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CASINO CONTROL ACT
(CHAPTER 33A)

CASINO CONTROL
(PREVENTION OF MONEY LAUNDERING
AND TERRORISM FINANCING)
(AMENDMENT) REGULATIONS 2015

In exercise of the powers conferred by section 200 of the Casino Control Act, the Casino Regulatory Authority of Singapore, with the approval of the Minister for Home Affairs, makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Casino Control (Prevention of Money Laundering and Terrorism Financing) (Amendment) Regulations 2015 and come into operation on 2 June 2015.

Amendment of regulation 2

2. Regulation 2 of the Casino Control (Prevention of Money Laundering and Terrorism Financing) Regulations 2009 (G.N. No. S 507/2009) (referred to in these Regulations as the principal Regulations) is amended —

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

“ “branch office”, in relation to a casino operator, means a place (other than any part of the casino operator’s casino in Singapore), whether in Singapore or elsewhere, that offers all or any of the following services in relation to the casino operator:

(a) the processing of an application to open a deposit account;

(b) the receipt of an application for a credit line;

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- (c) the receipt from a patron of any deposit or any payment for an amount owed to the casino operator;
- (d) the processing of a patron's request to make a withdrawal, by way of cheque or electronic funds transfer, from the patron's deposit account;"
- (b) by inserting, immediately after the definition of "foreign country", the following definition:
- " "higher-risk patron" means a patron, or a beneficial owner of a patron account, who presents a higher risk of money laundering and terrorism financing, or is a politically-exposed person;"
- (c) by inserting, immediately after paragraph (g) of the definition of "identifying information", the following paragraphs:
- "(h) occupation, for an individual, or ordinary course of business, for a body corporate or unincorporate;
- (i) such other information as the Authority may specify in writing in any particular case;"
- (d) by inserting, immediately after the definition of "identifying information", the following definition:
- " "immediate family member", in relation to an individual, means a spouse, a child, an adopted child, a stepchild, a sibling, an adopted sibling, a stepsibling, a parent or a step-parent of the individual;" and
- (e) by inserting, immediately after the definition of "patron account", the following definitions:
- " "politically-exposed person" means —
- (a) an individual who has been entrusted with any prominent public function —
- (i) in Singapore or in a foreign country; or
- (ii) in an international organisation;
- (b) an immediate family member of an individual referred to in paragraph (a); or

(c) an individual who is a close associate (in a personal or professional capacity) of an individual referred to in paragraph (a);

“prominent public function” includes the role held by a head of state, a head of government, a government minister, a senior public servant, a senior judicial or military official, a senior executive of a state-owned corporation or an international organisation, a member of the legislature or a senior official of a political party;”.

Amendment of regulation 3

3. Regulation 3(6) of the principal Regulations is amended by inserting, immediately after the words “cash received” in paragraph (c) of the definition of “cash in”, the words “(whether at the casino or at a branch office of the casino operator)”.

Amendment of regulation 4

4. Regulation 4 of the principal Regulations is amended —

- (a) by deleting the word “and” at the end of paragraph (a)(iii);
- (b) by deleting the full-stop at the end of paragraph (b) and substituting a semi-colon, and by inserting immediately thereafter the following paragraph:

“(c) any transaction (including, but not limited to, the opening of a patron account) which the casino operator has reasonable grounds to suspect —

- (i) is for the purpose of dealing in the proceeds of any relevant offence;
- (ii) is a cash transaction that uses the proceeds of any relevant offence; or
- (iii) involves the custody or control of any funds or other assets that are the proceeds of any relevant offence.”; and

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- (c) by renumbering the regulation as paragraph (1) of that regulation, and by inserting immediately thereafter the following paragraph:

“(2) In this regulation, “relevant offence” means —

- (a) a drug dealing offence or serious offence as defined in section 2(1) of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A); or
- (b) a terrorism financing offence as defined in section 2(1) of the Terrorism (Suppression of Financing) Act (Cap. 325).”.

Deletion of regulation 6

5. Regulation 6 of the principal Regulations is deleted.

Amendment of regulation 8

6. Regulation 8(2) of the principal Regulations is amended —

- (a) by inserting, immediately after the words “at the minimum,”, the words “all of”; and
- (b) by deleting the word “and” at the end of sub-paragraph (c), and by inserting immediately thereafter the following sub-paragraph:

“(ca) the type and purpose of the patron account;”.

Amendment of regulation 13

7. Regulation 13 of the principal Regulations is amended —

- (a) by inserting, immediately after the words “his income” in paragraph (1), the words “and risk”;
- (b) by inserting, immediately after paragraph (1), the following paragraph:

“(1A) In determining whether to investigate any particular transaction or series of transactions in a patron account, a casino operator must have regard to the risk of money laundering and terrorism financing that the casino operator assesses the transaction or series of transactions, and the patron or the beneficial owner of that patron account, to present.”;

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- (c) by deleting the words “, particularly for categories of patrons that the casino operators may assess to present a higher risk of money laundering and terrorism financing” in paragraph (2); and
 - (d) by inserting, immediately after paragraph (2), the following paragraph:
 - “(3) In determining the frequency of review under paragraph (2), the casino operator must have regard to —
 - (a) the risk of money laundering and terrorism financing that the casino operator assesses the patron in question, or the beneficial owner of the patron account in question, to present; and
 - (b) the thresholds of materiality established under regulation 17(4)(a).”.

