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Prevention of Proliferation Financing and Other Matters Bill

Bill No. 2/2024.

Read the first time on 9 January 2024.

A BILL

intituled

An Act to amend the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Act 2019, the Legal Profession Act 1966, the Moneylenders Act 2008 and the Pawnbrokers Act 2015 to provide for the prevention of the financing of proliferation of weapons of mass destruction, to make other amendments to the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Act 2019 and to make consequential 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 Prevention of Proliferation Financing and Other Matters Act 2024 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

PART 1

AMENDMENT OF PRECIOUS STONES AND PRECIOUS METALS (PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING) ACT 2019

Amendment of long title

2. In the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Act 2019 (called in this Act the PSPM Act), in the long title, replace “and terrorism financing” with “, terrorism financing and the financing of proliferation of weapons of mass destruction”.

Amendment of section 1

3. In the PSPM Act, in section 1, replace “and Terrorism Financing” with “, Terrorism Financing and Proliferation Financing”.

Amendment of section 2

4. In the PSPM Act, in section 2 —

(a) in the definition of “asset-backed token”, in paragraph (a), delete “and” at the end;

(b) in the definition of “asset-backed token”, after paragraph (b), insert —

“(c) digital payment tokens within the meaning of the Payment Services Act 2019; and

(d) any token, certificate or other instrument that may be prescribed;”;

(c) after the definition of “company”, insert —

““compliance officer” means an employee or officer in a management position of a regulated dealer who is responsible for ensuring that the regulated dealer complies with the measures under this Act for —

5

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

10

(d) in the definition of “FATF Recommendations”, replace “relating to the prevention of money laundering and the financing of terrorism;” with —

“relating to —

15

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

20

(e) delete the definition of “money laundering or terrorism financing offence”;

(f) in the definition of “precious product”, replace paragraph (b) with —

“(b) that satisfies either of the following:

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- (i) at least 50% of the value of the jewellery, watch, apparel, accessory, ornament or other finished product (or other percentage of value prescribed in substitution) is attributable to the precious stone or precious metal or both;

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(ii) the jewellery, watch, apparel, accessory, ornament or other finished product is priced above the prescribed value;” and

5 (g) after the definition of “regulated dealing”, insert —

““relevant offence” means an offence under —

(a) Part 2, 3 or 5;

10 (b) sections 50 to 57 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992;

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

15 (d) any regulations made under the United Nations Act 2001;

(e) any provision of any other written law relating to —

(i) the prevention of money laundering;

20 (ii) the prevention of terrorism financing; or

(iii) the prevention of the financing of proliferation of weapons of mass destruction; or

25 (f) the law of any foreign country or territory relating to —

(i) the prevention of money laundering;

30 (ii) the prevention of terrorism financing; or

- (iii) the prevention of the financing of proliferation of weapons of mass destruction;”.

Amendment of section 3

5. In the PSPM Act, in section 3 —

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- (a) replace “and terrorism financing” with “, terrorism financing and the financing of proliferation of weapons of mass destruction”; and
- (b) in paragraph (b), replace “or terrorism financing” with “, terrorism financing or the financing of proliferation of weapons of mass destruction”.

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Amendment of section 8

6. In the PSPM Act, in section 8 —

- (a) in subsection (1)(d)(ii), after “secretary”, insert “, compliance officer”;
- (b) in subsection (2)(a), replace “10 April 2019” with “the commencement date”;
- (c) in subsection (2)(a), replace sub-paragraph (ii) with —
 “(ii) of a relevant offence;”;
- (d) in subsection (2), replace paragraph (c) with —
 “(c) the person’s record of compliance with requirements for the following to which the person is subject under this Act or any other written law or the law of any foreign country or territory:
 (i) the prevention of money laundering;
 (ii) the prevention of terrorism financing;
 (iii) the prevention of the financing of proliferation of weapons of mass destruction.”; and

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(e) after subsection (3), insert —

“(4) In subsection (2)(a), “commencement date” means the date of commencement of section 6 of the Prevention of Proliferation Financing and Other Matters Act 2024.”.

5 **New section 9A**

7. In the PSPM Act, after section 9, insert —

“Lapsing of registered dealer’s registration

9A. The registration of a registered dealer lapses —

- 10 (a) when the registered dealer (being an entity) is wound up or otherwise dissolved, whether in Singapore or elsewhere; or
- (b) when the registered dealer (being an individual who is a sole proprietor) dies.”.

Amendment of section 10

15 **8.** In the PSPM Act, in section 10 —

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

20 “(ea) the registered dealer has displayed, advertised, stated or otherwise used its registration in a manner which the registered dealer knows, or has reason to believe, is likely to create an erroneous impression that the Registrar regulates the registered dealer for any purpose other than —

- 25 (i) the prevention of money laundering;
- (ii) the prevention of terrorism financing; and
- (iii) the prevention of the financing of proliferation of weapons of mass destruction;”;
- 30

(b) after subsection (1), insert —

“(1A) For the purposes of subsection (1)(d), the Registrar may have regard to anything that the Registrar thinks relevant in determining whether a registered dealer is carrying on the business of regulated dealing or business as an intermediary in Singapore, including the occurrence of any event, or whether there exists any circumstances, that may be prescribed.”; and

5

(c) after subsection (3), insert —

“(4) Any proceedings started under this section against a registered dealer may continue, and the Registrar may exercise the power under subsection (2) against a former registered dealer, despite the expiry of the registered dealer’s registration.”.

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Amendment of section 11

9. In the PSPM Act, in section 11 —

- (a) in subsections (1) and (3), after “registered dealer” wherever it appears, insert “or former registered dealer”;
- (b) in subsection (1)(a), after “under section 10”, insert “against the registered dealer or former registered dealer”; and
- (c) in subsection (5), after “registration”, insert “under section 10(1)”.

20

Replacement of Part 3 heading

10. In the PSPM Act, in Part 3, replace the Part heading with —

“PREVENTION OF MONEY LAUNDERING,
TERRORISM FINANCING AND FINANCING OF
5 PROLIFERATION OF WEAPONS OF
 MASS DESTRUCTION”.

Amendment of section 16

11. In the PSPM Act, in section 16(1)(b) and (4)(a), replace “or terrorism financing” with “, terrorism financing or the financing of proliferation of weapons of mass destruction”.

Amendment of section 17

12. In the PSPM Act, in section 17 —

(a) after subsection (1), insert —

“(1A) A regulated dealer must not, without reasonable excuse, submit a cash transaction report under subsection (1) that is incomplete or inaccurate.”; and

(b) in subsection (4), after “subsection (1),” insert “(1A),”.

