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ACCOUNTING AND CORPORATE REGULATORY AUTHORITY ACT (CHAPTER 2A)

ACCOUNTING AND CORPORATE REGULATORY AUTHORITY (FILING AGENTS AND QUALIFIED INDIVIDUALS) REGULATIONS 2015

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In exercise of the powers conferred by section 28J of the Accounting and Corporate Regulatory Authority Act, the Minister for Finance makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Accounting and Corporate Regulatory Authority (Filing Agents and Qualified Individuals) Regulations 2015 and come into operation on 15 May 2015.

Definitions

2. In these Regulations, unless the context otherwise requires —

“corporate secretarial agent” means an individual who —

- (a) is carrying on the business of providing corporate secretarial services for one or more companies and has been doing so for at least 3 years in the preceding 5 years; and
- (b) has been a secretary of a company for at least 3 years in the preceding 5 years;

“customer”, in relation to a registered filing agent, means any person who employs or engages the registered filing agent to carry out any transaction with the Registrar using the electronic transaction system on the person’s behalf;

“limited liability partnership” means a limited liability partnership registered under the Limited Liability Partnerships Act (Cap. 163A);

“limited partnership” means a limited partnership registered under the Limited Partnerships Act (Cap. 163B);

“professional number” means a professional number issued by the Chief Executive under regulation 3(1).

Issue of professional numbers

3.—(1) The Chief Executive is to issue to each registered filing agent —

- (a) a unique professional number for the purpose of carrying out any transaction with the Registrar using the electronic transaction system and to access the electronic transaction system; and
- (b) a notice of registration in such form as the Chief Executive may determine.

(2) A professional number issued to a registered filing agent —

- (a) is to be used in conjunction with such authentication code as the Chief Executive may determine; and

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- (b) may only be used by one or more of the individuals specified under regulation 5 by whom the registered filing agent may carry out any transaction with the Registrar.

Qualified individuals

4. For the purposes of the definition of “qualified individual” in section 28A of the Act, a qualified individual is any of the following:

- (a) an advocate and solicitor;
- (b) a public accountant registered under the Accountants Act (Cap. 2);
- (c) a member of the Institute of Singapore Chartered Accountants;
- (d) a member of the Association of International Accountants (Singapore Branch);
- (e) a member of the Institute of Company Accountants, Singapore;
- (f) a member of the Singapore Association of the Institute of Chartered Secretaries and Administrators;
- (g) a corporate secretarial agent.

Individuals by whom registered filing agent may act

5.—(1) For the purposes of section 28C(3) of the Act, a registered filing agent may carry out a transaction with the Registrar on behalf of another person using the electronic transaction system only by one or more of the following:

- (a) if the registered filing agent is a registered qualified individual, by the registered filing agent himself or herself in his or her capacity as a registered qualified individual;
- (b) if the registered filing agent is a partnership, limited liability partnership or limited partnership in which one or more partners are registered qualified individuals, by one or more of those partners appointed by the partnership to carry out transactions with the Registrar using the electronic

transaction system, each in his or her capacity as a registered qualified individual;

- (c) by any registered qualified individual employed, engaged or appointed by the registered filing agent to carry out transactions with the Registrar using the electronic transaction system;
- (d) by an employee of the registered filing agent, where the employee is appointed by a registered qualified individual referred to in sub-paragraph (a), (b) or (c) to carry out, under the registered qualified individual's supervision, transactions with the Registrar using the electronic transaction system.

(2) Where a registered filing agent that is a registered qualified individual carries out any transaction with the Registrar using the electronic transaction system in his or her capacity as a registered qualified individual, the provisions of these Regulations which apply to a registered qualified individual apply to him or her with the necessary modifications.

(3) Where a registered filing agent that is a partnership, limited liability partnership or limited partnership carries out any transaction with the Registrar using the electronic transaction system by any partner in that partner's capacity as a registered qualified individual, the provisions of these Regulations which apply to a registered qualified individual apply to that partner with the necessary modifications.

“Fit and proper” considerations for registered filing agents

6.—(1) For the purposes of section 28F(4) of the Act, the factors which the Chief Executive may consider in determining whether an applicant for registration as a registered filing agent is a fit and proper person include —

- (a) whether the applicant's previous conduct and compliance history as a registered filing agent or as a registered qualified individual (if applicable) has been satisfactory;
- (b) whether the applicant has acted in a manner that adversely reflects on the commercial integrity of the applicant,

including whether the applicant has committed professional misconduct, breach of fiduciary duty or serious negligence, or caused, contributed to or facilitated the commission of professional misconduct, breach of fiduciary duty or serious negligence by some other person;

- (c) whether the applicant has the capacity and capability to properly fulfil the obligations of a registered filing agent and the terms and conditions of registration; and
- (d) whether it would be contrary to the national or general public interest for the applicant to be registered as a registered filing agent.