New regulation 13A

8. The principal Regulations are amended by inserting, immediately after regulation 13, the following regulation:

“Customer due diligence measures for existing customers

13A. A casino operator must, based on the casino operator’s assessment of materiality and risk, perform the customer due diligence measures prescribed in this Part in relation to any transaction or series of transactions carried out by any existing patron, taking into account —

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

Amendment of regulation 14

9. Regulation 14 of the principal Regulations is amended —

(a) by deleting paragraph (1) and substituting the following paragraphs:

“(1) A casino operator must implement appropriate policies, controls and procedures to determine if a patron, or a beneficial owner of a patron account, is a higher-risk patron.

(1A) A casino operator must, in addition to the customer due diligence measures prescribed in this Part, perform enhanced customer due diligence measures in relation to higher-risk patrons, including the following measures:

- (a) requiring that prior approval be obtained from an employee holding a senior managerial or executive position in the casino operator before establishing dealings with a higher-risk patron, or before continuing dealings with a patron (or a beneficial owner of a patron account) who subsequently becomes a higher-risk patron;
- (b) establishing by reasonable means the income level, source of wealth and source of funds of a higher-risk patron;
- (c) conducting such enhanced monitoring of the transactions of the higher-risk patron as the casino operator considers appropriate having regard to the thresholds of materiality and thresholds of risk established under regulation 17(4)(a), which may include —
 - (i) increasing the number of controls applied;
 - (ii) shortening the intervals between the application of controls; and
 - (iii) identifying and examining patterns of transactions or unusual transactions.

(1B) The casino operator must, at the minimum, keep the following records in respect of every transaction entered into, and every patron account opened, by a higher-risk patron:

- (a) the identifying information of the higher-risk patron;
 - (b) the date, amount and type of transaction;
 - (c) the name, special employee licence number and signature of the authorised employee who carried out the transaction;
 - (d) the income level, source of wealth and source of funds of the higher-risk patron;
 - (e) the name, special employee licence number and signature of each authorised employee designated by the management of the casino operator to approve the establishment of dealings with the higher-risk patron or the carrying out of the transaction.”;
- (b) by deleting the words “paragraph (1)” in paragraph (2) and substituting the words “paragraphs (1) and (1A)”;
- (c) by deleting paragraph (3); and
- (d) by deleting the words “politically exposed persons” in the regulation heading and substituting the words “higher-risk patrons”.

Deletion of regulations 15 and 16

10. Regulations 15 and 16 of the principal Regulations are deleted.

Deletion and substitution of heading to Part IV

11. Part IV of the principal Regulations is amended by deleting the Part heading and substituting the following Part heading:

“FRAMEWORK FOR PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING, ETC.”.

Deletion and substitution of regulation 17

12. Regulation 17 of the principal Regulations is deleted and the following regulation substituted therefor:

“Framework for prevention of money laundering and terrorism financing

17.—(1) A casino operator must develop and implement a framework for the prevention of money laundering and terrorism financing.

(2) The casino operator must ensure that the framework referred to in paragraph (1) (and any subsequent alterations to the framework) —

- (a) is approved by the Board of Directors of the casino operator;
- (b) is communicated to the employees and officers of the casino operator; and
- (c) applies to the casino operator and all of the casino operator’s branch offices.

(3) The casino operator must include in the framework referred to in paragraph (1) —

- (a) policies, controls and procedures for the identification, assessment, monitoring, management and mitigation of the risks of money laundering and terrorism financing; and
- (b) measures relating to —
 - (i) the implementation of customer due diligence measures required under the Act and these Regulations;
 - (ii) the record-keeping requirements under these Regulations and in any directions or codes issued by the Authority;
 - (iii) the monitoring of the implementation of the framework;
 - (iv) the prevention of transactions which would exceed the thresholds of risk established under paragraph (4)(a);

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- (v) the appointment of an individual who holds a Category A special employee licence under the Casino Control (Licensing of Special Employees) Regulations 2009 (G.N. No. S 415/2009) as a compliance officer;
 - (vi) the establishment of procedures for the screening of potential employees; and
 - (vii) the regular training of employees on the framework referred to in paragraph (1) and any subsequent alterations to that framework.
- (4) In formulating the framework referred to in paragraph (1), the casino operator must —
- (a) establish thresholds of materiality and thresholds of risk to prevent, and to mitigate the risks of, money laundering and terrorism financing;
 - (b) take note of any new or developing thing, including any product, business practice or technology (especially technology that favours anonymity) or any other activity that may increase the risks of money laundering and terrorism financing being conducted through or facilitated by the casino;
 - (c) consider, before any sale, supply, provision or implementation of the new or developing thing referred to in sub-paragraph (b) commences, the risks of money laundering and terrorism financing that may arise as a result of such sale, supply, provision or implementation of the thing; and
 - (d) consider all relevant risk factors relating to money laundering and terrorism financing, including —
 - (i) the risks posed by individual patrons or categories of patrons;
 - (ii) whether individual patrons or categories of patrons are from any jurisdiction —
 - (A) that the casino operator identifies to have inadequate measures to prevent money laundering or terrorism financing;

