beneficial owner”, in relation to a relevant party of a prescribed financial institution, means —

(a) an individual who ultimately owns or controls the relevant party;

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(b) an individual who exercises ultimate effective control over the relevant party; or

(c) an individual on whose behalf the relevant party carries out any transaction, or establishes any relationship, with the prescribed financial institution;

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“beneficiary institution” —

(a) in relation to a wire transfer, means the bank in Singapore or other financial institution that receives the wire transfer from the ordering institution, directly or through an intermediary institution, and makes the funds available to the wire transfer beneficiary; and

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(b) in relation to a value transfer, means the bank in Singapore or other financial institution that receives the value transfer from the ordering institution, directly or through an intermediary institution, and makes one or more digital tokens available to the value transfer beneficiary;

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“capital markets products” has the meaning given by section 2(1) of the Securities and Futures Act 2001;

“cover payment chain” means a chain of wire transfers each of which combines a payment message sent directly by the ordering institution to the beneficiary institution with the routing of the funding instruction from the ordering institution to the beneficiary institution through one or more intermediary institutions;

“digital payment token” has the meaning given by section 2(1) of the Payment Services Act 2019;

“digital token” means —

- (a) a digital payment token; or
- (b) a digital representation of a capital markets product which —
 - (i) can be transferred, stored or traded electronically; and
 - (ii) satisfies such other characteristics as the Authority may prescribe,

but does not include an excluded digital token;

“excluded digital token” means a digital token that is prescribed by the Authority as an excluded digital token;

“high-risk indicators” has the meaning given by section 28G(7);

“identifying information” means any of the following information:

- (a) full name, including any alias used;
- (b) date of birth, for an individual;
- (c) date of incorporation or registration, for a body corporate or unincorporate;
- (d) address or addresses, which must be —
 - (i) for an individual, the address of the individual’s usual place of residence; or

- (ii) for a body corporate or unincorporate, the address of its registered office, the address of its principal place of business, or both;
- (e) contact details;
- (f) nationality, for an individual, or place of incorporation or registration, for a body corporate or unincorporate; 5
- (g) identification number, which must be —
 - (i) for an individual —
 - (A) an identity card number; 10
 - (B) a passport number;
 - (C) a taxpayer identification number; or
 - (D) the number of any other document of identity issued by any government as evidence of the individual's nationality or residence and bearing a photograph of the individual; or 15
 - (ii) for a body corporate or unincorporate —
 - (A) a registration number; or 20
 - (B) the number of any other document issued by any government certifying the incorporation, registration or existence of the body corporate or unincorporate; 25
- (h) the type of identifying document referred to in paragraph (g) and the expiry date (if any) of the identifying document;
- (i) occupation, for an individual, or business, for a body corporate or unincorporate; 30
- (j) any other information that the Authority may prescribe;

“intermediary institution” —

(a) in relation to a wire transfer, means the bank in Singapore or other financial institution in a serial payment chain or cover payment chain that —

(i) on behalf of an ordering institution —

(A) receives a wire transfer from the ordering institution; and

(B) transmits the wire transfer to —

(BA) the beneficiary institution; or

(BB) another intermediary institution;

(ii) on behalf of a beneficiary institution —

(A) receives a wire transfer from —

(AA) the ordering institution; or

(AB) another intermediary institution; and

(B) transmits the wire transfer to the beneficiary institution; or

(iii) on behalf of an intermediary institution (*A*) —

(A) receives a wire transfer from *A*; and

(B) transmits the wire transfer to —

(BA) the beneficiary institution; or

(BB) another intermediary institution; and

(b) in relation to a value transfer, means the bank in Singapore or other financial institution that —

- (i) on behalf of an ordering institution —
 - (A) receives a value transfer from the ordering institution; and
 - (B) transmits the value transfer to —
 - (BA) the beneficiary institution; or 5
 - (BB) another intermediary institution;
- (ii) on behalf of a beneficiary institution —
 - (A) receives a value transfer from —
 - (AA) the ordering institution; or 10
 - (AB) another intermediary institution; and
 - (B) transmits the value transfer to the beneficiary institution; or
- (iii) on behalf of an intermediary institution (*A*) — 15
 - (A) receives a value transfer from *A*; and
 - (B) transmits the value transfer to —
 - (BA) the beneficiary institution; or
 - (BB) another intermediary institution; 20

“limited liability partnership” has the meaning given by section 4(1) of the Limited Liability Partnerships Act 2005;

“manager”, in relation to a limited liability partnership, has the meaning given by section 2(1) of the Limited Liability Partnerships Act 2005; 25

“officer” —

(a) in relation to a body corporate, includes —

(i) a director, a secretary or an employee of the body corporate;

5 (ii) a receiver or manager of any part of the undertaking of the body corporate appointed under a power contained in any instrument; and

10 (iii) the liquidator of the body corporate appointed in a voluntary winding up; and

(b) in relation to a body unincorporate (other than a partnership), means the president, the secretary, or any member of the committee of the body unincorporate, and includes —

15 (i) any person holding a position analogous to that of president, secretary or member of a committee of the body unincorporate; and

20 (ii) any person purporting to act in any such capacity;

“ordering institution” —

25 (a) in relation to a wire transfer, means the bank in Singapore or other financial institution that, upon receiving a request for a wire transfer by the wire transfer originator, initiates the wire transfer and transfers the funds on behalf of the wire transfer originator; and

30 (b) in relation to a value transfer, means the bank in Singapore or other financial institution that, upon receiving a request for a value transfer by the value transfer originator, initiates the value transfer and transfers the digital tokens on behalf of the value transfer originator;

“partner”, in relation to a limited liability partnership, has the meaning given by section 2(1) of the Limited Liability Partnerships Act 2005;

“prescribed financial institution” means any of the following: 5

(a) a bank in Singapore prescribed by regulations made under section 192 read with section 28C(a);

(b) a financial institution (other than a bank) prescribed by regulations made under section 192 read with section 28C(b); 10

“relationship”, in relation to a prescribed financial institution and a person, means the relationship between the prescribed financial institution and the person in the person’s capacity as a customer of the prescribed financial institution; 15

“relevant party”, in relation to a prescribed financial institution, means a person who —

(a) is a customer, seeks to be a customer or has been a customer of the prescribed financial institution; and 20

(b) is either —

(i) prescribed by regulations made under section 192 as a relevant party of that prescribed financial institution; or 25

(ii) a member of a class of persons prescribed by regulations made under section 192 as relevant parties of the prescribed financial institution;

“risk information”, in relation to a relevant party of a prescribed financial institution, means any of the following information or documents: 30

(a) any particulars of the relevant party, including any identifying information of —

- 5
- (i) the relevant party;
 - (ii) the authorised signatory or signatories of the relevant party;
 - (iii) the beneficial owner or owners of the relevant party;
 - (iv) any officer of the relevant party;
 - (v) where the relevant party is a partnership, any partner of the relevant party; and
 - (vi) where the relevant party is a limited liability partnership, any partner or manager of the relevant party;
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- (b) any particulars of the relationship between the relevant party and the prescribed financial institution;
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- (c) any particulars of any transaction the relevant party is a party to;
 - (d) any particulars of the high-risk indicators in relation to the relevant party that the prescribed financial institution knows of;
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- (e) the prescribed financial institution's analysis of the high-risk indicators mentioned in paragraph (d);
 - (f) any other information that the prescribed financial institution has obtained, or any other analysis that the prescribed financial institution has performed, for the purpose of assessing whether the relevant party may have been or may be concerned in money laundering, terrorism financing, or the financing of proliferation of weapons of mass destruction;
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- (g) any documents evidencing any of the matters in paragraphs (a) to (f);
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(h) any other information or documents that the Authority may prescribe;