Amendment of section 18

13. In the PSPM Act, in section 18 —

(a) after subsection (1), insert —

“(1A) A regulated dealer who becomes a former regulated dealer on or after the commencement date must continue to keep each of the documents and information mentioned in subsection (1), that were required to be kept by the regulated dealer, until the end of the prescribed period applicable to each of those documents and information.”;

(b) in subsections (3) and (4), after “regulated dealer”, insert “or former regulated dealer”; and

(c) replace subsection (5) with —

“(5) A regulated dealer or former regulated dealer who contravenes subsection (1), (3) or (4) (read with subsection (1A) where applicable) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000.

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(6) In this section —

“commencement date” means the date of commencement of section 13 of the Prevention of Proliferation Financing and Other Matters Act 2024;

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“former regulated dealer” means a regulated dealer who has ceased to carry on any business of regulated dealing or business as an intermediary in Singapore.”.

Amendment of section 19

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14. In the PSPM Act, in section 19 —

(a) in the section heading, replace “**and terrorism financing**” with “, **terrorism financing and financing of proliferation of weapons of mass destruction**”;

(b) in subsection (1), replace “and terrorism financing” with “, terrorism financing and the financing of proliferation of weapons of mass destruction”; and

20

(c) in subsection (2), replace paragraph (b) with —

“(b) be appropriate, having regard to —

(i) the risks of money laundering, terrorism financing and financing the proliferation of weapons of mass destruction; and

25

(ii) the size of the regulated dealer’s business.”.

30

Amendment of section 22

15. In the PSPM Act, in section 22 —

5 (a) in subsection (1)(a), replace “or terrorism financing” with
“, terrorism financing or financing the proliferation of
weapons of mass destruction”;

(b) in subsection (1)(b), replace “money laundering or
terrorism financing offence” with “relevant offence”;

(c) in subsection (1), replace paragraph (c) with —

10 “(c) it is necessary or expedient for the written
direction to be given for —

(i) the prevention of money laundering;

(ii) the prevention of terrorism financing;
or

15 (iii) the prevention of the financing of
proliferation of weapons of mass
destruction.”; and

(d) in subsection (2), replace paragraph (d) with —

20 “(d) at the regulated dealer’s own cost, to
appoint an auditor to carry out an audit of
the regulated dealer’s compliance with the
measures under this Act for —

(i) the prevention of money laundering;

(ii) the prevention of terrorism financing;
and

25 (iii) the prevention of the financing of
proliferation of weapons of mass
destruction,

30 including an audit of any matters that the
Registrar may specifically require for that
purpose;”.

Amendment of section 29

16. In the PSPM Act, in section 29(1)(a), replace “relating to the prevention of money laundering or terrorism financing;” with —

“relating to —

- (i) the prevention of money laundering; 5
- (ii) the prevention of terrorism financing; or
- (iii) the prevention of the financing of proliferation of weapons of mass destruction;”.

Amendment of section 35

17. In the PSPM Act, in section 35(1), replace paragraph (b) with — 10

“(b) to set out best practices —

- (i) for regulated dealers with respect to measures for —
 - (A) the prevention of money laundering; 15
 - (B) the prevention of terrorism financing; and
 - (C) the prevention of the financing of proliferation of weapons of mass destruction; and
- (ii) for giving effect to the relevant FATF Recommendations.”. 20

Amendment of section 36

18. In the PSPM Act, in section 36(a) —

- (a) in sub-paragraph (iv), replace “money laundering or terrorism financing offence” with “relevant offence”; and 25
- (b) in sub-paragraph (v), replace “relating to the prevention of money laundering and terrorism financing; or” with —

“relating to —

- (A) the prevention of money laundering; 30

- (B) the prevention of terrorism financing; or
- (C) the prevention of the financing of proliferation of weapons of mass destruction; or”.

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New sections 36A and 36B

19. In the PSPM Act, after section 36, insert —

“Service of documents

36A.—(1) Any document required or authorised by this Act to be served on any person may be served on the person —

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(a) in the case of an individual —

(i) by delivering it to the individual personally;

(ii) by leaving it with an adult person apparently resident at, or by sending it by prepaid registered post to, the usual or last known address of the individual’s place of residence;

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(iii) by leaving it with an adult person apparently employed at, or by sending it by prepaid registered post to, the usual or last known address of the individual’s place of business;

20

(iv) by affixing a copy of the notice in a conspicuous place at the usual or last known address of residence or business of the individual;

25

(v) by sending it by fax to the fax number operated at the usual or last known address of the individual’s place of residence or business, or the last fax number given to the Registrar by the individual as the fax number for the service of documents on the individual; or

30

(vi) subject to subsection (5) —

(A) by sending it by email to the individual’s last email address; or

- (B) by sending it by an internet-based messaging service to the individual's last contact address;
- (b) in the case of a partnership other than a limited liability partnership — 5
- (i) by delivering it to any one of the partners or the secretary or other similar officer of the partnership;
 - (ii) by leaving it at, or by sending it by prepaid registered post to, the partnership's principal or last known place of business in Singapore; 10
 - (iii) by sending it by fax to the fax number operated at the partnership's principal or last known place of business in Singapore; or
 - (iv) subject to subsection (5) — 15
 - (A) by sending it by email to the partnership's last email address; or
 - (B) by sending it by an internet-based messaging service to the partnership's last contact address; and 20
- (c) in the case of any limited liability partnership or any other body corporate —
- (i) by delivering it to the secretary or other similar officer of the body corporate or, in the case of a limited liability partnership, its manager; 25
 - (ii) by leaving it at, or by sending it by prepaid registered post to, the registered office or principal office of the limited liability partnership or body corporate in Singapore;
 - (iii) by sending it by fax to the fax number operated at the registered office or principal office of the limited liability partnership or body corporate in Singapore; or 30

(iv) subject to subsection (5) —

(A) by sending it by email to the limited liability partnership's or body corporate's last email address; or

5 (B) by sending it by an internet-based messaging service to the limited liability partnership's or body corporate's last contact address.

10 (2) Unless the contrary is proved, where any document required or authorised by this Act to be served is sent by a fax to the fax number operated at the last known place of residence or business or registered office or principal office in accordance with subsection (1), it is deemed to have been duly served on the person to whom it is addressed on the day of transmission, subject to receipt on the sending fax machine of a notification (by electronic or other means) of a successful transmission to the place of residence or business or registered office or principal office, as the case may be.

20 (3) Unless the contrary is proved, where any document required or authorised by this Act to be served is sent by prepaid registered post, it is deemed to have been duly served on the person to whom it is addressed 2 days after the day the document was posted.

25 (4) Unless the contrary is proved, where any document is sent by email or by an internet-based messaging service under subsection (1), service of the document takes effect at the time that the email or message becomes capable of being retrieved by the person to whom it is sent.

30 (5) Service of any document under this Act on a person by email or by an internet-based messaging service may be effected only —

(a) with the person's prior written consent to service in that way; and

(b) in a file format that the person has agreed to.