(2) For the purposes of section 28F(4) of the Act, the factors which the Chief Executive may consider in determining whether a director or partner of an applicant for registration as a registered filing agent, or any other person taking part in or concerned in the management of the applicant, is a fit and proper person include —

- (a) whether the person's previous conduct and compliance history as a director, partner or other person taking part in or concerned in the management of a registered filing agent has been satisfactory;
- (b) whether the person has acted in a manner that adversely reflects on the commercial integrity of the person, including whether the person has committed professional misconduct, breach of fiduciary duty or serious negligence, or caused, contributed to or facilitated the commission of professional misconduct, breach of fiduciary duty or serious negligence by some other person; and
- (c) whether it would be contrary to the national or general public interest for the person to be a director, partner, or other person taking part in or concerned in the management of a registered filing agent.

“Fit and proper” considerations for registered qualified individuals

7. For the purposes of section 28G(4) of the Act, the factors which the Chief Executive may consider in determining whether an individual is a fit and proper person for registration as a registered qualified individual include —

- (a) whether the applicant’s previous conduct and compliance history as a registered qualified individual or as a registered filing agent (if applicable) has been satisfactory;
- (b) whether the applicant has acted in a manner that adversely reflects on the commercial integrity of the applicant, including whether the applicant has committed professional misconduct, breach of fiduciary duty or serious negligence or caused, contributed to or facilitated the commission of professional misconduct, breach of fiduciary duty or serious negligence by some other person;
- (c) whether the applicant has the capacity and capability to properly fulfil the obligations of a registered qualified individual and the terms and conditions of registration; and
- (d) whether it would be contrary to the national or general public interest for the applicant to be registered as a registered qualified individual.

Terms and conditions applicable to registered filing agents

8. For the purposes of section 28F(9)(d) of the Act, a registered filing agent must comply with the terms and conditions set out in the First Schedule.

Terms and conditions applicable to registered qualified individuals

9. For the purposes of section 28G(9) of the Act, a registered qualified individual must comply with the terms and conditions set out in the Second Schedule.

Application of terms and conditions

10. The terms and conditions referred to in regulations 8 and 9 apply whether a transaction with the customer is carried out using the electronic transaction system or by other means specified or directed by the Registrar if the electronic transaction system is unavailable.

False information

11.—(1) A registered filing agent who, under the terms and conditions of registration, is required to produce any document, or to provide any information or explanation to the Chief Executive or an officer authorised by the Chief Executive must not —

(a) produce any document or provide any information or explanation which the registered filing agent knows to be false, does not believe to be true or is reckless as to whether the document, information or explanation is false; or

(b) intentionally suppress any material fact.

(2) A registered qualified individual who, under the terms and conditions of registration, is required to produce any document, or to provide any information or explanation to the Chief Executive or an officer authorised by the Chief Executive must not —

(a) produce any document or provide any information or explanation which the registered qualified individual knows to be false, does not believe to be true or is reckless as to whether the document, information or explanation is false; or

(b) intentionally suppress any material fact.

(3) A person who contravenes paragraph (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both.

Fees

12. The fees payable to the Authority for the purposes of Part VIA of the Act and these Regulations are specified in the Third Schedule.

FIRST SCHEDULE

Regulation 8

TERMS AND CONDITIONS APPLICABLE TO REGISTERED FILING AGENTS

PART 1

DUTY OF NOTIFICATION AND USE OF PROFESSIONAL NUMBER

Duty to report changes in registered particulars

1. A registered filing agent must notify the Chief Executive, in such manner as the Chief Executive may specify, of any change in any particulars furnished in its application for registration as a registered filing agent under section 28F of the Act, or any particulars furnished under this paragraph, within 14 days after the date of change.

Notification of registered qualified individual

2.—(1) A registered filing agent must, within such time and in such manner as the Chief Executive may specify —

- (a) where the registered filing agent is a registered qualified individual and the registered filing agent proposes to carry out any transaction with the Registrar by himself or herself, notify the Chief Executive of that fact;
- (b) where the registered filing agent is a partnership, limited liability partnership or limited partnership in which one or more partners are registered qualified individuals and the registered filing agent proposes to carry out any transaction with the Registrar by one or more of those partners, notify the Chief Executive of the names and particulars of those partners; and
- (c) notify the Chief Executive of the name and particulars of each registered qualified individual employed, appointed or engaged by the registered filing agent to carry out, or to supervise the carrying out of, any transaction with the Registrar.