“serial payment chain” means a direct sequential chain of payment where the wire transfer and accompanying payment message travel together from the ordering institution to the beneficiary institution, directly or through one or more intermediary institutions; 5

“STRO” means any Suspicious Transaction Reporting Officer as defined in section 2(1) of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992; 10

“threshold criteria”, in relation to a prescribed financial institution, means the criteria issued by the Authority under section 28G(1)(a) to the prescribed financial institution; 15

“value transfer” means any transaction carried out on behalf of a value transfer originator through a financial institution by electronic means with a view to making one or more digital tokens available to a value transfer beneficiary, irrespective of whether the value transfer originator and the value transfer beneficiary are the same person; 20

“value transfer beneficiary” means the person who is identified by the value transfer originator as the receiver of the digital tokens to be transferred in a value transfer; 25

“value transfer originator” means —

(a) a person who holds an account containing digital tokens with a financial institution and who allows a value transfer from that account; or 30

(b) a person who does not hold an account containing digital tokens with a financial institution, but who requests the financial institution to initiate a value transfer;

“wire transfer” means any transaction carried out on behalf of a wire transfer originator through a financial institution by electronic means with a view to making an amount of funds available to a wire transfer beneficiary, irrespective of whether the wire transfer originator and the wire transfer beneficiary are the same person;

“wire transfer beneficiary” means the person who is identified by the wire transfer originator as the receiver of the funds to be transferred in a wire transfer;

“wire transfer originator” means —

(a) a person who holds an account containing funds with a financial institution and who allows a wire transfer from that account; or

(b) a person who does not hold an account containing funds with a financial institution, but who requests the financial institution to initiate a wire transfer.

Prescribed financial institutions

28C. For the purposes of this Part, the Authority may by regulations made under section 192 prescribe —

(a) a bank in Singapore as a bank in Singapore to which this Part applies; and

(b) a financial institution (other than a bank) as a financial institution to which this Part applies.

Division 2 — Disclosure of risk information

Request for risk information

28D.—(1) Subject to this section, a prescribed financial institution (called in this section the requester) may request from another prescribed financial institution (called in this section the discloser) any risk information relating to —

- (a) a relevant party of the requester which the requester knows or has reason to believe is a relevant party of the discloser;
- (b) a relevant party of the requester, where the requester knows that the relevant party is a party to a wire transfer or value transfer in respect of which the discloser is — 5
- (i) the ordering institution;
 - (ii) the intermediary institution; or
 - (iii) the beneficiary institution, the wire transfer beneficiary or the value transfer beneficiary; 10
- (c) a relevant party (*A*) of the discloser, where the requester knows that a relevant party of the requester and *A* are counterparties to a wire transfer or value transfer in respect of which the discloser is — 15
- (i) the ordering institution; or
 - (ii) the beneficiary institution;
- (d) a relevant party of the requester, where the requester knows that the relevant party is a party to a series of wire transfers or value transfers in respect of which for any wire transfer in the series of wire transfers or value transfer in the series of value transfers (as the case may be), the discloser is — 20
- (i) the ordering institution;
 - (ii) the intermediary institution; or 25
 - (iii) the beneficiary institution, the wire transfer beneficiary or the value transfer beneficiary; or
- (e) a relevant party (*B*) of the discloser, where the requester knows that a relevant party of the requester and *B* are counterparties to a series of wire transfers or value transfers in respect of which for any wire transfer in the series of wire transfers or 30

value transfer in the series of value transfers (as the case may be), the discloser is —

- (i) the ordering institution; or
- (ii) the beneficiary institution.

5 (2) A requester must be satisfied of the following before making a request under subsection (1):

- (a) the threshold criteria for the request applicable to the requester are satisfied;
- 10 (b) in the case of a request under paragraph (b) or (c) of subsection (1), that at least one high-risk indicator of the requester's relevant party considered by the requester in determining that the threshold criteria are satisfied relates to the wire transfer or value transfer in respect of which the request under that
15 paragraph was made;
- (c) in the case of a request under paragraph (d) or (e) of subsection (1), that at least one high-risk indicator of the requester's relevant party considered by the
20 requester in determining that the threshold criteria are satisfied relates to the series of wire transfers or value transfers in respect of which the request under that paragraph was made.

(3) A request mentioned in subsection (1) must —

- 25 (a) disclose the threshold criteria applicable to the requester and identify the high-risk indicators of the requester's relevant party that the requester has considered in determining that the threshold criteria applicable to the requester are satisfied;
- 30 (b) contain a statement to the effect that the requester is satisfied that the threshold criteria applicable to the requester are satisfied; and
- (c) explain how the risk information requested would assist the requester in assessing whether the relevant party of the requester mentioned in subsection (1)

may have been or may be concerned in money laundering, terrorism financing, or the financing of proliferation of weapons of mass destruction.

(4) A requester may, in making a request under subsection (1), disclose any risk information that the requester considers necessary to — 5

- (a) comply with subsection (3); or
- (b) enable the discloser to identify the risk information that is being requested and to comply with the request.

(5) Subject to subsection (6), a discloser that has the risk information requested may disclose that risk information. 10

(6) Before disclosing any risk information under subsection (5), the discloser must be satisfied of all of the following:

- (a) the threshold criteria applicable to the requester are satisfied; 15
- (b) the risk information requested is necessary to assist the requester to assess whether the relevant party of the requester mentioned in subsection (1) may have been or may be concerned in money laundering, terrorism financing, or the financing of proliferation of weapons of mass destruction, as explained by the requester under subsection (3)(c); 20
- (c) the kind and amount of risk information requested for is proportionate, having regard to the likelihood that the relevant party of the requester mentioned in subsection (1) may have been or may be concerned in money laundering, terrorism financing, or the financing of proliferation of weapons of mass destruction, as explained by the requester under subsection (3)(c). 25 30

(7) A discloser that declines to disclose the risk information requested because the discloser is not satisfied of one or more of the matters referred to in subsection (6), must notify the

requester of the discloser's decision and the discloser's reasons for the decision.

5 (8) A discloser may disclose any other risk information that it has if the discloser is satisfied that the other risk information is related to the requester's request and will assist the requester to assess whether the relevant party of the requester mentioned in subsection (1) may have been or may be concerned in money laundering, terrorism financing, or the financing of proliferation of weapons of mass destruction.

10 **Provision of risk information**

15 **28E.**—(1) Subject to this section, a prescribed financial institution (called in this section the discloser) may on its own motion disclose to another prescribed financial institution (called in this section the recipient) any risk information relating to —

(a) a relevant party of the discloser which the discloser knows or has reason to believe is a relevant party of the recipient;

20 (b) a relevant party of the discloser, where the discloser knows that the relevant party is a party to a wire transfer or value transfer in respect of which the recipient is —

(i) the ordering institution;

(ii) the intermediary institution; or

25 (iii) the beneficiary institution, the wire transfer beneficiary or the value transfer beneficiary;

30 (c) a relevant party (*A*) of the recipient, where the discloser knows that a relevant party of the discloser and *A* are counterparties to a wire transfer or value transfer in respect of which the recipient is —

(i) the ordering institution; or

(ii) the beneficiary institution;

(*d*) a relevant party of the discloser, where the discloser knows that the relevant party is a party to a series of wire transfers or value transfers in respect of which for any wire transfer in the series of wire transfers or value transfer in the series of value transfers (as the case may be), the recipient is — 5

(i) the ordering institution;

(ii) the intermediary institution; or

(iii) the beneficiary institution, the wire transfer beneficiary or the value transfer beneficiary; or 10

(*e*) a relevant party (*B*) of the recipient, where the discloser knows that a relevant party of the discloser and *B* are counterparties to a series of wire transfers or value transfers in respect of which for any wire transfer in the series of wire transfers or value transfer in the series of value transfers (as the case may be), the recipient is — 15

(i) the ordering institution; or

(ii) the beneficiary institution.