(6) This section does not apply to documents to be served in proceedings in court.

(7) In this section —

“document” includes a notice, an order and a direction;

“last contact address”, in relation to an internet-based messaging service, means — 5

(a) the last contact address, for receipt of messages through the internet-based messaging service, given by the addressee concerned to the person serving the document as the contact address for the service of the document; or 10

(b) the last contact address for receipt of messages through the internet-based messaging service, of the addressee concerned, known to the person serving the document; 15

“last email address” means —

(a) the last email address given by the addressee concerned to the person serving the document as the email address for the service of the document; or 20

(b) the last email address of the addressee concerned known to the person serving the document.

Electronic service

36B.—(1) The Registrar may — 25

(a) provide an electronic service for the service of any document that is required or authorised by this Act to be served on any person; and

(b) assign to any person an account with the electronic service. 30

(2) Despite section 36A, where a person has given consent for any document to be served on the person through the electronic service —

5 (a) the Registrar may serve the document on that person by transmitting an electronic record of the document to that person’s account with the electronic service; and

10 (b) the document is treated as having been served at the time when an electronic record of the document is capable of being retrieved by the person.

(3) In this section —

15 “account with the electronic service”, in relation to any person, means an account within the electronic service that is assigned by the Registrar to the person for the storage and retrieval of electronic records relating to the person;

“document” includes a notice, an order and a direction;

“electronic record” has the meaning given by section 2(1) of the Electronic Transactions Act 2010.”.

20 **Amendment of section 39**

20. In the PSPM Act, in section 39(2) —

25 (a) in paragraph (c), replace “and terrorism financing” with “, prevention of terrorism financing and prevention of the financing of proliferation of weapons of mass destruction,”;

(b) in paragraph (d), replace “and the period for which, and manner in which, the records must be kept” with “, the period and manner of keeping the records and the requirement to submit the records to the Registrar”; and

30 (c) after paragraph (e), insert —

“(ea) the procedure —

- (i) for the use of the electronic service mentioned in section 36B; and
- (ii) in circumstances where there is a breakdown or an interruption of the electronic service;”.

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PART 2

AMENDMENT OF LEGAL PROFESSION ACT 1966

Replacement of Part 5A heading

21. In the Legal Profession Act 1966, in Part 5A, replace the Part heading with —

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“PREVENTION OF MONEY LAUNDERING,
TERRORISM FINANCING AND FINANCING OF
PROLIFERATION OF WEAPONS OF
MASS DESTRUCTION”.

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Amendment of section 70A

22. In the Legal Profession Act 1966, in section 70A(1), replace “facilitate either or both money laundering and the financing of terrorism.” with —

“facilitate one or more of the following:

20

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

Amendment of section 70H

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23. In the Legal Profession Act 1966, in section 70H, in the section heading, replace “**and financing of terrorism**” with “**, terrorism financing and financing of proliferation of weapons of mass destruction**”.

PART 3

AMENDMENT OF MONEYLENDERS ACT 2008

Amendment of section 8

24. In the Moneylenders Act 2008, in section 8 —

5 (a) in subsection (1)(d), after sub-paragraph (ii), insert —

“(iia) has been convicted of an offence under any provision of any other written law relating to —

10 (A) the prevention of money laundering;

(B) the prevention of terrorism financing; or

15 (C) the prevention of the financing of proliferation of weapons of mass destruction;

(iib) has been convicted of an offence under the law of any foreign country or territory relating to —

20 (A) the prevention of money laundering;

(B) the prevention of terrorism financing; or

25 (C) the prevention of the financing of proliferation of weapons of mass destruction;”;

(b) in subsection (1)(h), replace “30 November 2018” with “the commencement date”;

(c) in subsection (1)(h), after sub-paragraph (ii), insert —

30 “(iia) been convicted of an offence under any provision of any other written law relating to —

(A) the prevention of money laundering;

(B) the prevention of terrorism financing; or

(C) the prevention of the financing of proliferation of weapons of mass destruction; 5

(iib) been convicted of an offence under the law of any foreign country or territory relating to — 10

(A) the prevention of money laundering;

(B) the prevention of terrorism financing; or

(C) the prevention of the financing of proliferation of weapons of mass destruction;” and 15

(d) after subsection (3), insert —

“(4) In subsection (1)(h), “commencement date” means the date of commencement of section 24 of the Prevention of Proliferation Financing and Other Matters Act 2024.”. 20

Amendment of section 13

25. In the Moneylenders Act 2008, in section 13 —

(a) in subsection (5), replace “30 November 2018” with “the commencement date”; 25

(b) in subsection (5), after paragraph (b), insert —

“(ba) has been convicted of an offence under any provision of any other written law relating to — 30

(i) the prevention of money laundering;

(ii) the prevention of terrorism financing;
or

(iii) the prevention of the financing of
proliferation of weapons of mass
destruction;

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(*bb*) has been convicted of an offence under the
law of any foreign country or territory
relating to —

(i) the prevention of money laundering;

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(ii) the prevention of terrorism financing;
or

(iii) the prevention of the financing of
proliferation of weapons of mass
destruction;” and

15

(*c*) after subsection (13), insert —

“(14) In subsection (5), “commencement date”
means the date of commencement of section 25 of
the Prevention of Proliferation Financing and Other
Matters Act 2024.”.

20

Amendment of section 14

26. In the Moneylenders Act 2008, in section 14 —

(*a*) in subsection (5), replace “30 November 2018” with “the
commencement date”;

(*b*) in subsection (5), after paragraph (*b*), insert —

25

“(*ba*) has been convicted of an offence under any
provision of any other written law relating
to —

(i) the prevention of money laundering;

30

(ii) the prevention of terrorism financing;
or

(iii) the prevention of the financing of proliferation of weapons of mass destruction;

(*bb*) has been convicted of an offence under the law of any foreign country or territory relating to — 5

(i) the prevention of money laundering;

(ii) the prevention of terrorism financing;
or

(iii) the prevention of the financing of proliferation of weapons of mass destruction;” and 10

(*c*) after subsection (14), insert —

“(15) In subsection (5), “commencement date” means the date of commencement of section 26 of the Prevention of Proliferation Financing and Other Matters Act 2024.”. 15

Amendment of section 17

27. In the Moneylenders Act 2008, in section 17 —

(*a*) in subsection (7), replace “30 November 2018” with “the commencement date”; 20

(*b*) in subsection (7), after paragraph (*b*), insert —

“(*ba*) has been convicted of an offence under any provision of any other written law relating to — 25

(i) the prevention of money laundering;

(ii) the prevention of terrorism financing;
or

(iii) the prevention of the financing of proliferation of weapons of mass destruction; 30

(*bb*) has been convicted of an offence under the law of any foreign country or territory relating to —

(i) the prevention of money laundering;

(ii) the prevention of terrorism financing; or

(iii) the prevention of the financing of proliferation of weapons of mass destruction;” and

(*c*) after subsection (17), insert —

“(18) In subsection (7), “commencement date” means the date of commencement of section 27 of the Prevention of Proliferation Financing and Other Matters Act 2024.”.

