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

PRECIOUS STONES AND PRECIOUS METALS (PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING) (AMENDMENT NO. 2) REGULATIONS 2024

In exercise of the powers conferred by section 39 of the Precious Stones and Precious Metals (Prevention of Money Laundering, Terrorism Financing and Proliferation Financing) Act 2019, the Minister for Law makes the following Regulations:

Citation and commencement

1. These Regulations are the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) (Amendment No. 2) Regulations 2024 and come into operation on 20 December 2024.

Amendment of regulation 1

2. In the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Regulations 2019 (G.N. No. S 306/2019) (called in these Regulations the principal Regulations), in regulation 1, replace “and Terrorism Financing” with “, Terrorism Financing and Proliferation Financing”.

Amendment of regulation 2

3. In the principal Regulations, in regulation 2 —

- (a) in paragraph (1), after the definition of “business day”, insert —

““business relationship” means a relationship between a customer and a regulated dealer arising from the regulated dealer carrying on any regulated activity, and includes a single transaction or designated transaction as defined in section 15 of the Act which the regulated dealer enters into or intends to enter into with a customer;”;

(b) in paragraph (1), after the definition of “politically-exposed person”, insert —

““proliferation financing” means the financing of proliferation of weapons of mass destruction;”; and

(c) in paragraph (2), replace sub-paragraphs (a) and (b) with —

“(a) the reference to a discount or rebate given by a regulated dealer in connection with a sale by the regulated dealer excludes —

(i) any amount paid by cash or cash equivalent in connection with the sale; and

(ii) any amount deducted from —

(A) an amount due to the customer in respect of the sale of any other goods by the customer to the regulated dealer; or

(B) an amount deposited by the customer with the regulated dealer in respect of the sale mentioned in sub-paragraph (i) or otherwise; and

(b) the reference to a discount or rebate given to a regulated dealer in connection with a

purchase by the regulated dealer
excludes —

- (i) any amount paid by cash or cash equivalent in connection with the purchase; and
- (ii) any amount deducted from —
 - (A) an amount due to the regulated dealer in respect of the sale of any other goods by the regulated dealer to the person from whom the regulated dealer makes the purchase; or
 - (B) an amount deposited by the regulated dealer in respect of the purchase mentioned in sub-paragraph (i) or otherwise.”.

Amendment of regulation 5

- 4. In the principal Regulations, in regulation 5 —
 - (a) renumber regulation 5 as paragraph (1) of that regulation; and
 - (b) after paragraph (1), insert —

“(2) Without affecting paragraph (1), where any of the circumstances in section 16(1) of the Act apply, a regulated dealer must understand and, where appropriate, obtain the information necessary to understand, the purpose of its business relationship with a customer who is an individual.”.

Amendment of regulation 6

- 5. In the principal Regulations, in regulation 6 —
 - (a) after paragraph (1), insert —

“(1A) Without affecting paragraph (1), where any of the circumstances in section 16(1) of the Act apply, a regulated dealer must understand and, where appropriate, obtain the information necessary to understand, the purpose of its business relationship with a customer which is an entity or legal arrangement.”;

(b) in paragraph (2), replace “A” with “Subject to paragraph (2A), a”; and

(c) after paragraph (2), insert —

“(2A) Sub-paragraph (2) does not apply if the regulated dealer —

(a) has doubts about the veracity of the information obtained from performing any customer due diligence measures; or

(b) suspects that the entity may be connected with, or a business relationship with the entity relates to, money laundering, terrorism financing or proliferation financing.”.

Amendment of regulation 7

6. In the principal Regulations, in regulation 7(2)(a)(iii) and (b), (2A) and (3)(d), replace “or terrorism financing” wherever it appears with “, terrorism financing or proliferation financing”.

Amendment of regulation 8

7. In the principal Regulations, in regulation 8(1)(c) and (d), replace “and terrorism financing” with “, terrorism financing and proliferation financing”.

Amendment of regulation 10

8. In the principal Regulations, in regulation 10(1)(a)(i) and (c), replace “and the financing of terrorism” with “, terrorism financing and proliferation financing”.