(2) A discloser must be satisfied of the following before making a disclosure under subsection (1): 20

(*a*) the threshold criteria for the disclosure applicable to the discloser are satisfied;

(*b*) in the case of a disclosure under paragraph (*b*) or (*c*) of subsection (1), that at least one high-risk indicator of the discloser's relevant party considered by the discloser in determining that the threshold criteria are satisfied relates to the wire transfer or value transfer in respect of which the disclosure under that paragraph was made; 25 30

(*c*) in the case of a disclosure under paragraph (*d*) or (*e*) of subsection (1), that at least one high-risk indicator of the discloser's relevant party considered by the discloser in determining that the threshold criteria are

satisfied relates to the series of wire transfers or value transfers in respect of which the disclosure under that paragraph was made.

Publication on electronic information sharing system

5 **28F.—**(1) Subject to this section, a prescribed financial institution (called in this section a lister) that —

 (a) has made a suspicious transaction report in respect of any property; and

 (b) has —

10 (i) declined to establish a relationship, or decided to decline to establish a relationship, with a relevant party connected to the property; or

 (ii) terminated a relationship, or decided to terminate a relationship, with a relevant party connected to the property,

15 may publish any risk information that the Authority may specify relating to the relevant party connected to the property to all prescribed financial institutions on the electronic information sharing system established under section 28N(1).

20 (2) Before making a publication under subsection (1), the lister must be satisfied that the threshold criteria for publication applicable to the lister are satisfied.

 (3) Any prescribed financial institution may access the risk information published by the lister under subsection (1).

25 (4) For the purposes of this section, a relevant party is connected to a property if —

 (a) the property is owned or controlled, directly or indirectly, by the relevant party; or

 (b) where the property is —

30 (i) the subject of a transaction that is a wire transfer, the relevant party is the wire transfer originator or wire transfer beneficiary; and

- (ii) the subject of a transaction that is a value transfer, the relevant party is the value transfer originator or value transfer beneficiary.

(5) In this section, “suspicious transaction report” means a disclosure under section 45(1) of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992.

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Threshold criteria and high-risk indicators

28G.—(1) The Authority must issue to each prescribed financial institution (*A*) —

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(a) the criteria applicable to *A* for determining whether —

- (i) risk information relating to a relevant party may be requested by *A* under section 28D; and

- (ii) risk information relating to a relevant party may be disclosed by *A* under section 28E, or published by *A* under section 28F; and

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(b) the high-risk indicators of relevant parties of *A* that must be considered in determining whether the threshold criteria applicable to *A* are satisfied.

(2) Subject to subsection (3) —

20

(a) the criteria mentioned in subsection (1)(a) must not be divulged by *A* or any officer of *A* except —

- (i) as permitted by section 28D, 28E or 28F;

- (ii) as required by a written notice issued under section 28H to correct an error or omission in risk information disclosed under section 28D or 28E, or published under section 28F; or

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- (iii) as expressly permitted by the Authority; and

(b) the high-risk indicators mentioned in subsection (1)(b) must not be divulged by *A* or any officer of *A* except —

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- (i) as permitted by section 28D, 28E or 28F;

(ii) as required by a written notice issued under section 28H to correct an error or omission in risk information disclosed under section 28D or 28E, or published under section 28F; or

5 (iii) as expressly permitted by the Authority.

(3) The criteria and high-risk indicators mentioned in subsection (1) may be divulged —

(a) by *A* to any officer of *A* solely in connection with the performance of the duties of the officer in *A*; and

10 (b) by any officer of *A* to any other officer of *A*, solely in connection with the performance of their duties in *A*.

(4) The Authority may issue the criteria under subsection (1)(a) or the high-risk indicators under subsection (1)(b) (or both) to a class of prescribed financial institutions and if so, the Authority is to inform each prescribed financial institution of that class of that fact and the identity of the members of that class.

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(5) The obligation under subsection (2) applies to any officer of the prescribed financial institution despite the officer's subsequent cessation of appointment or employment as an officer of the prescribed financial institution.

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(6) A person that contravenes subsection (2) shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both; or

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(b) in any other case, to a fine not exceeding \$1 million.

(7) In this section, “high-risk indicators”, in relation to a relevant party of a prescribed financial institution, means —

30 (a) any behaviour of the relevant party of the prescribed financial institution; or

(b) any circumstance,

that indicates a high risk that the relevant party of the prescribed financial institution may have been or may be concerned in money laundering, terrorism financing, or the financing of proliferation of weapons of mass destruction.

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Power of Authority to issue written notice

28H.—(1) The Authority may, if it thinks it necessary or expedient for the effective administration of this Part, issue a written notice, either of a general or specific nature, to any prescribed financial institution or any class of prescribed financial institutions, to comply with any requirement that the Authority may specify in the notice, relating to any request for, access to, disclosure of or publication of any risk information under section 28D, 28E or 28F.

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(2) Without limiting subsection (1), such a notice may be issued —

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(a) with respect to —

(i) the measures to be taken to ensure the accuracy and completeness of any risk information requested for, accessed, disclosed or published under section 28D, 28E or 28F (called in this section specified risk information), including the measures to be taken to correct any error or omission in any specified risk information and a requirement to notify the Authority as soon as practicable after any such error or omission comes to the knowledge of the prescribed financial institution;

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(ii) the protection of specified risk information from unauthorised use and disclosure, including the systems and processes to be established to keep any specified risk information confidential;

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(iii) the form and manner of any disclosure or publication of risk information under section 28D, 28E or 28F; and

(iv) the records to be kept in relation to any request for, access to, disclosure of or publication of any risk information under section 28D, 28E or 28F; and

(b) to require any person that contravenes, has contravened, or is likely to contravene any provision of this Part, the contravention of which is an offence, to implement, within the time frame specified in the notice, the measures specified in the notice for the purpose of rectifying, remediating or mitigating the consequences of the contravention or to prevent the contravention of that provision, as the case may be.

(3) It is not necessary to publish any written notice issued under subsection (1) in the *Gazette*.

(4) The Authority may at any time vary, rescind or revoke any written notice issued under subsection (1).

(5) A prescribed financial institution that fails to comply with any requirement applicable to it specified in a written notice issued under subsection (1) shall be guilty of an offence and shall be liable on conviction —

(a) to a fine not exceeding \$1 million; and

(b) in the case of a continuing offence, to a further fine of \$100,000 for every day or part of a day during which the offence continues after conviction.

Immunity and negation of secrecy obligations

28I. A prescribed financial institution or an officer of a prescribed financial institution authorised to act for the prescribed financial institution, or both —

- (a) may —
- (i) in accordance with the provisions of section 28D, 28E or 28F; or
 - (ii) as required by a written notice issued under section 28H, for the purpose of correcting an error or omission in risk information —
 - (A) disclosed under section 28D or 28E; or
 - (B) published under section 28F,
 disclose or publish (as the case may be) any risk information relating to any relevant party despite any obligation as to secrecy or other restrictions upon the disclosure of information imposed by any written law, rule of law, contract or rule of professional conduct; and
- (b) is or are not liable for any loss arising out of the disclosure or publication, or any act or omission in consequence of the disclosure or publication if the disclosure or publication was —
- (i) made or published (as the case may be) with reasonable care and in good faith; and
 - (ii) made or published (as the case may be) either —
 - (A) in accordance with section 28D, 28E or 28F; or
 - (B) as required by a written notice issued under section 28H, for the purpose of correcting an error or omission in risk information —
 - (BA) disclosed under section 28D or 28E; or
 - (BB) published under section 28F.