Amendment of section 93

28. In the Moneylenders Act 2008, in section 93(2), replace paragraph (*l*) with —

“(*l*) to provide for —

(i) the detection and prevention of money laundering;

(ii) the detection and prevention of terrorism financing; or

(iii) the detection and prevention of the financing of proliferation of weapons of mass destruction;

(*la*) to provide for the reporting of transactions suspected of involving money laundering, terrorism financing or the financing of proliferation of weapons of mass destruction;”.

PART 4

AMENDMENT OF PAWNBROKERS ACT 2015

Amendment of section 2

29. In the Pawnbrokers Act 2015, in section 2(2) —

(a) in paragraph (a), after sub-paragraph (iv), insert — 5

“(iva) it has been convicted of an offence under any provision of any other written law relating to —

(A) the prevention of money laundering; 10

(B) the prevention of terrorism financing; or

(C) the prevention of the financing of proliferation of weapons of mass destruction; 15

(ivb) it has been convicted of an offence under the law of any foreign country or territory relating to —

(A) the prevention of money laundering; 20

(B) the prevention of terrorism financing; or

(C) the prevention of the financing of proliferation of weapons of mass destruction;” and 25

(b) in paragraph (b), after sub-paragraph (iv), insert —

“(iva) the individual has been convicted of an offence under any provision of any other written law relating to —

(A) the prevention of money laundering; 30

(B) the prevention of terrorism financing; or

(C) the prevention of the financing of proliferation of weapons of mass destruction;

5

(ivb) the individual has been convicted of an offence under the law of any foreign country or territory relating to —

10

(A) the prevention of money laundering;

(B) the prevention of terrorism financing; or

15

(C) the prevention of the financing of proliferation of weapons of mass destruction.”.

Replacement of Part 5 heading

30. In the Pawnbrokers Act 2015, in Part 5, replace the Part heading with —

20

“PREVENTION OF MONEY LAUNDERING,
TERRORISM FINANCING AND FINANCING OF
PROLIFERATION OF WEAPONS OF
MASS DESTRUCTION”.

Amendment of section 74

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31. In the Pawnbrokers Act 2015, in section 74 —

(a) in the section heading, replace “**and terrorism financing**” with “**, terrorism financing and financing of proliferation of weapons of mass destruction**”;

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(b) in subsection (1), replace “and terrorism financing” with “**, terrorism financing and the financing of proliferation of weapons of mass destruction**”;

- (c) in subsection (2)(a) and (c), replace “money laundering and terrorism financing risks” with “risks of money laundering, terrorism financing and financing the proliferation of weapons of mass destruction,”;
- (d) in subsection (3), replace “to the risk of money laundering and terrorism financing and the size of the pawnbroker’s business.” with — 5
“to —
(a) the risks of money laundering, terrorism financing and financing the proliferation of weapons of mass destruction; and 10
(b) the size of the pawnbroker’s business.”;
- (e) in subsection (4), replace “and terrorism financing” with “, terrorism financing and the financing of proliferation of weapons of mass destruction”; 15
- (f) in subsection (4)(e), replace “and terrorism financing” with “, terrorism financing and the financing of proliferation of weapons of mass destruction”; and
- (g) in subsection (5), replace “or terrorism financing” with “, prevention of terrorism financing or prevention of the financing of proliferation of weapons of mass destruction,”. 20

Amendment of section 83

- 32.** In the Pawnbrokers Act 2015, in section 83(1), replace paragraph (h) with — 25
“(h) to provide for the prevention of money laundering, terrorism financing and the financing of proliferation of weapons of mass destruction;
(ha) to provide for the reporting of transactions that may involve money laundering, terrorism financing or the financing of proliferation of weapons of mass destruction;”. 30

Amendment of Third Schedule

33. In the Pawnbrokers Act 2015, in the Third Schedule —

(a) replace the Schedule heading with —

“MEASURES FOR PREVENTION OF
MONEY LAUNDERING, TERRORISM FINANCING
AND FINANCING OF PROLIFERATION OF
WEAPONS OF MASS DESTRUCTION”;

(b) in paragraph 1(1), in the definitions of “precious metal”, “precious product” and “precious stone”, replace “Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Act 2019” with “Precious Stones and Precious Metals (Prevention of Money Laundering, Terrorism Financing and Proliferation Financing) Act 2019”;

(c) in paragraph 2(1)(c) and (3)(a), replace “or terrorism financing” with “, terrorism financing or the financing of proliferation of weapons of mass destruction”;

(d) in paragraph 3(5), replace “and terrorism financing” with “, terrorism financing and financing the proliferation of weapons of mass destruction”;

(e) in paragraph 6(4)(b) and (c), replace “and terrorism financing” with “, prevention of terrorism financing and prevention of the financing of proliferation of weapons of mass destruction,”;

(f) in paragraph 8(2)(b)(i), replace “and terrorism financing” with “, prevention of terrorism financing and prevention of the financing of proliferation of weapons of mass destruction,”;

(g) in paragraph 9(1)(c)(ii) and (d), (2)(c)(ii) and (d) and (3), replace “a high risk of money laundering or terrorism financing” with “a high risk of money laundering, terrorism financing or financing the proliferation of weapons of mass destruction”;

- (h) in paragraph 9(3)(b), replace “or terrorism financing” with “, terrorism financing or the financing of proliferation of weapons of mass destruction”;
- (i) in paragraph 10(1)(a), replace “and terrorism financing” with “, terrorism financing and financing the proliferation of weapons of mass destruction”;
- (j) in paragraph 10(2), replace sub-paragraph (b) with —
 “(b) the risks of money laundering, terrorism financing and financing the proliferation of weapons of mass destruction are high; or”;
- (k) in paragraph 13, replace “or terrorism financing” with “, terrorism financing or financing the proliferation of weapons of mass destruction”; and
- (l) in paragraph 17(a), replace “money laundering or terrorism financing risks” with “risks of money laundering, terrorism financing and financing the proliferation of weapons of mass destruction,”.

PART 5

CONSEQUENTIAL AMENDMENTS TO CORRUPTION, DRUG TRAFFICKING AND OTHER SERIOUS CRIMES (CONFISCATION OF BENEFITS) ACT 1992

Consequential amendments to Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992

34. In the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992, in sections 5(1)(a)(vi) and 48(1)(f), replace “Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Act 2019” with “Precious Stones and Precious Metals (Prevention of Money Laundering, Terrorism Financing and Proliferation Financing) Act 2019”.