Amendment of regulation 11

9. In the principal Regulations, in regulation 11 —
- (a) in paragraph (1), after “knowledge of the customer”, insert “, the nature of the customer’s business”; and
 - (b) in paragraph (2), replace “or terrorism financing” with “, terrorism financing or proliferation financing”.

Amendment of regulation 13

10. In the principal Regulations, in regulation 13 —
- (a) in paragraph (1), after “section 18(1)”, insert “or (1A)”;
 - (b) in paragraph (1)(a), replace “, for a designated transaction, and each copy of a supporting document relating to that information” with “(and each copy of a supporting document relating to that information), for a designated transaction (including the additional information and documents prescribed in paragraph (3) relating to the designated transaction)”;
 - (c) in paragraph (1), replace sub-paragraph (b) with —
 - “(b) in respect of any record made, or information obtained through customer due diligence measures performed (and each copy of a supporting document relating to that information), for any other transaction (including the additional information and documents prescribed in paragraph (3) relating to that other transaction) — the date of that other transaction;”;
 - (d) in paragraph (1)(c), replace “— the date that the record is made, or the information or supporting document is obtained” with “(including the additional information and documents prescribed in paragraph (3)) — the date that the record is made, the information or supporting document is obtained or additional information or document is issued or obtained”;

(e) in paragraph (3), after sub-paragraph (a), insert —

“(aa) where the regulated dealer —

(i) opens or maintains an account for a customer relating to a transaction entered into with a customer under any circumstances in which the regulated dealer must perform customer due diligence measures or enhanced customer due diligence measures; or

(ii) issues or obtains any business correspondence either relating to a transaction entered into with a customer on which the regulated dealer must perform customer due diligence measures or enhanced customer due diligence measures, or in any other circumstances in which the regulated dealer must perform such measures,

a record of the information in relation to the account mentioned in sub-paragraph (i) or a copy of all the business correspondence mentioned in sub-paragraph (ii), as the case may be;”; and

(f) in paragraph (3)(e)(vi)(A), replace “and terrorism financing” with “, terrorism financing and proliferation financing”.

Amendment of regulation 14

11. In the principal Regulations, in regulation 14(1) —

(a) in sub-paragraphs (a) and (c), replace “money laundering and terrorism financing risks” with “risks of money laundering, terrorism financing and proliferation financing”;

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- (b) in sub-paragraph (c)(i), delete “at the management level”; and
 - (c) in sub-paragraph (d), replace “or terrorism financing” with “, terrorism financing or proliferation financing,”.

Amendment of regulation 14A

12. In the principal Regulations, in regulation 14A —

- (a) in paragraphs (1)(a) and (4)(b)(i), replace “and terrorism financing” wherever it appears with “, terrorism financing and proliferation financing”;
- (b) in paragraph (2)(a), replace “money laundering and terrorism financing risks” with “risks of money laundering, terrorism financing and proliferation financing”;
- (c) in paragraph (2)(a)(i), replace “including the appointment of a compliance officer at the management level; and” with —

“including —

- (A) in the case of the regulated dealer — the appointment of a compliance officer; and
- (B) in the case of the regulated dealer’s branches and subsidiaries — the appointment of a person holding a position analogous to a compliance officer; and”;
- (d) in paragraphs (2)(b) and (4), replace “or terrorism financing” with “, terrorism financing or proliferation financing”;
- (e) in paragraph (2), replace sub-paragraph (e) with —
 - “(e) subject to paragraph (3), measures to share information —

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- (i) between the regulated dealer's branches and subsidiaries with the regulated dealer;
 - (ii) between the regulated dealer and the regulated dealer's branches and subsidiaries; and
 - (iii) among the regulated dealer's branches and subsidiaries,for the purpose of conducting customer due diligence or managing the risks of money laundering, terrorism financing and proliferation financing.”;
 - (f) after paragraph (2), insert —
 - “(2A) A regulated dealer that carries out one or more designated transactions must, in addition to the matters specified in paragraph (2), have an independent audit function to test the internal policies, procedures and controls in paragraph (2)(a).”;
 - (g) in paragraph (3)(a), replace “to protect the confidentiality and use of any information that is shared; and” with —
 - “to —
 - (i) protect the confidentiality and use of any information that is shared; and
 - (ii) not tip off any person arising from the information that is shared (including to not share the information, where appropriate);”;
 - (h) in paragraph (3), after sub-paragraph (a), insert —
 - “(aa) except where sub-paragraph (a)(ii) applies, must require the regulated dealer's branches and subsidiaries to share with the regulated dealer, the following

information in respect of the customers of those branches and subsidiaries:

