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## **No. S 990**

### PRECIOUS STONES AND PRECIOUS METALS (PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING) ACT 2019 (ACT 7 OF 2019)

### PRECIOUS STONES AND PRECIOUS METALS (PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING) (AMENDMENT) REGULATIONS 2020

In exercise of the powers conferred by section 39 of the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism 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) Regulations 2020 and come into operation on 14 December 2020.

#### **Amendment of regulation 2**

2. Regulation 2 of 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) is amended —

(a) by inserting, immediately after the definition of “family member”, the following definition:

““foreign country or territory” means a country, territory or jurisdiction other than Singapore;”;

(b) by deleting the words “country or territory outside Singapore” in paragraph (b) of the definition of

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“politically-exposed person” and substituting the words “foreign country or territory”; and

- (c) by deleting the full-stop at the end of the definition of “regulated activity” and substituting a semi-colon, and by inserting immediately thereafter the following definition:

““relevant country or territory” means a foreign country or territory that is subject to a call made by the FATF (through a public statement, notice or directive published on its official website at <https://www.fatf-gafi.org/>) for countermeasures or enhanced customer due diligence measures.”.

### **Amendment of regulation 5**

3. Regulation 5 of the principal Regulations is amended —

- (a) by deleting sub-paragraph (i) of paragraph (f) and substituting the following sub-paragraph:

“(i) if that other person is a natural person, identify and take reasonable measures to verify the identity of that other person, using reliable and independent sources;”; and

- (b) by deleting the full-stop at the end of sub-paragraph (ii) of paragraph (f) and substituting the word “; and”, and by inserting immediately thereafter the following sub-paragraph:

“(iii) obtain appropriate documentary evidence to verify that the customer is authorised to act on behalf of that other person.”.

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**Amendment of regulation 6**

4. Regulation 6 of the principal Regulations is amended —

(a) by deleting sub-paragraph (e) of paragraph (2) and substituting the following sub-paragraph:

“(e) the documents that constitute, regulate and bind the legal person, being the following, or their equivalent:

- (i) in the case of a body corporate, the constitution, or the memorandum and articles of association, of the body corporate;
- (ii) in the case of a partnership or limited partnership, the partnership deed or agreement;
- (iii) in the case of an express trust, the trust deed of the trust;
- (iv) in the case of a society or an unincorporated association, the rules of the society or unincorporated association;
- (v) in the case of any other entity or legal arrangement, the instrument or document that constitutes or establishes the entity or legal arrangement;”;

(b) by inserting, immediately after paragraph (2), the following paragraph:

“(2A) Without affecting paragraph (2), the regulated dealer must —

- (a) understand the nature of the legal person’s business; and
- (b) understand the ownership and control structure of the legal person.”.

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**Amendment of regulation 7****5. Regulation 7 of the principal Regulations is amended —**

- (a) by deleting the words “or a person on whose behalf the customer is acting” in paragraph (2)(a) and substituting the words “a person on whose behalf the customer is acting or a beneficial owner of that person”;
- (b) by deleting sub-paragraphs (ii) and (iii) of paragraph (2)(a) and substituting the following sub-paragraphs:
  - “(ii) is a resident of or originates from a relevant country or territory; or
  - (iii) is a person that the Registrar has notified the regulated dealer is a person that presents a high risk of money laundering or terrorism financing;”;
- (c) by inserting, immediately after the word “acting” in paragraph (2)(b), the words “or a beneficial owner of that person”;
- (d) by inserting, immediately after paragraph (2), the following paragraph:
  - “(2A) For the purpose of determining whether a person mentioned in paragraph (2)(b) may present a high risk of money laundering or terrorism financing, the regulated dealer must consider whether the person is a resident of or originates from —
  - (a) a foreign country or territory which the FATF (by a public statement, notice or directive published on its official website at <https://www.fatf-gafi.org/>) identifies as a foreign country or territory subject to increased monitoring; or
  - (b) a foreign country or territory which the Registrar has notified the regulated dealer to be a foreign country or territory with

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inadequate measures to prevent money laundering or terrorism financing.”; and

- (e) by deleting the full-stop at the end of sub-paragraph (c) of paragraph (3) and substituting a semi-colon, and by inserting immediately thereafter the following sub-paragraph:

“(d) take all reasonable measures as are appropriate to the risks of money laundering or terrorism financing in relation to the customer.”.

### **Amendment of regulation 12**

6. Regulation 12(1) of the principal Regulations is amended by deleting sub-paragraph (a) and substituting the following sub-paragraph:

“(a) the prescribed form for a cash transaction report is Form NP 784 as set out at the website at <http://www.police.gov.sg>; and”.

### **Amendment of regulation 13**

7. Regulation 13(3) of the principal Regulations is amended by deleting the full-stop at the end of sub-paragraph (d) and substituting a semi-colon, and by inserting immediately thereafter the following sub-paragraph:

“(e) a record of the following information for each period of 6 months beginning on 1 January or 1 July of any year:

- (i) the type or types of products sold by the regulated dealer during that period;
- (ii) the country or territory, or countries or territories that the products sold by the regulated dealer originate from;
- (iii) a description of all business activities conducted by the regulated dealer during that period;

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- (iv) for each category, as may be specified by the Registrar, of transactions carried out during that period by the regulated dealer —
    - (A) the number of transactions in that category;
    - (B) the total value of all transactions in that category; and
    - (C) the mode of carrying out each transaction in that category;
  - (v) for any transaction so carried out by the regulated dealer, any other details specified by the Registrar of the transaction;
  - (vi) a description of the internal policies, procedures and controls implemented or carried out during that period to —
    - (A) mitigate the risks of money laundering and terrorism financing; or
    - (B) otherwise comply with the Act;
  - (vii) the number of transactions or customers on which or on whom the regulated dealer has performed customer due diligence measures or enhanced customer due diligence measures during that period.”.

### **Amendment of regulation 22**

8. Regulation 22(3) of the principal Regulations is amended by deleting the words “known as LicenceOne” in sub-paragraph (b)(i) and substituting the words “established by the Registrar for the purpose of submitting an application for registration or renewal of registration as a registered dealer”.

Made on 4 December 2020.

LAI WEI LIN  
*Permanent Secretary,  
Ministry of Law,  
Singapore.*

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