PART 6

SAVING AND TRANSITIONAL PROVISIONS

Saving and transitional provisions

35.—(1) Despite section 4(*b*) —

5 (*a*) a person that, immediately before the date of commencement of section 4(*b*), is a registered dealer under the PSPM Act carrying on —

 (i) the business of regulated dealing only in respect of digital payment tokens; or

10 (ii) business as an intermediary for regulated dealing only in respect of digital payment tokens,

continues to be registered until the person's registration under that Act expires or is cancelled; and

15 (*b*) any obligation or liability imposed or incurred before the date of commencement of section 4(*b*) in relation to any regulated dealing under the PSPM Act in respect of digital payment tokens or a designated transaction in respect of digital payment tokens is not affected.

(2) A person who —

20 (*a*) immediately before the date of commencement of section 4(*f*), was not a regulated dealer under the PSPM Act; and

25 (*b*) on or after the date of commencement of section 4(*f*), by reason of that section, becomes a regulated dealer under that Act,

may, on or after the date of commencement of section 4(*f*), act as or hold out to be a regulated dealer under that Act without being registered as a registered dealer until the earliest of the following events:

30 (*c*) the person is registered as a registered dealer under the PSPM Act;

 (*d*) the person is exempted from section 6 of the PSPM Act;

(e) 6 months after the date of commencement of section 4(f).

(3) For a period of 2 years after the date of commencement of any provision of this Act, the Minister may, by regulations, prescribe such additional provisions of a saving or transitional nature consequent on the enactment of that provision as the Minister may consider necessary or expedient.

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(4) In this section, “digital payment tokens” means digital payment tokens within the meaning of the Payment Services Act 2019.

EXPLANATORY STATEMENT

This Bill seeks to amend the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Act 2019, the Legal Profession Act 1966, the Moneylenders Act 2008 and the Pawnbrokers Act 2015 to provide for the prevention of the financing of proliferation of weapons of mass destruction. This arises from new requirements introduced by the Financial Action Task Force (FATF) in October 2020 for member states and reporting entities to assess the risk of proliferation financing in relation to their business and to take measures to mitigate the assessed risk.

The Bill also makes other amendments to the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Act 2019, and makes consequential amendments to the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992.

Part 1 (clauses 2 to 20) sets out the amendments to the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Act 2019 (the PSPM Act).

Part 2 (clauses 21, 22 and 23) sets out the amendments to the Legal Profession Act 1966 (the Legal Profession Act).

Part 3 (clauses 24 to 28) sets out the amendments to the Moneylenders Act 2008 (the Moneylenders Act).

Part 4 (clauses 29 to 33) sets out the amendments to the Pawnbrokers Act 2015 (the Pawnbrokers Act).

Part 5 (clause 34) sets out the consequential amendments to the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992.

Part 6 (clause 35) provides for saving and transitional provisions.

Clause 1 relates to the short title and commencement.

PART 1

AMENDMENT OF
PRECIOUS STONES AND PRECIOUS METALS
(PREVENTION OF MONEY LAUNDERING AND
TERRORISM FINANCING) ACT 2019

Clause 2 amends the long title to the PSPM Act to insert preventing the financing of proliferation of weapons of mass destruction.

Clause 3 amends section 1 to insert prevention of proliferation financing as part of the short title to the PSPM Act.

Clause 4 amends section 2 to insert a new definition of “compliance officer”; to amend the existing definitions of “asset-backed token”, “FATF Recommendations” and “precious product”; and to replace the definition of “money laundering or terrorism financing offence” with “relevant offence”.

Clause 5 amends section 3 to expand the purpose of the PSPM Act to include combating the financing of proliferation of weapons of mass destruction. The clause also amends paragraph (b) to specify prescribing measures to prevent regulated dealing from being used to facilitate the financing of proliferation of weapons of mass destruction as a means to achieve this purpose.

Clause 6 amends section 8 to insert a compliance officer (defined in the amended section 2) of an applicant as a new individual under subsection (1)(d)(ii). The amendment empowers the Registrar of Regulated Dealers (the Registrar) to refuse to grant or renew an applicant’s registration under subsection (1) where the applicant has a compliance officer who, in the Registrar’s opinion, is not a fit and proper person.

The clause also amends subsection (2) to insert additional matters which the Registrar must have regard to, and give the weight he or she considers appropriate to, for the purpose of determining whether or not any person is a fit and proper person under Part 2 of the PSPM Act. These matters are —

- (a) whether the person has been convicted, whether before, on or after the commencement date of clause 6, of —
 - (i) any provision of any other written law relating to the prevention of the financing of proliferation of weapons of mass destruction; or
 - (ii) the law of any foreign country or territory relating to the prevention of the financing of proliferation of weapons of mass destruction; and
- (b) the person’s record of compliance with requirements for the prevention of the financing of proliferation of weapons of mass destruction to

which the person is subject under the PSPM Act or any other written law or the law of any foreign country or territory.

The clause also inserts a new subsection (4) which inserts a new definition of “commencement date”.

Clause 7 inserts a new section 9A to provide that the registration of a registered dealer lapses —

- (a) when the registered dealer (being an entity) is wound up or otherwise dissolved, whether in Singapore or elsewhere; or
- (b) when the registered dealer (being an individual who is a sole proprietor) dies.

Clause 8 amends section 10 to insert a new subsection (1)(*ea*) to add a new matter in respect of which the Registrar may cancel the registration of a registered dealer, or suspend the registration for a period not exceeding 6 months, if the Registrar is satisfied of the matter. This matter is where the registered dealer has displayed, advertised, stated or otherwise used its registration in a manner which the registered dealer knows, or has reason to believe, is likely to create an erroneous impression that the Registrar regulates the registered dealer for any purpose other than —

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

The clause also inserts a new subsection (1A) to provide that for the purposes of subsection (1)(*d*), the Registrar may have regard to anything that the Registrar thinks relevant in determining whether a registered dealer is carrying on the business of regulated dealing or business as an intermediary in Singapore, including the occurrence of any event, or whether there exists any circumstances, that may be prescribed.

Finally, the clause inserts a new subsection (4) to provide that any proceedings started under section 10 against a registered dealer may continue, and the Registrar may exercise the power under subsection (2) against that dealer, despite the expiry of the registered dealer’s registration.

Clause 9 amends section 11 to apply the provisions to a former registered dealer and to clarify that subsection (5) relates to cancellation or suspension of registration under section 10(1).

Clause 10 replaces the heading of Part 3 to insert prevention of financing of proliferation of weapons of mass destruction as part of the heading.

Clause 11 amends section 16 to insert in subsection (1)(b) a new circumstance in which a regulated dealer must perform the prescribed customer due diligence measures, namely where the regulated dealer has reason to suspect the financing of proliferation of weapons of mass destruction.