(2) A registered filing agent must notify the Chief Executive of any change to any information or particulars notified under sub-paragraph (1) within 14 days after the date of change.

Internal policies, procedures and controls

3. A registered filing agent must develop and implement internal policies, procedures and controls to ensure that —

- (a) the registered filing agent's professional number is not used to carry out any transaction with the Registrar, unless the transaction relates to a

FIRST SCHEDULE — *continued*

customer of the registered filing agent and the transaction is authorised by that customer;

- (b) the registered filing agent's professional number is not used to access the electronic transaction system —
 - (i) for any purpose prohibited by the Chief Executive; or
 - (ii) for any illegal purpose;
- (c) the registered filing agent's professional number is not used to carry out any transaction with the Registrar except by, or under the supervision of, a registered qualified individual;
- (d) only fit and proper persons are permitted to use the registered filing agent's professional number to carry out any transaction with the Registrar;
- (e) any registered qualified individual employed, engaged or appointed by the registered filing agent complies with the terms and conditions set out in the Second Schedule; and
- (f) any employee of the registered filing agent who carries out any transaction with the Registrar under the supervision of the registered filing agent (if the registered filing agent is also a registered qualified individual), or under the supervision of a registered qualified individual employed, engaged or appointed by the registered filing agent, complies with —
 - (i) the Chief Executive's directions;
 - (ii) the registered filing agent's internal policies, procedures and controls; and
 - (iii) the instructions of the registered filing agent or the registered qualified individual, or both,regarding access to, and use of, the electronic transaction system.

Duty to assess, report and remedy, etc.

4.—(1) A registered filing agent must —

- (a) regularly assess; and
- (b) if the Chief Executive requires, demonstrate to the Chief Executive,

the effectiveness of the internal policies, procedures and controls referred to in paragraph 3.

(2) A registered filing agent must report to the Chief Executive if the registered filing agent is aware or has reasonable grounds to believe that —

FIRST SCHEDULE — *continued*

- (a) the registered filing agent's professional number has been used to carry out any transaction with the Registrar which does not relate to a customer of the registered filing agent or which is not authorised by that customer;
- (b) the registered filing agent's professional number has been used to access the electronic transaction system —
 - (i) for any purpose prohibited by the Chief Executive; or
 - (ii) for any illegal purpose;
- (c) the registered filing agent's professional number has been used to carry out any transaction with the Registrar by a person who is not a registered qualified individual or a person supervised by a registered qualified individual;
- (d) persons other than fit and proper persons were permitted to use the registered filing agent's professional number to carry out any transaction with the Registrar;
- (e) a registered qualified individual employed, engaged or appointed by the registered filing agent has failed to comply with the terms and conditions set out in the Second Schedule; and
- (f) an employee of the registered filing agent who carries out any transaction with the Registrar under the supervision of the registered filing agent (if the registered filing agent is also a registered qualified individual), or under the supervision of a registered qualified individual employed, engaged or appointed by the registered filing agent, has failed to comply with —
 - (i) the Chief Executive's directions;
 - (ii) the registered filing agent's internal policies, procedures and controls; and
 - (iii) the instructions of the registered filing agent or the registered qualified individual, or both,

regarding access to, and use of, the electronic transaction system.

(3) A registered filing agent must comply with such directions of the Chief Executive as the Chief Executive considers necessary or desirable to remedy or rectify any of the occurrences referred to in sub-paragraph (2)(a) to (f) and to prevent such occurrences from happening in the future.

FIRST SCHEDULE — *continued*

PART 2

ANTI-MONEY LAUNDERING AND
ANTI-FINANCING OF TERRORISM MEASURES**Application of this Part**

5.—(1) This Part applies to a registered filing agent when the registered filing agent, by way of business, prepares to carry out or carries out transactions for a customer concerning the following activities:

- (a) forming corporations or other legal persons;
- (b) acting, or arranging for another person to act —
 - (i) as a director or secretary of a corporation;
 - (ii) as a partner of a partnership; or
 - (iii) in a similar position in relation to other legal persons;
- (c) providing a registered office, business address or correspondence or administrative address, or other related services for a partnership, corporation or any other legal person;
- (d) acting, or arranging for another person to act, as a shareholder on behalf of any corporation, other than a corporation whose securities are listed on a securities exchange or a recognised securities exchange within the meaning of sections 2(1) and 283(1), respectively, of the Securities and Futures Act (Cap. 289).