False or misleading disclosures

28J. A prescribed financial institution, or an officer of the prescribed financial institution, that knowingly or recklessly —

- (a) discloses any risk information under section 28D or 28E;
- (b) publishes any risk information under section 28F; or
- (c) makes any correction to the risk information mentioned in paragraph (a) or (b),

that is false or misleading in a material particular, shall be guilty of an offence and shall be liable on conviction —

- (d) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both; or
- (e) in any other case, to a fine not exceeding \$1 million.

Division 3 — Access to and use of risk information disclosed

Use of disclosed risk information by prescribed financial institution

28K.—(1) A prescribed financial institution must not disclose any risk information that it receives or accesses under this Part to any other person except as expressly provided for in subsection (2) or (3).

(2) A prescribed financial institution may, for a purpose specified in the first column of Part 1 of the Third Schedule, disclose —

- (a) any risk information that the prescribed financial institution receives under section 28D or 28E;
- (b) any risk information that the prescribed financial institution accesses under section 28F; or

- (c) any correction to any risk information mentioned in paragraph (a) or (b),

to a person or class of persons specified in the second column of Part 1 of the Third Schedule.

(3) A prescribed financial institution may, for a purpose specified in the first column of Part 2 of the Third Schedule, disclose — 5

- (a) any risk information that the prescribed financial institution receives under section 28D or 28E;

- (b) any risk information that the prescribed financial institution accesses under section 28F; or 10

- (c) any correction to any risk information mentioned in paragraph (a) or (b),

to a person specified in the second column of Part 2 of the Third Schedule but subject to the restrictions and conditions specified in the third column of that Part of that Schedule. 15

(4) A person in Singapore that is specified in the second column of Part 2 of the Third Schedule must not disclose any risk information that the person receives from a prescribed financial institution under this Part unless the person is required to do so by an order of court. 20

(5) In this section and the Third Schedule —

- (a) where disclosure of risk information is authorised under the Third Schedule to be made to any person that is a body corporate, risk information may be disclosed to any officer of the body corporate as may be necessary for the purpose for which the disclosure is authorised under that Schedule; 25

(b) the obligation under subsection (1) —

- (i) applies to any officer of the prescribed financial institution who received the risk information mentioned in that subsection for the prescribed financial institution or had access to the risk information; and 30

(ii) continues despite the officer's subsequent cessation of appointment or employment as an officer of the prescribed financial institution; and

5 (c) the obligation under subsection (4) —

(i) applies to any officer in Singapore of a person in Singapore that is a body corporate, who received the risk information mentioned in that subsection for the body corporate or had access to the risk information; and

10

(ii) continues despite the officer's subsequent cessation of appointment or employment as an officer of the body corporate.

(6) A person who contravenes subsection (1), subsection (1) (as applied by subsection (5)(b)), subsection (4) or subsection (4) (as applied by subsection (5)(c)) shall be guilty of an offence and shall be liable on conviction —

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(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both; or

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(b) in any other case, to a fine not exceeding \$250,000.

Use of disclosed risk information by Authority and STROs

28L.—(1) The Authority is entitled —

(a) to a copy of every disclosure of risk information made by a prescribed financial institution under section 28D or 28E, including any correction to such risk information; and

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(b) to access every publication of risk information by a prescribed financial institution under section 28F, including any correction to such risk information.

30

(2) The Authority may only use the risk information mentioned in subsection (1) for the purpose of detecting and preventing —

- (a) money laundering;
- (b) terrorism financing; or
- (c) the financing of proliferation of weapons of mass destruction.

(3) Without limiting subsection (2), the Authority may disclose any risk information mentioned in subsection (1) to another prescribed financial institution for the purpose of detecting and preventing any of the matters specified in subsection (2)(a), (b) or (c). 5

(4) The Authority may give any STRO access to all or any risk information disclosed or published (including any correction to such risk information) on the electronic information sharing system established and maintained under section 28N(1), for the purpose of detecting and preventing any of the matters specified in subsection (2)(a), (b) or (c). 10 15

(5) To avoid doubt, subsections (2) and (4) do not prevent the disclosure of any information by the Authority under and in accordance with Division 2 of Part 4.

Application of sections 21 and 22 of Personal Data Protection Act 2012 20

28M. Sections 21 and 22 of the Personal Data Protection Act 2012 do not apply to a prescribed financial institution in relation to any personal data about an individual that is in the possession or under the control of the prescribed financial institution if — 25

- (a) the personal data was risk information received by the prescribed financial institution under section 28D or 28E, including any correction to such risk information; or
- (b) the personal data was risk information accessed by the prescribed financial institution under section 28F, including any correction to such risk information. 30

Division 4 — Electronic information sharing system

Establishment of electronic information sharing system

28N.—(1) The Authority must establish and maintain an electronic information sharing system for the purpose of —

- 5 (a) enabling requests for risk information under section 28D to be made by prescribed financial institutions;
- (b) enabling disclosures of risk information under sections 28D and 28E to be disclosed and received by prescribed financial institutions;
- 10 (c) enabling disclosures of risk information under section 28F to be published and accessed by prescribed financial institutions;
- (d) enabling corrections to any error or omission in the risk information mentioned in paragraph (b) or (c) to be made; and
- 15 (e) keeping a record of the requests, disclosures and corrections mentioned in paragraphs (a) to (d).

(2) Subject to subsection (3), any request for risk information made under section 28D, any disclosure of risk information made under section 28D or 28E, any publication of risk information under section 28F, and any correction to any error or omission in such risk information, must be made —

- 25 (a) using the electronic information sharing system established under subsection (1); and
- (b) in accordance with the rules for use of the electronic information sharing system established under subsection (1) published by the Authority.

(3) If —

- 30 (a) any request for risk information under section 28D;
- (b) any disclosure of risk information under section 28D or 28E;

- (c) any publication of risk information under section 28F;
or
- (d) any correction to any error or omission in the risk information mentioned in paragraph (b) or (c),

cannot be made using the electronic information sharing system established under subsection (1) (whether because of a failure or unavailability of or interruption to the electronic information sharing system or otherwise), the prescribed financial institution may make the request, disclosure, publication or correction in the manner specified in any direction published by the Authority. 5
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(4) If any publication of risk information under section 28F (including any correction to any error or omission in such risk information) cannot be accessed by any prescribed financial institution, the Authority must provide reasonable alternative means by which the risk information may be accessed by the prescribed financial institution. 15

(5) Where a prescribed financial institution informs the Authority that the prescribed financial institution refuses to comply with any rules for use of the electronic information sharing system mentioned in subsection (2)(b), the Authority may refuse to grant the prescribed financial institution access to the electronic information sharing system. 20

(6) Where a prescribed financial institution fails to comply with any rules for use of the electronic information sharing system mentioned in subsection (2)(b), the Authority may terminate, suspend or restrict the prescribed financial institution's access to the electronic information sharing system. 25

(7) To avoid doubt, the Authority may —

- (a) use the electronic information sharing system established under subsection (1) to disseminate any risk information mentioned in section 28L(1) to another prescribed financial institution for the purpose of detecting or preventing any of the matters specified in section 28L(2)(a), (b) or (c); 30
35

(b) allow a prescribed financial institution to use the electronic information sharing system established under subsection (1) to communicate with another prescribed financial institution in relation to —

5 (i) any request for risk information under section 28D;

(ii) any disclosure of risk information under section 28D or 28E;

10 (iii) any publication of risk information under section 28F; or

(iv) any correction to any error or omission in the risk information mentioned in sub-paragraph (ii) or (iii); or

15 (c) use the electronic information sharing system established under subsection (1) to analyse any risk information mentioned in section 28L(1) for the purpose of detecting or preventing any of the matters specified in section 28L(2)(a), (b) or (c).”.