The clause also amends subsection (4)(a) to insert a new situation in which a regulated dealer may choose not to perform or to complete any prescribed customer due diligence measure that the regulated dealer is required by section 16 to perform if the regulated dealer has reason to believe that performing the measure will tip off the customer or any other person, namely if the regulated dealer has reason to suspect that a designated transaction relates to the financing of proliferation of weapons of mass destruction.

Clause 12 amends section 17 to insert a new subsection (1A) to provide that a regulated dealer must not, without reasonable excuse, submit a cash transaction report under subsection (1) that is incomplete or inaccurate.

The clause also amends subsection (4) to provide that a regulated dealer who fails to comply with the new subsection (1A) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$20,000 or to imprisonment for a term not exceeding 2 years or to both.

Clause 13 amends section 18 to insert a new subsection (1A) to provide that a regulated dealer who becomes a former regulated dealer (defined in the new subsection (6)) on or after the commencement date of clause 13 must continue to keep each of the documents and information mentioned in section 18(1), that were required to be kept by the regulated dealer, until the end of the prescribed period applicable to each of those documents and information.

The clause also makes consequential amendments to subsections (3) and (4) arising from the new subsection (1A), and replaces subsection (5) to additionally provide that a former regulated dealer who contravenes subsection (1), (3) or (4) (read with the new subsection (1A) where applicable) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000.

The clause also inserts a new subsection (6) to insert new definitions of “commencement date” and “former regulated dealer”.

Clause 14 amends section 19 to insert programmes and measures to prevent financing of proliferation of weapons of mass destruction as part of the section heading. The clause also amends subsection (1) to provide a new requirement that a regulated dealer must, in relation to the regulated dealer’s business of regulated dealing or business as an intermediary for regulated dealing, implement adequate programmes and measures to prevent the financing of proliferation of weapons of mass destruction.

Finally, the clause amends subsection (2)(b) to add a further requirement that the types and extent of the measures to be taken under the amended subsection (1)

must be appropriate, having regard to the risk of financing the proliferation of weapons of mass destruction.

Clause 15 amends section 22 to insert additional situations under subsection (1) where the Registrar may give a written direction mentioned in subsection (2) to a regulated dealer in respect of that part of the regulated dealer's business of regulated dealing or business as an intermediary for regulated dealing conducted in Singapore, namely where the Registrar considers that —

- (a) the regulated dealer has carried on or is carrying on business in a manner that carries a risk of financing the proliferation of weapons of mass destruction;
- (b) any of the following offences is being committed:
 - (i) an offence under any provision of any other written law relating to the prevention of the financing of proliferation of weapons of mass destruction;
 - (ii) an offence under the law of any foreign country or territory relating to the prevention of the financing of proliferation of weapons of mass destruction; or
- (c) it is necessary or expedient for the written direction to be given for the prevention of the financing of proliferation of weapons of mass destruction.

The clause also replaces subsection (2)(d) to add that the Registrar may give a written direction to require a regulated dealer at the regulated dealer's own cost, to appoint an auditor to carry out an audit of the regulated dealer's compliance with the measures under the PSPM Act for the prevention of the financing of proliferation of weapons of mass destruction, including an audit of any matters that the Registrar may specifically require for that purpose.

Clause 16 amends section 29(1)(a) to insert a new situation where the Registrar may disclose any information or document obtained in the exercise of his or her functions under the PSPM Act to a corresponding authority of a foreign country or territory, namely if the Registrar is satisfied that the information or document is relevant to enable the corresponding authority to carry out any supervision, investigation or enforcement under any law in that country or territory relating to the prevention of the financing of proliferation of weapons of mass destruction.

Clause 17 amends section 35(1) to replace paragraph (b) to add that the Registrar may issue, approve, amend or revoke one or more codes of practice, guidelines or standards of performance to set out best practices for regulated dealers with respect to measures for the prevention of the financing of proliferation of weapons of mass destruction.

Clause 18 amends section 36(a) to add that the Registrar may publish the following additional information relating to any regulated dealer where the Registrar considers it necessary or expedient in the interest of the public:

- (a) any criminal proceedings against a regulated dealer for —
 - (i) an offence under any provision of any other written law relating to the prevention of the financing of proliferation of weapons of mass destruction; or
 - (ii) an offence under the law of any foreign country or territory relating to the prevention of the financing of proliferation of weapons of mass destruction;
- (b) any regulatory action or civil or criminal proceedings against a regulated dealer under the law of a foreign country or territory for a contravention of any law relating to the prevention of the financing of proliferation of weapons of mass destruction.

Clause 19 inserts new sections 36A and 36B. The new section 36A relates to the service of documents. The new subsection (1) provides the methods by which any document (defined in the new subsection (7)) required or authorised by the PSPM Act to be served on any person may be served on an individual, a partnership other than a limited liability partnership, and any limited liability partnership or any other body corporate.

The new subsection (2) provides when a document required or authorised by the PSPM Act to be served that is sent by a fax is deemed to have been duly served on the person to whom it is addressed.

The new subsection (3) provides when a document required or authorised by the PSPM Act to be served that is sent by prepaid registered post is deemed to have been duly served on the person to whom it is addressed.

The new subsection (4) provides that service of a document sent by email or by an internet-based messaging service under subsection (1) takes effect at the time it becomes capable of being retrieved by the person to whom it is sent, unless the contrary is proved.

The new subsection (5) provides that service of any document under the PSPM Act on a person by email or by an internet-based messaging service may be effected only —

- (a) with the person's prior written consent to service in that way; and
- (b) in a file format that the person has agreed to.

The new subsection (6) provides that the new section 36A does not apply to documents to be served in proceedings in court.

Finally, the new subsection (7) inserts new definitions of “document”, “last contact address” and “last email address”.

The new section 36B relates to electronic service. The new subsection (1) empowers the Registrar to —

- (a) provide an electronic service for the service of any document (defined in the new subsection (3)) that is required or authorised by the PSPM Act to be served on any person; and
- (b) assign to any person an account with the electronic service (defined in the new subsection (3)).

The new subsection (2) provides that despite section 36A, where a person has given consent for any document to be served on the person through the electronic service —

- (a) the Registrar may serve the document on that person by transmitting an electronic record (defined in the new subsection (3)) of the document to that person’s account with the electronic service; and
- (b) the document is treated as having been served at the time when an electronic record of the document is capable of being retrieved by the person.

Finally, the new subsection (3) inserts new definitions of “account with the electronic service”, “document” and “electronic record”.

Clause 20 amends section 39(2) to insert the following additional matters which the Minister may make regulations for or with respect to:

- (a) under the amended paragraph (c) — measures for prevention of the financing of proliferation of weapons of mass destruction;
- (b) under the amended paragraph (d) — the requirement to submit records to be kept under the amended paragraph (d) to the Registrar;
- (c) under the new paragraph (ea) — the procedure —
 - (i) for the use of the electronic service mentioned in the new section 36B; and
 - (ii) in circumstances where there is a breakdown or an interruption of the electronic service.