(2) This Part does not apply to any registered filing agent, or any class of registered filing agents, if the Chief Executive is satisfied that the registered filing agent or class of registered filing agents is subject to, and supervised under, any other written law for compliance with the requirements for the prevention of money laundering and the financing of terrorism that are consistent with the standards set by the FATF.

Definitions for this Part

6.—(1) In this Part, unless the context otherwise requires —

“agent”, in relation to a customer, means a person appointed by the customer to act on the customer’s behalf in any business relationship;

“beneficial owner”, in relation to a customer, means —

- (a) an individual who ultimately owns all of the assets or undertakings of the customer (whether or not the customer is a body corporate);

FIRST SCHEDULE — *continued*

- (b) an individual who has ultimate control or ultimate effective control over, or has executive authority in, the customer; or
- (c) an individual on whose behalf the customer has employed or engaged the services of the registered filing agent;

“business relationship”, in the context of a relationship between a registered filing agent and a customer, means a business, professional or commercial relationship between the registered filing agent and the customer in carrying out the activities under paragraph 5(1);

“customer due diligence measures” or “CDD measures” means —

- (a) identifying the customer and the customer’s agent (if any), and verifying their identities on the basis of documents, data or information obtained from a reliable and independent source;
- (b) where there is a beneficial owner who is not the customer, identifying the beneficial owner and taking reasonable measures, on a risk-sensitive basis, to verify his or her identity so that the registered filing agent is satisfied that the registered filing agent knows who the beneficial owner is (including, in the case of a legal person or legal arrangement, measures to understand the ownership and control structure of the legal person or legal arrangement); and
- (c) obtaining information on the purpose and intended nature of the business relationship;

“enhanced CDD measures” means CDD measures performed to a higher degree consistent with the higher risks of money laundering or financing of terrorism and includes, where applicable, the following measures:

- (a) inquiring into the background and purpose of any transaction the registered filing agent is employed, appointed or engaged to carry out;
- (b) obtaining approval from the senior management of the registered filing agent for establishing a proposed business relationship;
- (c) taking reasonable measures to establish the source of wealth and source of funds which are involved in a proposed business relationship;
- (d) keeping a record in writing of the registered filing agent’s findings in respect of the CDD measures and the measures in paragraphs (a), (b) and (c);

FIRST SCHEDULE — *continued*

“enhanced ongoing monitoring” means ongoing monitoring that is enhanced in terms of frequency over the course of the business relationship concerned;

“foreign company” means a company incorporated outside Singapore;

“foreign government entity” means the government of a country or territory outside Singapore, a ministry or department within such a government, or an agency established by written law in such a country or territory;

“immediate family member” means a spouse, a child, an adopted child, a stepchild, a sibling or a parent;

“international organisation” means an entity —

- (a) established by formal political agreements between member countries or territories that have the status of international treaties;
- (b) which existence is recognised by law in member countries or territories; and
- (c) which is not treated as a resident institutional unit of the country or territory in which it is located;

“legal arrangement” means an express trust or other similar legal arrangement;

“legal person” means an entity other than a natural person that can establish a permanent business relationship with a registered filing agent or otherwise own property;

“ongoing monitoring”, in relation to a business relationship, means —

- (a) scrutiny of transactions undertaken throughout the course of the relationship (including, where necessary, the source of funds) to ensure that the transactions are consistent with the registered filing agent’s knowledge of the customer and the customer’s business and risk profile; and
- (b) keeping the documents, data or information obtained in the course of performing CDD measures (including simplified and enhanced CDD measures) up-to-date;

“politically-exposed person” —

- (a) means —
 - (i) an individual who is or has been entrusted with any prominent public function in Singapore;

FIRST SCHEDULE — *continued*

- (ii) an individual who is or has been entrusted with any prominent public function in a country or territory outside Singapore; or
- (iii) an individual who is or has been entrusted with any prominent public function by an international organisation; and

(b) includes —

- (i) an individual who is an immediate family member of an individual referred to in paragraph (a)(i), (ii) or (iii); or
- (ii) an individual who is a close associate of an individual referred to in paragraph (a)(i), (ii) or (iii);

“simplified CDD measures” means the measures referred to in paragraph 14(2);

“Singapore financial institution” means a financial institution as defined in section 27A(6), read with section 27A(7), of the Monetary Authority of Singapore Act (Cap. 186);

“Singapore government entity” means a ministry or department of the Government, an organ of State or a statutory board.