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- (B) that the Authority or any regulatory authority (whether local or foreign) notifies the casino operator has inadequate measures to prevent money laundering or terrorism financing;
 - (C) that the casino operator knows any regulatory authority (whether local or foreign), or the intergovernmental body known as the Financial Action Task Force, has identified to have inadequate measures to prevent money laundering or terrorism financing; or
 - (D) in relation to which the intergovernmental body known as the Financial Action Task Force has called for the imposition of measures to prevent money laundering or terrorism financing; and
- (iii) the type of services and transactions provided, the modes of payment for those services and transactions, and whether any of those services or transactions will be conducted outside Singapore.
- (5) The casino operator must review the framework referred to in paragraph (1) at least once every year, and must —
- (a) assess and enhance the effectiveness of that framework in monitoring and reducing the risks of money laundering and terrorism financing being conducted through the casino or facilitated by the casino operator; and
 - (b) identify any developments which may increase the risks of money laundering and terrorism financing, and establish new policies, controls and procedures to minimise the casino operator's, and the casino's, exposure to such risks.
- (6) If the framework referred to in paragraph (1) is assessed under paragraph (5)(a) to be inadequate, the casino operator must take steps to enhance the effectiveness of the framework.

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- (7) The casino operator must —
- (a) keep a record in writing of its findings and decisions, and the reasons for those findings and decisions, in relation to the matters referred to in paragraphs (1) to (6); and
 - (b) produce that record to the Authority on demand.”.

Amendment of regulation 18

13. Regulation 18 of the principal Regulations is amended by deleting the words “internal policies, procedures and controls” in paragraph (c) and substituting the words “policies, controls and procedures”.

New regulation 19 and Part V

14. The principal Regulations are amended by inserting, immediately after regulation 18, the following regulation and Part:

“Suspicious transaction reporting framework

19.—(1) A casino operator must develop and implement a suspicious transaction reporting framework.

(2) The casino operator must ensure that the framework referred to in paragraph (1) (including any subsequent alterations of the framework) —

- (a) is approved by the Board of Directors of the casino operator;
- (b) is communicated to the employees and officers of the casino operator; and
- (c) applies to the casino operator and all of the casino operator’s branch offices.

(3) The casino operator must include in the framework referred to in paragraph (1) —

- (a) policies, controls and procedures for the detection of unusual or suspicious applications or transactions, and for the filing of suspicious transaction reports and the making of disclosures under the Terrorism (Suppression of Financing) Act (Cap. 325); and
- (b) measures relating to —

- (i) the training of employees in the identification and reporting of unusual or suspicious transactions (including significant cash transactions);

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- (ii) the implementation of procedures using all relevant information available to the casino operator to detect any unusual or suspicious transactions and any unusual or suspicious patterns of transactions; and
 - (iii) the use of automated programs to aid in the identification and reporting of suspicious transactions.
- (4) In formulating the framework referred to in paragraph (1), the casino operator must —
- (a) ensure that the framework takes into account the thresholds of risk established under regulation 17(4)(a); and
 - (b) include policies, controls and procedures for compliance with the framework and any written law relating to the reporting of suspicious transactions.
- (5) The casino operator must review the framework referred to in paragraph (1) at least once every year, and must assess the effectiveness of that framework.
- (6) If the framework referred to in paragraph (1) is assessed under paragraph (5) to be inadequate, the casino operator must take steps to enhance the effectiveness of the framework.
- (7) The casino operator must —
- (a) keep a record in writing of its findings and decisions, and the reasons for those findings and decisions, in relation to the matters referred to in paragraphs (1) to (6); and
 - (b) produce that record to the Authority on demand.
- (8) The casino operator must, at the time or immediately after it files a suspicious transaction report, submit a copy of the report to the Authority.

PART V

MISCELLANEOUS

Independent audit

20.—(1) A casino operator must conduct an independent audit at least once every year to ensure that the requirements in regulations 17 and 19 have been complied with.

(2) The casino operator must —

(a) keep a written record of the findings of each independent audit conducted under paragraph (1) and any actions taken by the casino operator to address those findings; and

(b) produce that record to the Authority on demand.

Disciplinary action against casino operator

21. A casino operator is liable to disciplinary action under section 54 of the Act if the casino operator fails to comply with —

(a) regulation 3(3) or (5), 17(1), (2), (3), (4), (5), (6) or (7), 18, 19(1), (2), (3), (4), (5), (6), (7) or (8) or 20(1) or (2); or

(b) any requirement in Part III.”.

[G.N. No. S 63/2010]

Made on 25 May 2015.

LEE TZU YANG

Chairman,

Casino Regulatory Authority of Singapore.

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