- (i) where the customer is an individual — the information obtained from performing the customer due diligence measures prescribed in regulation 5;
 - (ii) where the customer is an entity or legal arrangement — the information obtained from performing the customer due diligence measures prescribed in regulation 6;
 - (iii) where the regulated dealer's branches or subsidiaries have performed enhanced customer due diligence measures prescribed in regulation 7(3) in relation to the customer — the information obtained from performing those enhanced customer due diligence measures;
 - (iv) each designated transaction entered into with the customer;
 - (v) where those branches or subsidiaries open or maintain an account for a customer — the information in relation to that account;
 - (vi) any information and any analysis of any transaction entered into with the customer that appears unusual;
- (ab) except where sub-paragraph (a)(ii) applies, must require the regulated dealer to share with the regulated dealer's branches and subsidiaries, the following information in respect of the regulated dealer's customers:

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- (i) where a customer is an individual — the information obtained from performing the customer due diligence measures prescribed in regulation 5;
 - (ii) where the customer is an entity or legal arrangement — the information obtained from performing the customer due diligence measures prescribed in regulation 6;
 - (iii) where the regulated dealer has performed enhanced customer due diligence measures prescribed in regulation 7(3) in relation to a customer — the information obtained from performing those enhanced customer due diligence measures;
 - (iv) each designated transaction entered into with the customer;
 - (v) where the regulated dealer opens or maintains an account for a customer — the information in relation to that account;
 - (vi) any information and any analysis of any transaction entered into with the customer that appears unusual; and”.

Amendment of regulation 15

13. In the principal Regulations, in regulation 15(a), replace “money laundering or terrorism financing risks” with “risks of money laundering, terrorism financing and proliferation financing”.

New regulation 21A

14. In the principal Regulations, after regulation 21, insert —

“Prescribed events or circumstances under section 10(1A) of Act

21A.—(1) For the purposes of section 10(1A) of the Act, any of the following events which occur, or any of the following circumstances which exist, are relevant in determining whether a registered dealer is carrying on the business of regulated dealing or business as an intermediary in Singapore:

- (a) the registered dealer has failed to make the registered dealer’s records mentioned in regulation 13(3)(e) available to the Registrar;
- (b) the registered dealer’s records mentioned in regulation 13(3)(e) made available to the Registrar record no sale of any precious stone, precious metal, precious product or asset-backed token by the registered dealer;
- (c) the registered dealer has failed to respond to any correspondence sent by the Registrar —
 - (i) by prepaid registered post in accordance with section 36A of the Act; or
 - (ii) by —
 - (A) email or by an internet-based messaging service in accordance with section 36A of the Act; and
 - (B) an electronic record to the regulated dealer’s account with the electronic service provided by the Registrar at the website of the Ministry of Law at <https://acd.mlaw.gov.sg>, in accordance with section 36B of the Act,

where a response is required;

- (d) none of the locally resident directors, partners or managers, or the individual proprietor, of the registered dealer could be contacted or located by

the Registrar after the Registrar had taken reasonable efforts to do so;

(e) where —

- (i) the locally resident director, partner or manager of the registered dealer has failed to produce proof to the satisfaction of the Registrar that the registered dealer is carrying on the business of regulated dealing or business as an intermediary in Singapore; and
 - (ii) none of the beneficial owners of the registered dealer could be contacted or located by the Registrar after the Registrar had taken reasonable efforts to do so;
- (f) the fact that credible information has been received by the Registrar indicating that the registered dealer is not carrying on the business of regulated dealing or business as an intermediary in Singapore.

(2) In this regulation, “individual proprietor” has the meaning given by section 2(1) of the Business Names Registration Act 2014.”.

*[G.N. Nos. S 990/2020; S 260/2021; S 728/2023;
S 372/2024]*

Made on 6 December 2024.

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Ministry of Law,
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[LAW 113/001; AG/LEGIS/SL/237B/2020/2]