(2) For the purposes of the definition of “politically-exposed person” in sub-paragraph (1) —

(a) the reference to “prominent public function” in paragraph (a)(i) and (ii) of the definition —

- (i) includes the role held by a head of state, head of government, government minister, senior civil or public servant, senior judicial or military official, senior executive of a state-owned corporation, senior political party official, or member of the legislature; but
- (ii) does not include the role held by middle-ranking or more junior officials; and

(b) the reference to “prominent public function” in paragraph (a)(iii) of the definition —

- (i) includes the role held by a director, deputy director, member of the board, or member of the senior management, of the international organisation; but
- (ii) does not include the role held by middle-ranking or more junior officials.

FIRST SCHEDULE — *continued*

(3) For the purposes of paragraph (b)(ii) of the definition of “politically-exposed person” in sub-paragraph (1), an individual, A, is a close associate of another individual, B, if —

- (a) A is a partner of B;
- (b) A is an employee or employer of B;
- (c) A is an officer of any corporation of which B is an officer;
- (d) A and B are both employees of the same individual;
- (e) A is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of B;
- (f) B is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of A; or
- (g) A is a person with whom B has an agreement or arrangement, whether oral or in writing and whether express or implied, to act together to engage the services of the registered filing agent.

General duties

7.—(1) A registered filing agent must exercise due diligence, and conduct its business, in such a manner as to guard against the facilitation of money laundering and the financing of terrorism.

(2) A registered filing agent must assist and cooperate with the relevant law enforcement authorities in preventing money laundering and the financing of terrorism.

Performance of customer due diligence measures

8.—(1) Subject to paragraphs 9 to 12, 14, 15 and 16, a registered filing agent must perform CDD measures when it —

- (a) establishes a business relationship;
- (b) suspects that there is money laundering or the financing of terrorism; or
- (c) doubts the veracity or adequacy of documents, data or information previously obtained for the purposes of identification or verification.

(2) A registered filing agent must also perform CDD measures at other appropriate times in relation to existing customers on a risk-sensitive basis, taking into account any CDD measures previously performed, the time when CDD measures were last performed, and the adequacy of documents, data or information previously obtained from such performance.

FIRST SCHEDULE — *continued*

- (3) A registered filing agent must —
- (a) determine the extent of CDD measures on a risk-sensitive basis, depending on the type of customer, business relationship, product or transaction; and
 - (b) be able to demonstrate to the Chief Executive that the extent of the measures is appropriate in view of the risks of money laundering and the financing of terrorism.

Identification and verification of identity of customers and agents

9.—(1) This paragraph applies in respect of the duty under paragraph 8(1)(a) to perform CDD measures in paragraph (a) of the definition of that term in paragraph 6.

(2) A registered filing agent must establish the identity of each customer and each of the customer's agents.

(3) For the purposes of sub-paragraph (2), the registered filing agent must obtain and record at least the following information of the customer and the customer's agent (if any):

- (a) full name, including any alias;
- (b) the identity card number, birth certificate number or passport number (in the case of an individual), or the incorporation number or registration number (in the case of a customer that is a body corporate or unincorporate);
- (c) existing residential address or address of its place of business or registered office (as the case may be), and telephone number;
- (d) the date of birth, incorporation or registration (as the case may be);
- (e) the nationality or place of incorporation or registration (as the case may be).

(4) Where the customer is a company or foreign company, the registered filing agent must also establish and record the identities of all the directors of the company.

(5) Where the customer is a sole proprietor, partnership, limited partnership or limited liability partnership, the registered filing agent must also establish and record the identities of the sole proprietor and partners.

(6) Where the customer is a body corporate or unincorporate other than a company, limited partnership or limited liability partnership, the registered filing agent must also establish and record the identities of all the persons having executive authority in that body.

FIRST SCHEDULE — *continued*

- (7) The registered filing agent must —
- (a) verify the identity of the customer and the customer's agent (if any), as well as the persons referred to in sub-paragraph (4), (5) or (6) (if applicable), using reliable and independent sources;
 - (b) verify the authority of a customer's agent (if any) to act on behalf of the customer; and
 - (c) retain a copy of all documents used in establishing and verifying the matters referred to in sub-paragraphs (a) and (b).

Identification and verification of identity of beneficial owners

10.—(1) This paragraph applies in respect of the duty under paragraph 8(1)(a) to perform CDD measures in paragraph (b) of the definition of that term in paragraph 6.

(2) A registered filing agent must, subject to sub-paragraph (7), inquire if there exists any beneficial owner in relation to a customer.

(3) Where the registered filing agent becomes aware pursuant to the inquiry or otherwise that there is one or more beneficial owners in relation to the customer, the registered filing agent must take reasonable measures to obtain information sufficient to identify and verify the identity of every beneficial owner.