Amendment of section 168

20 **3.** In the principal Act, in section 168 —

(a) after the definition of “licensee”, insert —

““prescribed financial institution” has the meaning given by section 28B;” and

25 (b) in the definition of “relevant person”, after “section 169(1)(a),”, insert “(ba),”.

Amendment of section 169

4. In the principal Act, in section 169 —

(a) in subsection (1), after paragraph (b), insert —

“(ba) a prescribed financial institution (*A*) —

30 (i) where *A* requests risk information from another prescribed financial

institution purportedly under section 28D, for the purpose of —

- (A) determining whether the request falls within section 28D(1); or 5
- (B) determining whether *A* has complied with section 28D(2) or (3);
- (ii) where a prescribed financial institution requests risk information from *A* under section 28D, for the purpose of determining whether *A* has complied with section 28D(6) or (7); 10
- (iii) where *A* discloses to another prescribed financial institution any risk information purportedly under section 28E, for the purpose of — 15
 - (A) determining whether the disclosure falls within section 28E(1); or 20
 - (B) determining whether *A* has complied with section 28E(2);
- (iv) where *A* publishes risk information purportedly under section 28F, for the purpose of — 25
 - (A) determining whether all the conditions mentioned in section 28F(1) have been satisfied; or 30
 - (B) determining whether *A* has complied with section 28F(2);
- (v) for the purpose of determining whether *A* has made any false or

misleading disclosure, publication or correction in contravention of section 28J; or

(vi) for the purpose of determining whether *A* has complied with section 28G(2), 28K(1) or 28N(2) or a requirement of a written notice issued under section 28H;”; and

(b) in subsection (6), after paragraph (a), insert —

“(aa) non-compliance with any provision in Part 4A;”.

Amendment of section 190

5. In the principal Act, in section 190(1), replace “First or Second Schedule” with “First, Second or Third Schedule”.

New Third Schedule

6. In the principal Act, after the Second Schedule, insert —

“THIRD SCHEDULE

Sections 28A(2)(d), 28K(2), (3),
(4) and (5) and 190(1)

DISCLOSURE OF SPECIFIED INFORMATION

PART 1

FURTHER DISCLOSURE NOT PROHIBITED

First column

Second column

*Purpose for which specified
information may be disclosed*

*Persons to whom specified
information may be disclosed*

1. Disclosure is necessary for —

(a) compliance with an order or request made under any specified written law to provide information, for the purposes of an investigation or prosecution, of an offence alleged or suspected to have been committed under any written law; or

(b) the making of a complaint or report under any specified written law for an offence alleged or suspected to have been committed under any written law

Any police officer or public officer duly authorised under the specified written law to carry out the investigation or prosecution or to receive the complaint or report, or any court

2. Disclosure is necessary for compliance with an order of the Supreme Court or a Judge sitting in the Supreme Court pursuant to the powers conferred under Part 4 of the Evidence Act 1893

All persons to whom the disclosure is required to be made under the court order

PART 2

FURTHER DISCLOSURE PROHIBITED

<i>First column</i>	<i>Second column</i>	<i>Third column</i>
<i>Purpose for which specified information may be disclosed</i>	<i>Persons to whom specified information may be disclosed</i>	<i>Restrictions and conditions</i>
<p>1. Disclosure is solely in connection with the performance of duties as an officer or a professional adviser mentioned in the second column in managing one or more of the following risks of the prescribed financial institution:</p> <p>(a) money laundering risk;</p> <p>(b) terrorism financing risk;</p> <p>(c) risk of financing the proliferation of weapons of mass destruction</p>	<p>In the case of a prescribed financial institution which is —</p> <p>(a) a branch or office of a bank incorporated outside Singapore —</p> <p>(i) any officer of the prescribed financial institution;</p> <p>(ii) any officer of any member of the prescribed financial institution's financial group who is designated in writing by any other officer of the head office of the prescribed financial institution;</p> <p>(iii) any officer of any member of the prescribed financial institution's financial group who is designated in writing by the parent entity of the prescribed financial institution;</p> <p>(iv) any lawyer or consultant appointed or engaged by the prescribed financial institution under a contract for service; or</p> <p>(v) any auditor appointed or engaged by —</p> <p>(A) the prescribed financial institution;</p> <p>(B) any officer of the head office of the bank, on behalf of the bank; or</p> <p>(C) the parent entity of the prescribed financial institution,</p> <p>under a contract for service; or</p>	<p>(a) Disclosure must not be made to any person mentioned in the second column who —</p> <p>(i) is outside Singapore;</p> <p>(ii) is ordinarily resident outside Singapore; or</p> <p>(iii) is not either —</p> <p>(A) a member of the prescribed financial institution's financial group; or</p> <p>(B) an officer of a member of the prescribed financial institution's financial group,</p> <p>unless the identity of every relevant person and every officer of every relevant person mentioned in the specified information has been anonymised;</p> <p>(b) Disclosure must not be made to any auditor appointed or engaged by a person mentioned in sub-paragraph (a)(v)(B) or (C) of the second column unless the auditor has given to the prescribed financial institution a written undertaking that the auditor will not disclose any specified information obtained by the auditor for the purposes of the performance of audit to any person other than —</p> <p>(i) the officers of the head office of the prescribed financial institution; or</p> <p>(ii) the parent entity of the prescribed financial institution;</p>

(b) a financial institution —

- (i) any officer of any branch or office of the prescribed financial institution located within Singapore;
- (ii) any officer of any branch of the prescribed financial institution located outside Singapore who is designated in writing by the prescribed financial institution;
- (iii) any officer of any member of the prescribed financial institution's financial group who is designated in writing by the prescribed financial institution or the parent entity of the prescribed financial institution;
- (iv) any lawyer or consultant appointed or engaged by the prescribed financial institution under a contract for service; or
- (v) any auditor appointed or engaged by —
 - (A) the prescribed financial institution; or
 - (B) the parent entity of the prescribed financial institution,
 under a contract for service

(c) Disclosure must not be made to any auditor appointed or engaged by a person mentioned in sub-paragraph (b)(v)(B) of the second column unless the auditor has given to the prescribed financial institution a written undertaking that the auditor will not disclose any specified information obtained by the auditor for the purposes of the performance of audit to any person other than the parent entity of the prescribed financial institution

2. Disclosure is solely in connection with the management of any —

- (a) money laundering risk;
- (b) terrorism financing risk; or
- (c) risk of financing the proliferation of weapons of mass destruction,

of —

- (d) in the case of a prescribed financial institution mentioned in sub-paragraph (a) of the second column, the head office of the prescribed financial institution;
- (e) the parent entity of the prescribed financial institution;
- (f) in the case of a prescribed financial institution mentioned in sub-paragraph (a) of the second column, any branch of the prescribed financial institution located outside Singapore; or
- (g) a related corporation of the prescribed financial institution