PART 2

AMENDMENT OF LEGAL PROFESSION ACT 1966

Clause 21 replaces the heading of Part 5A to include prevention of financing of proliferation of weapons of mass destruction as part of the heading.

Clause 22 amends section 70A(1) to additionally provide that Part 5A also relates to the measures which a legal practitioner or law practice must take, when preparing for or carrying out any transaction concerning a relevant matter, to prevent the transaction from being used to facilitate the financing of proliferation of weapons of mass destruction.

Clause 23 amends the section heading of section 70H to include rules for the prevention of financing of proliferation of weapons of mass destruction as part of the section heading.

PART 3

AMENDMENT OF MONEYLENDERS ACT 2008

Clause 24 amends section 8 to add new grounds on which the Registrar of Moneylenders may refuse to issue or renew a licence, namely —

- (a) under the amended subsection (1)(d) — if the applicant, any director or substantial shareholder of the applicant, or any person who is or will be responsible for the management of the applicant's business of moneylending, has been convicted of an offence under —
 - (i) any provision of any other written law relating to the prevention of money laundering, the prevention of terrorism financing or the prevention of the financing of proliferation of weapons of mass destruction; or
 - (ii) the law of any foreign country or territory relating to those matters; and
- (b) under the amended subsection (1)(h) — if any assistant employed or engaged, or proposed to be employed or engaged, by the applicant has, whether before, on or after the commencement date of clause 24, been convicted of an offence under the same laws mentioned in the amended subsection (1)(d).

The clause also inserts a new subsection (4) which inserts a new definition of “commencement date”.

Clause 25 amends section 13(5) to add new grounds on which the Registrar of Moneylenders may refuse to approve any person as an assistant to be employed or engaged by a licensee, namely if the person whether before, on or after the date of commencement of clause 25 has been convicted of an offence under —

- (a) any provision of any other written law relating to the prevention of money laundering, the prevention of terrorism financing or the prevention of the financing of proliferation of weapons of mass destruction; or

(b) the law of any foreign country or territory relating to those matters.

The clause also inserts a new subsection (14) which inserts a new definition of “commencement date”.

Clause 26 amends section 14(5) to add new grounds on which the Registrar of Moneylenders may refuse to grant approval for a person to take part (whether directly or indirectly) in the management of the licensee’s business of moneylending or become a director of the licensee, namely if the person has before, on or after the commencement date of clause 26, been convicted of an offence under —

(a) any provision of any other written law relating to the prevention of money laundering, the prevention of terrorism financing or the prevention of the financing of proliferation of weapons of mass destruction; or

(b) the law of any foreign country or territory relating to those matters.

The clause also inserts a new subsection (15) which inserts a new definition of “commencement date”.

Clause 27 amends section 17(7) to add new grounds on which the Registrar of Moneylenders may refuse to grant approval for a person to become a substantial shareholder of a licensee, namely if the person has before, on or after the commencement date of clause 27, been convicted of an offence under —

(a) any provision of any other written law relating to the prevention of money laundering, the prevention of terrorism financing or the prevention of the financing of proliferation of weapons of mass destruction; or

(b) the law of any foreign country or territory relating to those matters.

The clause also inserts a new subsection (18) which inserts a new definition of “commencement date”.

Clause 28 amends section 93(2) to insert the following additional matters for which the Minister may make rules:

(a) under the amended paragraph (1)(iii) — to provide for the detection and prevention of the financing of proliferation of weapons of mass destruction;

(b) under the new paragraph (1a) — to provide for the reporting of transactions suspected of involving the financing of proliferation of weapons of mass destruction.

PART 4

AMENDMENT OF PAWNBROKERS ACT 2015

Clause 29 amends section 2(2) to provide that —

- (a) under the amended paragraph (a) — an entity is additionally a disqualified person if it has been convicted of an offence under —
 - (i) any provision of any other written law relating to the prevention of money laundering, the prevention of terrorism financing or the prevention of the financing of proliferation of weapons of mass destruction; or
 - (ii) the law of any foreign country or territory relating to those matters; and
- (b) under the amended paragraph (b) — an individual is additionally a disqualified person if the individual has been convicted of an offence under —
 - (i) any provision of any other written law relating to the prevention of money laundering, the prevention of terrorism financing or the prevention of the financing of proliferation of weapons of mass destruction; or
 - (ii) the law of any foreign country or territory relating to those matters.

Clause 30 replaces the heading of Part 5 to include prevention of financing of proliferation of weapons of mass destruction.

Clause 31 amends section 74 to amend the section heading to include programmes and measures to prevent financing of proliferation of weapons of mass destruction.

The clause amends subsection (1) to require a pawnbroker to additionally implement adequate programmes and measures to prevent the financing of proliferation of weapons of mass destruction.

The clause amends subsection (2) to impose the following additional requirements on a pawnbroker:

- (a) under the amended paragraph (a) — take appropriate steps to identify, assess and understand the risk of financing the proliferation of weapons of mass destruction in relation to the pawners, countries or jurisdictions, and products, services, transactions and delivery channels mentioned in sub-paragraphs (i) to (iv);
- (b) under the amended paragraph (c) — develop and implement internal policies, procedures and controls, which must be approved by its

senior management, to manage and effectively mitigate the risk of financing the proliferation of weapons of mass destruction identified by the pawnbroker or notified to the pawnbroker by the Registrar of Pawnbrokers.

The clause also amends subsection (3) to impose an additional requirement that the type and extent of the measures to be taken under the amended subsections (1) and (2) must be appropriate, having regard to the risk of financing the proliferation of weapons of mass destruction.

The clause further amends subsection (4) to also impose an additional requirement that where a pawnbroker which is a company incorporated in Singapore and has a branch or subsidiary, whether in Singapore or elsewhere, the pawnbroker must develop and implement a group-level programme to prevent the financing of proliferation of weapons of mass destruction. Arising from this amendment to subsection (4), paragraph (e) of subsection (4) is amended to additionally require that the programme must include policies and procedures for providing and sharing information required for the purposes of customer due diligence measures under Part 2 of the Third Schedule and generally for the management of risks relating to the financing of proliferation of weapons of mass destruction.

Finally, the clause amends subsection (5) to additionally include a pawnbroker mentioned in subsection (4) which has a branch or subsidiary in a country or territory outside Singapore that has laws for the prevention of the financing of proliferation of weapons of mass destruction that differ from those in Singapore. The pawnbroker must also comply with the requirements in paragraphs (a) and (b) of subsection (5).