(4) Where the customer is a body corporate or unincorporate, or a legal arrangement, the registered filing agent must take reasonable measures to understand the ownership and control structure of the body corporate or unincorporate, or the legal arrangement, as the case may be.

(5) Where the customer is a body corporate, the registered filing agent must identify the beneficial owners by —

- (a) identifying the natural persons (whether acting alone or together) who ultimately own all the assets or undertakings of the body corporate;
- (b) to the extent that there is doubt under sub-paragraph (a) as to whether the natural persons who ultimately own all the assets or undertakings of the body corporate are the beneficial owners or where no natural persons ultimately own all the assets or undertakings of the body corporate, identifying the natural persons (if any) who have ultimate control or ultimate effective control over the body corporate; and
- (c) where no natural persons are identified under sub-paragraph (a) or (b), identifying the natural persons having executive authority in the body corporate, or in equivalent or similar positions.

FIRST SCHEDULE — *continued*

(6) Where the customer is a legal arrangement, the registered filing agent must identify the following persons:

- (a) for express trusts, the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any natural person having ultimate ownership of the assets or undertakings of the trust, or exercising ultimate control or ultimate effective control over the trust (including through a chain of control or ownership or both);
- (b) for any other type of legal arrangement, the persons in equivalent or similar positions, as those described under sub-paragraph (a).

(7) A registered filing agent need not inquire if there exists any beneficial owner in relation to a customer where the customer is —

- (a) a Singapore government entity;
- (b) a foreign government entity;
- (c) an entity listed on the Singapore Exchange;
- (d) an entity listed on a stock exchange outside Singapore which is regulated by an authority of a country or territory other than Singapore regulating the provision of financial services;
- (e) a Singapore financial institution;
- (f) a financial institution incorporated or established outside Singapore that is subject to and supervised for compliance with requirements for the prevention of money laundering and the financing of terrorism consistent with the standards set by the FATF; or
- (g) an investment vehicle, the managers of which are —
 - (i) Singapore financial institutions; or
 - (ii) financial institutions incorporated or established outside Singapore, and subject to and supervised for compliance with requirements for the prevention of money laundering and the financing of terrorism consistent with the standards set by the FATF,

unless the registered filing agent has doubts about the veracity of the information obtained in carrying out CDD measures under this Part or suspects that the customer is carrying out or facilitating money laundering or the financing of terrorism.

(8) For the purposes of sub-paragraph (7), a registered filing agent must keep a record in writing of the basis for its determination that a customer is of a type specified in that sub-paragraph.

FIRST SCHEDULE — *continued***Timing for verification**

11.—(1) This paragraph —

- (a) applies in respect of the duty under paragraph 8(1)(a) to perform CDD measures in paragraphs (a) and (b) of the definition of that term in paragraph 6; and
- (b) sets out when the measures referred to in paragraphs 9 and 10, or alternative measures, must be performed.

(2) A registered filing agent must, subject to sub-paragraphs (3) and (4), complete the verification of the identities of the customer, the customer's agents and the beneficial owners of the customer before the registered filing agent establishes a business relationship with a customer.

(3) A registered filing agent may establish a business relationship with a customer before completing the verification of the identities of the customer, the customer's agents and the beneficial owners of the customer if —

- (a) the deferral of completion of the verification is essential in order not to interrupt the normal conduct of business operations; and
- (b) the risks of money laundering and the financing of terrorism can be effectively managed by the registered filing agent.

(4) Where the registered filing agent establishes a business relationship with a customer before verifying the identities of the customer, the customer's agents and the beneficial owners of the customer, the registered filing agent must —

- (a) adopt internal risk management policies and procedures concerning the conditions under which such a business relationship may be established before verification; and
- (b) complete such verification as soon as is reasonably practicable.

Performance of customer due diligence measures by third parties

12.—(1) Subject to sub-paragraph (2), a registered filing agent may rely on a third party to perform any CDD measures (including simplified and enhanced CDD measures) which the registered filing agent is required to perform under this Part if the following requirements are met:

- (a) the registered filing agent is satisfied that the third party intends to rely upon —
 - (i) is subject to and supervised for compliance with requirements for the prevention of money laundering and the financing of terrorism, and for the recording and reporting of transactions

FIRST SCHEDULE — *continued*

suspected of involving money laundering or the financing of terrorism, consistent with the standards set by the FATF; and