In the case of a prescribed financial institution which is —

- (a) a branch or office of a bank incorporated outside Singapore —
 - (i) any officer of the head office of the prescribed financial institution who is designated in writing by any other officer of the head office of the prescribed financial institution;
 - (ii) any officer of the parent entity of the prescribed financial institution who is designated in writing by the parent entity of the prescribed financial institution;
 - (iii) any officer of any branch of the prescribed financial institution located outside Singapore who is designated in writing by any officer of the head office, or the parent entity, of the prescribed financial institution; or
 - (iv) any officer of any related corporation of the prescribed financial institution who is designated in writing by any officer of the head office, or the parent entity, of the prescribed financial institution; or

(b) a financial institution —

- (i) any officer of the parent entity of the prescribed financial institution who is designated in writing by the parent entity of the prescribed financial institution; or
- (ii) any officer of any related corporation of the prescribed financial institution who is designated in writing by the prescribed financial institution or the parent entity of the prescribed financial institution

(a) Where the prescribed financial institution had received the specified information under section 28D or 28E, disclosure must not be made to any person mentioned in the second column who is outside Singapore or is ordinarily resident outside Singapore, unless —

- (i) the prescribed financial institution has filed a suspicious transaction report in respect of any property connected to the relevant party to which the disclosure relates; and
- (ii) the identity of every relevant person and every officer of every relevant person mentioned in the specified information has been anonymised;

(b) Where the prescribed financial institution had accessed the specified information under section 28F, disclosure must not be made to any person mentioned in the second column who is outside Singapore or is ordinarily resident outside Singapore, unless the identity of every relevant person and every officer of every relevant person mentioned in the specified information has been anonymised

<p>3. Disclosure is solely in connection with the performance of operational functions of the prescribed financial institution in relation to the management of one or more of the following risks of the prescribed financial institution, where such operational functions have been out-sourced:</p>	<p>Any person that is engaged by —</p> <p>(a) the prescribed financial institution; or</p> <p>(b) where the prescribed financial institution is a branch or office of a bank incorporated outside Singapore, the bank,</p> <p>to perform the out-sourced functions</p>	<p>If any such out-sourced function is —</p> <p>(a) to be performed outside Singapore;</p> <p>(b) to be performed by a person who is ordinarily resident outside Singapore; or</p> <p>(c) to be performed by any person who is not either —</p> <p>(i) a member of the prescribed financial institution's financial group; or</p> <p>(ii) an officer of a member of the prescribed financial institution's financial group,</p>
<p>(a) money laundering risk;</p> <p>(b) terrorism financing risk;</p> <p>(c) risk of financing the proliferation of weapons of mass destruction</p>		<p>the disclosure is subject to any conditions that may be specified in a notice or direction issued by the Authority or otherwise imposed by the Authority</p>
<p>4. Disclosure is solely in connection with the management of any —</p> <p>(a) money laundering risk;</p> <p>(b) terrorism financing risk; or</p> <p>(c) risk of financing the proliferation of weapons of mass destruction,</p>	<p>Any person participating or otherwise involved in the merger, acquisition or issue, or proposed merger, acquisition or issue, including any of the person's lawyers or other professional advisers (whether or not the merger or acquisition is subsequently entered into or completed)</p>	<p>Disclosure must not be made to any person mentioned in the second column who —</p> <p>(a) is outside Singapore;</p> <p>(b) is ordinarily resident outside Singapore; or</p> <p>(c) is not either —</p> <p>(i) a member of the prescribed financial institution's financial group; or</p> <p>(ii) an officer of a member of the prescribed financial institution's financial group,</p>
<p>for —</p> <p>(d) in the case where the prescribed financial institution is not a branch or office of a bank incorporated outside Singapore, the merger or proposed merger of the prescribed financial institution or its holding company (where its holding company is a financial holding company) with another company;</p>		<p>unless the identity of every relevant person and every officer of every relevant person mentioned in the specified information has been anonymised</p>

(e) in the case where the prescribed financial institution is a branch or office of a bank incorporated outside Singapore, the merger or proposed merger of the bank or its holding company (where its holding company is a financial holding company) with another company;

(f) in the case where the prescribed financial institution is not a branch or office of a bank incorporated outside Singapore, any acquisition or issue, or proposed acquisition or issue, of any part of the share capital of the prescribed financial institution or its holding company (where its holding company is a financial holding company); or

(g) in the case of a prescribed financial institution that is a branch or office of a bank incorporated outside Singapore, any acquisition or issue, or proposed acquisition or issue, of any part of the share capital of the bank or its holding company (where its holding company is a financial holding company),

whether or not the merger, acquisition or issue is subsequently entered into or completed

<p>5. Disclosure is solely in connection with the management of any —</p> <ul style="list-style-type: none"> (a) money laundering risk; (b) terrorism financing risk; or (c) risk of financing the proliferation of weapons of mass destruction, <p>for the transfer or proposed transfer of the business of the prescribed financial institution to a company under Division 1 of Part 7A of the Banking Act 1970, whether or not the transfer is subsequently carried out or completed</p>	<p>Any —</p> <ul style="list-style-type: none"> (a) transferee defined in section 55A of the Banking Act 1970; (b) professional adviser appointed by any transferor or transferee defined in section 55A of the Banking Act 1970; or (c) independent assessor appointed by the Minister or the Authority under section 55B(4) of the Banking Act 1970 	<p>Disclosure must not be made to any person mentioned in the second column who —</p> <ul style="list-style-type: none"> (a) is outside Singapore; (b) is ordinarily resident outside Singapore; or (c) is not either — <ul style="list-style-type: none"> (i) a member of the prescribed financial institution's financial group; or (ii) an officer of a member of the prescribed financial institution's financial group,
<p>6. Disclosure is solely in connection with the management of any —</p> <ul style="list-style-type: none"> (a) money laundering risk; (b) terrorism financing risk; or (c) risk of financing the proliferation of weapons of mass destruction, <p>for the transfer or proposed transfer of the business of —</p> <ul style="list-style-type: none"> (d) in the case where the prescribed financial institution is not a branch or office of a bank incorporated outside Singapore, the prescribed financial institution; and (e) in the case where the prescribed financial institution is a branch or office of a bank incorporated outside Singapore, the bank, <p>to a company under Division 2 of Part 8, whether or not the transfer is subsequently carried out or completed</p>	<p>(a) Any —</p> <ul style="list-style-type: none"> (i) transferee, defined in section 65; (ii) professional adviser appointed by any transferor or transferee defined in section 65; or (iii) independent assessor appointed by the Authority under section 66(4); or <p>(b) Where the prescribed financial institution is a branch or office of a bank incorporated outside Singapore, any officer of —</p> <ul style="list-style-type: none"> (i) the head office of the bank; or (ii) another branch of the bank 	<p>Disclosure must not be made to any person mentioned in the second column who —</p> <ul style="list-style-type: none"> (a) is outside Singapore; (b) is ordinarily resident outside Singapore; or (c) is not either — <ul style="list-style-type: none"> (i) a member of the prescribed financial institution's financial group; or (ii) an officer of a member of the prescribed financial institution's financial group, <p>unless the identity of every relevant person and every officer of every relevant person mentioned in the specified information has been anonymised</p>