Clause 32 amends section 83(1) to insert the following additional matters for which the Minister may make rules:

- (a) under the amended paragraph (h) — to provide for the prevention of the financing of proliferation of weapons of mass destruction;
- (b) under the new paragraph (ha) — to provide for the reporting of transactions that may involve the financing of proliferation of weapons of mass destruction.

Clause 33 amends the Third Schedule to replace the Schedule heading to include measures for prevention of financing of proliferation of weapons of mass destruction.

The clause makes a consequential amendment to the definitions of “precious metal”, “precious product” and “precious stone” in paragraph 1(1) to refer to the short title to the PSPM Act as amended by clause 3, namely the Precious Stones and Precious Metals (Prevention of Money Laundering, Terrorism Financing and Proliferation Financing) Act 2019.

The clause amends paragraph 2 to insert —

- (a) under the amended sub-paragraph (1)(c) — a new circumstance in which a pawnbroker must perform the customer due diligence measures specified in paragraph 3, namely where the pawnbroker has reason to suspect the financing of proliferation of weapons of mass destruction; and
- (b) under the amended sub-paragraph (3)(a) — a new situation in which a pawnbroker may choose not to perform or complete performing any measure that the pawnbroker is required to perform under Part 2 of the Third Schedule if the pawnbroker has reason to believe that performing the measure will tip off the pawner, the customer or any other person; namely if the pawnbroker has reason to suspect that a transaction relates to the financing of proliferation of weapons of mass destruction.

The clause amends paragraph 3(5) to specify a new situation in which a pawnbroker need not perform the measures in paragraph 3(2), (3) and (4) in a face-to-face meeting with the pawner or customer, namely where the pawnbroker assesses that the risk of financing the proliferation of weapons of mass destruction is low.

The clause further amends paragraph 6(4)(b) and (c) to insert additional situations where a pawnbroker need not identify each beneficial owner of the legal person. These are where the legal person is —

- (a) under the amended sub-paragraph (b) — a financial institution that is subject to and supervised for compliance with requirements for the prevention of the financing of proliferation of weapons of mass destruction 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
- (b) under the amended sub-paragraph (c) — a financial institution incorporated or established outside Singapore that is subject to and supervised for compliance with requirements for the prevention of the financing of proliferation of weapons of mass destruction consistent with standards set by the FATF.

The clause further amends paragraph 8(2)(b)(i) to specify an additional requirement that the Registrar of Pawnbrokers must be satisfied that a third party is subject to and supervised for compliance with requirements for the prevention of the financing of proliferation of weapons of mass destruction consistent with standards set by the FATF. If the Registrar of Pawnbrokers is so satisfied, the Registrar of Pawnbrokers need not refuse written approval for a pawnbroker to rely on the third party to perform the customer due diligence measures that the pawnbroker is required to perform under paragraphs 4, 5 and 6.

The clause also amends paragraph 9 to specify additional situations where a pawnbroker must perform enhanced customer due diligence measures. These are if —

- (a) under the amended sub-paragraph (1)(c)(ii) — the Registrar of Pawnbrokers has notified the pawnbroker that the pawner, a person on whose behalf the pawner is acting or a beneficial owner of the person, in any relevant loan is, or the relevant loan is, a person or a loan that presents a high risk of financing the proliferation of weapons of mass destruction;
- (b) under the amended sub-paragraph (1)(d) — the pawnbroker has reason to believe that the pawner, a person on whose behalf the pawner is acting, a beneficial owner of the person, or the relevant loan referred to in paragraph 2(1)(a), may present a high risk of financing the proliferation of weapons of mass destruction;
- (c) under the amended sub-paragraph (2)(c)(ii) — the Registrar of Pawnbrokers has notified the pawnbroker that the customer, a person on whose behalf the customer is acting or a beneficial owner of the person, in any relevant transaction is, or the relevant transaction is, a person or a transaction that presents a high risk of financing the proliferation of weapons of mass destruction; or
- (d) under the amended sub-paragraph (2)(d) — the pawnbroker has reason to believe that the customer, the person on whose behalf the customer is acting, a beneficial owner of the person, or the relevant transaction, may present a high risk of financing the proliferation of weapons of mass destruction.

The clause also amends sub-paragraph (3) to additionally provide that for the purpose of determining whether a person mentioned in sub-paragraph (1)(d) or (2)(d) may present a high risk of financing the proliferation of weapons of mass destruction, the pawnbroker must consider whether that person is a resident of or originates from any foreign country or territory mentioned in sub-paragraph (a) or (b). Arising from this amendment, the clause also amends sub-paragraph (3)(b) to also include a foreign country or territory which the Registrar of Pawnbrokers has notified the pawnbroker to be a foreign country or territory with inadequate measures to prevent the financing of proliferation of weapons of mass destruction.

The clause also amends paragraph 10 to additionally specify a situation —

- (a) under the amended sub-paragraph (1)(a) — in which a pawnbroker may perform simplified customer due diligence measures proposed by the pawnbroker, namely where the pawnbroker has assessed that the risk of financing the proliferation of weapons of mass destruction is low; and

- (b) under the amended sub-paragraph (2)(b) — in which the Registrar of Pawnbrokers must not grant written approval under sub-paragraph (1) for a pawnbroker to perform simplified customer due diligence measures proposed by the pawnbroker, namely where the Registrar of Pawnbrokers is of the view that the risk of financing the proliferation of weapons of mass destruction is high.

The clause further amends paragraph 13 to require a pawnbroker, from time to time, to review the information and documents obtained as a result of measures taken under Part 2 of the Third Schedule, particularly in cases where there is a higher risk of financing the proliferation of weapons of mass destruction.

Finally, the clause amends paragraph 17(a) which additionally requires a pawnbroker, before it launches a new product or a new business practice or uses a new or developing technology, to identify and assess the risk of financing the proliferation of weapons of mass destruction that may arise in relation to the product, business practice or technology.

PART 5

CONSEQUENTIAL AMENDMENTS TO CORRUPTION, DRUG TRAFFICKING AND OTHER SERIOUS CRIMES (CONFISCATION OF BENEFITS) ACT 1992

Clause 34 makes consequential amendments to sections 5(1)(a)(vi) and 48(1)(f) of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 to refer to the short title to the PSPM Act as amended by clause 3, namely the Precious Stones and Precious Metals (Prevention of Money Laundering, Terrorism Financing and Proliferation Financing) Act 2019.

PART 6

SAVING AND TRANSITIONAL PROVISIONS

Clause 35 provides for saving and transitional provisions. The clause further empowers the Minister to make regulations to prescribe additional provisions of a saving or transitional nature consequent on the enactment of any provision of the Bill, as the Minister may consider necessary or expedient. The Minister has power to do so only within 2 years after the date of commencement of the provision.

EXPENDITURE OF PUBLIC MONEY

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