- (ii) has adequate measures in place to comply with those requirements;
 - (b) the registered filing agent takes appropriate steps to identify, assess and understand the risks of money laundering and the financing of terrorism in the countries or territories that the third party operates in (if applicable);
 - (c) the third party is not one which the registered filing agent has been specifically precluded by the Chief Executive from relying upon;
 - (d) the third party is able and willing to provide, without delay, upon the registered filing agent's request, any document obtained by the third party with respect to the CDD measures performed in relation to the registered filing agent's customer.
- (2) No registered filing agent may rely on a third party to conduct ongoing monitoring of a business relationship with customers under paragraph 13.
- (3) Where a registered filing agent relies on a third party to perform the CDD measures, it must —
- (a) document the basis for its satisfaction that the requirements in sub-paragraph (1)(a) and (b) have been met; and
 - (b) obtain from the third party the information which the third party had obtained from performing the CDD measures immediately after the third party had obtained it.
- (4) To avoid doubt, despite the reliance upon a third party, the registered filing agent remains responsible for its obligations under this Part.

Ongoing monitoring

13.—(1) A registered filing agent must conduct ongoing monitoring of every business relationship with a customer.

- (2) A registered filing agent must —
- (a) determine the extent of ongoing monitoring of a business relationship on a risk-sensitive basis, depending on the type of customer, business relationship, product or transaction; and
 - (b) be able to demonstrate to the Chief Executive that the extent of the ongoing monitoring is appropriate in view of the risks of money laundering and the financing of terrorism.

FIRST SCHEDULE — *continued***Simplified customer due diligence measures**

14.—(1) This paragraph —

- (a) applies in respect of the duty under paragraph 8(1)(a) to perform CDD measures in paragraphs (a) and (b) of the definition of that term in paragraph 6; and
- (b) sets out the circumstances in which the performance of the measures referred to in paragraphs 9 and 10 may be modified.

(2) If the registered filing agent is of the view that the risks of money laundering and the financing of terrorism are low, the registered filing agent may adopt such measures as it considers adequate as would effectively identify and verify the customer's identity, the identity of the customer's agents and the identity of any beneficial owner in relation to a customer.

(3) The assessment that the risks of money laundering and the financing of terrorism are low must be supported by an adequate analysis of risks by the registered filing agent.

(4) The simplified CDD measures must be commensurate with the level of risk of money laundering and the financing of terrorism, based on the risk factors identified by the registered filing agent.

(5) No registered filing agent may perform simplified CDD measures in the following circumstances:

- (a) if the customer is from or in a country or territory which FATF has called for countermeasures including enhanced CDD to be performed, as may be notified by the Chief Executive;
- (b) if the customer is from or in a country or territory known to have inadequate measures for the prevention of money laundering or the financing of terrorism, as determined by the registered filing agent for itself or notified to registered filing agents generally by the Chief Executive;
- (c) where the registered filing agent suspects that money laundering or the financing of terrorism is being committed or facilitated.

(6) Subject to sub-paragraphs (4) and (5), a registered filing agent may perform simplified CDD measures in relation to a customer that is a Singapore financial institution specified for this purpose by the Chief Executive on the Authority's website.

(7) Where the registered filing agent performs simplified CDD measures in relation to a customer, the customer's agents and the beneficial owners of the customer, the registered filing agent must document —

FIRST SCHEDULE — *continued*

- (a) the details of its risk assessment including when it was done; and
- (b) the nature of the simplified CDD measures.

Politically-exposed persons

15.—(1) A registered filing agent —

- (a) who proposes to have a business relationship with a politically-exposed person must perform enhanced CDD measures before the registered filing agent establishes the business relationship; and
- (b) who has established a business relationship with a politically-exposed person must perform enhanced CDD measures and enhanced ongoing monitoring over the course of the business relationship.

(2) A registered filing agent may adopt a risk-sensitive approach in determining whether to perform enhanced CDD or the extent of enhanced CDD measures to be performed for any or all of the following:

- (a) a politically-exposed person referred to in paragraph (a)(i) of the definition of that term in paragraph 6, or an immediate family member or close associate of that person;
- (b) a politically-exposed person referred to in paragraph (a)(iii) of the definition of that term in paragraph 6, or an immediate family member or close associate of that person;
- (c) a politically-exposed person who has stepped down from his or her prominent public function, taking into consideration the level of influence the person may continue to exercise after stepping down from such prominent public function, or an immediate family member or close associate of that person.

(3) Sub-paragraph (2) does not apply where the politically-exposed person's business relationship or transactions with the registered filing agent present a high risk for money laundering or the financing of terrorism.

(4) The obligations in this paragraph are in addition to the obligation of a registered filing agent under paragraph 19 to establish and maintain appropriate and risk-sensitive internal policies, procedures and controls to determine whether a customer or beneficial owner in relation to a customer, or agent of a customer is a politically-exposed person.