<p>7. Disclosure is solely in connection with the management of any —</p> <p>(a) money laundering risk;</p> <p>(b) terrorism financing risk; or</p> <p>(c) risk of financing the proliferation of weapons of mass destruction,</p> <p>for the transfer or proposed transfer of the shares —</p> <p>(d) in the case where the prescribed financial institution is not a branch or office of a bank incorporated outside Singapore, in the prescribed financial institution; and</p> <p>(e) in the case where the prescribed financial institution is a branch or office of a bank incorporated outside Singapore, in the bank,</p> <p>under Division 4 of Part 8, whether or not the transfer is subsequently carried out or completed</p>	<p>Any —</p> <p>(a) transferor or transferee, defined in section 74(1);</p> <p>(b) professional adviser appointed by the transferor or transferee defined in section 74(1); or</p> <p>(c) independent assessor appointed by the Authority under section 75(2)</p>	<p>Disclosure must not be made to any person mentioned in the second column who —</p> <p>(a) is outside Singapore;</p> <p>(b) is ordinarily resident outside Singapore; or</p> <p>(c) is not either —</p> <p>(i) a member of the prescribed financial institution's financial group; or</p> <p>(ii) an officer of a member of the prescribed financial institution's financial group,</p> <p>unless the identity of every relevant person and every officer of every relevant person mentioned in the specified information has been anonymised</p>
<p>8. Disclosure is solely in connection with the management of any —</p> <p>(a) money laundering risk;</p> <p>(b) terrorism financing risk; or</p> <p>(c) risk of financing the proliferation of weapons of mass destruction,</p> <p>for the restructuring or proposed restructuring of the share capital of —</p> <p>(d) in the case where the prescribed financial institution is not a branch or office of a bank incorporated outside Singapore, the prescribed financial institution; and</p>	<p>Any —</p> <p>(a) shareholder of the prescribed financial institution or bank, as the case may be;</p> <p>(b) subscriber defined in section 77;</p> <p>(c) professional adviser appointed by the prescribed financial institution or bank (as the case may be) or any person mentioned in sub-paragraph (a) or (b); or</p> <p>(d) independent assessor appointed by the Authority under section 78(3)</p>	<p>Disclosure must not be made to any person mentioned in the second column who —</p> <p>(a) is outside Singapore;</p> <p>(b) is ordinarily resident outside Singapore; or</p> <p>(c) is not either —</p> <p>(i) a member of the prescribed financial institution's financial group; or</p> <p>(ii) an officer of a member of the prescribed financial institution's financial group,</p> <p>unless the identity of every relevant person and every officer of every relevant person mentioned in the specified information has been anonymised</p>

- (e) in the case where the prescribed financial institution is a branch or office of a bank incorporated outside Singapore, the bank,

under Division 5 of Part 8, whether or not the restructuring is carried out or completed

9. Disclosure is solely in connection with the management of any —

- (a) money laundering risk;
- (b) terrorism financing risk; or
- (c) risk of financing the proliferation of weapons of mass destruction,

for the restructure, transfer or sale, or proposed restructure, transfer or sale, of credit facilities (whether or not the restructure, transfer or sale is subsequently entered into or completed)

Any transferee or purchaser or any other person participating or otherwise involved in the restructure, transfer or sale, or proposed restructure, transfer or sale, including any of the person's lawyers or other professional advisers (whether or not the restructure, transfer or sale is subsequently entered into or completed)

(a) Specified information, other than information relating to the relevant credit facilities, must not be disclosed;

(b) Disclosure must not be made to any person mentioned in the second column who —

- (i) is outside Singapore;
- (ii) is ordinarily resident outside Singapore; or
- (iii) is not either —

(A) a member of the prescribed financial institution's financial group; or

(B) an officer of a member of the prescribed financial institution's financial group,

unless the identity of every relevant person and every officer of every relevant person mentioned in the specified information has been anonymised

PART 3
INTERPRETATION

1. In this Schedule —

- “financial group”, in relation to a prescribed financial institution, means a group of which the prescribed financial institution is a member, that comprises — 5
- (a) a legal person that exercises control over, and performs coordinating functions in relation to, every member of the rest of the group;
 - (b) every branch of the person mentioned in paragraph (a); 10
and
 - (c) every subsidiary of the person mentioned in paragraph (a) that is a financial institution or foreign financial institution;
- “financial holding company” means a company designated by the Authority under section 4 of the Financial Holding Companies Act 2013; 15
- “foreign financial institution” has the meaning given by section 17(1);
- “holding company” has the meaning given by section 2(1) of the Financial Holding Companies Act 2013; 20
- “parent entity” —
- (a) in relation to a prescribed financial institution that is not a branch or office of a bank incorporated outside Singapore, means an entity that is able to exercise a significant influence over the direction and management of the prescribed financial institution or which has a controlling interest in the prescribed financial institution; 25
and
 - (b) in relation to a prescribed financial institution that is a branch or office of a bank incorporated outside Singapore, means an entity that is able to exercise a significant influence over the direction and management of the bank or which has a controlling interest in the bank; 30
- “public officer” includes any officer of a statutory board;

“related corporation” —

5 (a) in relation to a prescribed financial institution that is not a branch or office of a bank incorporated outside Singapore, means a corporation that is deemed to be related to the prescribed financial institution by virtue of section 6 of the Companies Act 1967; and

10 (b) in relation to a prescribed financial institution that is a branch or office of a bank incorporated outside Singapore, means a corporation that is deemed to be related to the bank by virtue of section 6 of the Companies Act 1967;

“relevant person” means a prescribed financial institution or the Authority;

15 “specified information” means any risk information that a prescribed financial institution receives or accesses under Part 4A;

“specified written law” means the following Acts:

20 (a) the Companies Act 1967;

 (b) the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992;

 (c) the Criminal Procedure Code 2010;

 (d) the Goods and Services Tax Act 1993;

 (e) the Hostage-Taking Act 2010;

 (f) the Income Tax Act 1947;

 (g) the Insolvency, Restructuring and Dissolution Act 2018;

25 (h) the Internal Security Act 1960;

 (i) the Kidnapping Act 1961;

 (j) the Moneylenders Act 2008;

 (k) the Prevention of Corruption Act 1960;

 (l) the Terrorism (Suppression of Financing) Act 2002;

30 “subsidiary” has the meaning given by section 5 of the Companies Act 1967;

“suspicious transaction report” has the meaning given by section 28F(5).

2. For the purposes of this Schedule —
- (a) a property is connected to a relevant party if the relevant party is connected to the property in the manner set out in section 28F(4);
 - (b) a reference to a prescribed financial institution that is a branch or office of a bank incorporated outside Singapore is a reference to such a branch or office located within Singapore; 5
 - (c) where a prescribed financial institution is a branch or office of a bank incorporated outside Singapore —
 - (i) a reference to the head office of a prescribed financial institution is a reference to the head office of the bank; and 10
 - (ii) a reference to a branch of a prescribed financial institution is a reference to a branch of the bank; and
 - (d) expressions in this Schedule that are defined in section 28B have the same meaning as in that section.”.

Amendment of Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 15

7. In the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992, in section 5(1)(a) —

- (a) in sub-paragraph (vi), delete “and” at the end; and
 - (b) after sub-paragraph (vii), insert — 20
 - “(viii) any information accessed by a Suspicious Transaction Reporting Officer under section 28L(4) of the Financial Services and Markets Act 2022; and”.
- 25
-

EXPLANATORY STATEMENT

This Bill seeks to amend the Financial Services and Markets Act 2022 (the Act) —

- (a) to permit and set out the conditions for the disclosure, publication and sharing of certain information between or amongst certain persons, for any of the following purposes:
 - (i) the prevention and detection of money laundering;
 - (ii) the prevention and detection of terrorism financing;
 - (iii) the prevention and detection of the financing of proliferation of weapons of mass destruction;
- (b) to empower the Monetary Authority of Singapore (the Authority) to establish and maintain an electronic information sharing system for the purpose of enabling the disclosure, publication and sharing of such information; and
- (c) to set out the circumstances under which the Authority and a Suspicious Transaction Reporting Officer (STRO) may obtain or access information so disclosed or published, and the purposes for which the Authority and an STRO may use such information.

The Bill also makes related amendments to the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992.

Clause 1 relates to the short title and commencement.

Clause 2 inserts a new Part 4A. The new Part 4A (consisting of new sections 28A to 28N) relates to the disclosure, publication and sharing of certain information between or amongst prescribed financial institutions, the Authority, STROs and persons specified in the second column of Part 1 or 2 of the new Third Schedule (inserted by clause 6).

The new section 28A sets out the purpose of the new Part 4A.

The new section 28B defines certain terms used in the new Part 4A. In particular, the terms “relevant party” and “risk information” are defined.

The term “relevant party”, in relation to a prescribed financial institution, is defined as a person who is a customer, seeks to be a customer or has been a customer of the prescribed financial institution, and is —

- (a) prescribed as a relevant party of the prescribed financial institution; or
- (b) a member of a class of persons prescribed as relevant parties of the prescribed financial institution.

The term “risk information” has been defined broadly to mean any of the following, in relation to a relevant party of a prescribed financial institution:

- (a) any particulars of the relevant party;
- (b) any particulars of the relationship (as defined in the new section 28B) between the relevant party and the prescribed financial institution;
- (c) any particulars of any transaction the relevant party is a party to;
- (d) any particulars of the high-risk indicators in relation to the relevant party (that is, any behaviour of the relevant party, or any circumstance, that indicates a high risk that the relevant party may have been or may be concerned in money laundering, terrorism financing, or the financing of proliferation of weapons of mass destruction);
- (e) the prescribed financial institution’s analysis of the high-risk indicators mentioned in paragraph (d);
- (f) any other information that the prescribed financial institution has obtained, or any other analysis that the prescribed financial institution has performed, for the purpose of assessing whether the relevant party may have been or may be concerned in money laundering, terrorism financing, or the financing of proliferation of weapons of mass destruction;
- (g) any documents evidencing any of the matters in paragraphs (a) to (f);
- (h) any other information or documents that the Authority may prescribe.

The new section 28C provides that the Authority may prescribe a bank in Singapore or a financial institution (other than a bank) as a bank in Singapore or financial institution (as the case may be) to which the new Part 4A applies.

The new section 28D sets out the conditions that must be met before a prescribed financial institution may request any risk information relating to certain relevant parties from another prescribed financial institution. The new section 28D also sets out the conditions under which a prescribed financial institution may disclose risk information requested and any other risk information, and other obligations of the disclosing prescribed financial institution.

The new section 28E sets out the conditions that must be met before a prescribed financial institution may disclose any risk information relating to certain relevant parties to another prescribed financial institution.

The new section 28F sets out the conditions that must be met before a prescribed financial institution may publish to all other prescribed financial institutions any risk information relating to certain relevant parties that the Authority may specify.

The new section 28G provides for —

- (a) the issue by the Authority of the threshold criteria, that is, the criteria applicable to each prescribed financial institution for determining whether —
 - (i) risk information relating to a relevant party may be requested by the prescribed financial institution under the new section 28D; and
 - (ii) risk information relating to a relevant party may be disclosed by the prescribed financial institution under the new section 28E, or published under the new section 28F; and
- (b) the issue by the Authority of the high-risk indicators of relevant parties of a prescribed financial institution that must be considered by the prescribed financial institution in determining whether the threshold criteria applicable to the prescribed financial institution are satisfied.

The new section 28G also provides that the criteria mentioned in the new subsection (1)(a) and the high-risk indicators mentioned in the new subsection (1)(b) must not be divulged by the prescribed financial institution or any of its officers, except in certain circumstances that are set out.

The new section 28H empowers the Authority to impose, by a written notice, requirements on prescribed financial institutions with respect to certain matters and in certain circumstances.

The new section 28I —

- (a) allows a prescribed financial institution, or an officer of a prescribed financial institution authorised to act for the prescribed financial institution, or both, to disclose or publish risk information in accordance with the provisions of the new section 28D, 28E or 28F, or for the purpose of correcting an error or omission in certain risk information as required by a written notice issued under section 28H, despite any obligation as to secrecy or other restrictions upon the disclosure of information imposed by any written law, rule of law, contract or rule of professional conduct; and
- (b) grants immunity from liability to the prescribed financial institution, or an officer of a prescribed financial institution authorised to act for the prescribed financial institution, or both, for any loss arising out of a disclosure, or any act or omission in consequence of the disclosure, if the disclosure was made or published with reasonable care and in good faith, and in accordance with the new section 28D, 28E or 28F or for the purpose of correcting an error or omission in certain risk information as required by a written notice issued under section 28H.

The new section 28J makes it an offence for a prescribed financial institution or an officer of the prescribed financial institution to knowingly or recklessly —

- (a) disclose any risk information under the new section 28D or 28E;
- (b) publish any risk information under the new section 28F; or
- (c) make any correction to the risk information mentioned in paragraph (a) or (b),

that is false or misleading in a material particular.

The new section 28K prohibits (subject to certain exceptions specified in the new Third Schedule (inserted by clause 6)) the disclosure by a prescribed financial institution or its officers of risk information that the prescribed financial institution receives or accesses under the new Part 4A.

The new section 28K(4) and (5)(c)(i) read with the new section 28K(6) also provides that where a prescribed financial institution discloses any risk information to a person (*A*) specified in the second column of Part 2 of the new Third Schedule (or an officer (*B*) of *A*, where *A* is a body corporate), *A* and *B* must not disclose the risk information onwards to another person unless required to do so by an order of court. Any disclosure in contravention of this requirement by *A* or *B* (as the case may be) in Singapore is an offence.

The new section 28L provides that the Authority is entitled to a copy of every disclosure of risk information, and to access every publication of risk information, under the new Part 4A, and provides for the circumstances under which the Authority may use or disclose such risk information. The new section 28L also provides for the circumstances under which an STRO may access such risk information, and the purposes for which the STRO may use such risk information.

The new section 28M provides that sections 21 and 22 of the Personal Data Protection Act 2012 do not apply to a prescribed financial institution in relation to any personal data about an individual that is in the possession or under the control of the prescribed financial institution if the personal data was risk information received or accessed by the prescribed financial institution under the new Part 4A.

The new section 28N provides for the establishment and maintenance of an electronic information sharing system by the Authority for, among other things, the purposes of enabling requests for risk information, disclosures of risk information, publication of risk information, access to risk information under the new sections 28D, 28E and 28F and correction to any errors or omissions of such risk information. The new section 28N also provides that such requests, disclosures, publications and corrections must be made using the electronic information sharing system established and provides for consequences in the event of malfunctions of the electronic information sharing system.

Clauses 3 and 4 amend sections 168 and 169, respectively, to empower the Authority to inspect the books of a prescribed financial institution for the purpose of determining whether the prescribed financial institution has complied with certain provisions in the new Part 4A (inserted by clause 2).

Clause 5 amends section 190 to empower the Minister to amend the new Third Schedule (inserted by clause 6) by order in the *Gazette*.

Clause 6 inserts a new Third Schedule. The new Third Schedule sets out, for the purposes of the new section 28K (inserted by clause 2), the purposes for which, the persons to which, and the restrictions and conditions under which a prescribed financial institution may disclose —

- (a) any risk information that it receives under the new section 28D or 28E (inserted by clause 2);
- (b) any risk information that it accesses under the new section 28F (inserted by clause 2); or
- (c) any correction to any risk information mentioned in paragraph (a) or (b).

Clause 7 makes related amendments to the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992. The amendments enable the Suspicious Transaction Reporting Office established by section 5 of that Act to receive and analyse any information accessed by an STRO under the new section 28L(4).

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.