Enhanced customer due diligence in other cases and enhanced ongoing monitoring

16.—(1) A registered filing agent must perform enhanced CDD measures and, as the case may be, enhanced ongoing monitoring —

FIRST SCHEDULE — *continued*

- (a) in respect of all complex or unusually large transactions, or unusual patterns of transactions that have no apparent or visible economic or lawful purpose;
 - (b) when the registered filing agent proposes to have, or has established, a business relationship with any person from or in a country or territory outside Singapore known to have inadequate measures for the prevention of money laundering or the financing of terrorism (as determined by the registered filing agent or as notified to registered filing agents generally by the Chief Executive);
 - (c) in respect of such other categories of customers or such other transactions which the registered filing agent considers may present a high risk of money laundering or the financing of terrorism; and
 - (d) in respect of a business relationship or transaction with a customer, where the customer is from or in a country or territory for which FATF has called for countermeasures including enhanced CDD measures to be performed, as may be notified by the Chief Executive.
- (2) Where the customer is not physically present for identification purposes, a registered filing agent must take specific and adequate measures to compensate for the higher risk, including performing one or more of the following measures:
- (a) ensuring that the customer's identity is established by additional documents, data or information;
 - (b) implementing supplementary measures to verify or certify the documents supplied, or requiring confirmatory certification by a Singapore financial institution;
 - (c) ensuring that the first payment is carried out through an account opened in the customer's name with a Singapore financial institution.

Requirement to cease transactions, etc.

17. Where, in relation to any customer, a registered filing agent is unable to perform or complete any CDD measure (including simplified or enhanced CDD measure) in accordance with the provisions of this Part, the registered filing agent —

- (a) must not carry out any transaction with or for the customer;
- (b) must not establish a business relationship with the customer;
- (c) must terminate any existing business relationship with the customer; or

FIRST SCHEDULE — *continued*

- (d) must consider whether it is required to make a disclosure under —
- (i) section 39(1) of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A); and
 - (ii) section 8 or 10 of the Terrorism (Suppression of Financing) Act (Cap. 325).

Record-keeping

18.—(1) A registered filing agent must keep the records specified in sub-paragraph (2) for a period of at least 5 years beginning on the date on which the business relationship ends.

(2) For the purposes of sub-paragraph (1) —

- (a) the records are —
- (i) a copy each of the information and evidence of the customer's identity (including that of any beneficial owner in relation to the customer), and of the identity of the customer's agent (if any), referred to in, or obtained pursuant to, paragraphs 8 to 16; and
 - (ii) the supporting records (consisting of the original documents or copies of the original documents) in respect of a business relationship which is the subject of any CDD measures (including simplified or enhanced CDD measures) or ongoing monitoring (including enhanced ongoing monitoring); and
- (b) the records must be sufficient to permit a reconstruction of individual transactions (including the amounts and types of currency involved, if any).

Internal policies, procedures and controls

19.—(1) A registered filing agent must establish and maintain appropriate and risk-sensitive internal policies, procedures and controls relating to all of the following matters in order to prevent activities related to money laundering and the financing of terrorism:

- (a) CDD measures (including simplified and enhanced CDD measures) and ongoing monitoring (including enhanced ongoing monitoring);
- (b) reporting;
- (c) record-keeping;
- (d) risk assessment and management;
- (e) audit of the internal policies, procedures and controls;

FIRST SCHEDULE — *continued*

- (f) the monitoring and management of compliance with, and the internal communication of, such internal policies, procedures and controls;
 - (g) hiring and training of employees.
- (2) The internal policies, procedures and controls referred to in sub-paragraph (1) include —
- (a) internal policies, procedures and controls which provide for the identification and scrutiny of —
 - (i) complex or unusually large transactions;
 - (ii) unusual patterns of transactions which have no apparent economic or visible lawful purpose; and
 - (iii) any other activity which the registered filing agent regards as particularly likely by its nature to be related to money laundering or the financing of terrorism;
 - (b) internal policies, procedures and controls which specify the taking of additional measures, where appropriate, to prevent —
 - (i) the development of new products and new business practices, including new delivery mechanisms, for money laundering and the financing of terrorism; and
 - (ii) the use of new or developing technologies, for both new and pre-existing products, for money laundering and the financing of terrorism; and
 - (c) policies, procedures and controls to determine whether any customer, beneficial owner in relation to a customer, or agent of a customer is a politically-exposed person.
- (3) A registered filing agent must undertake the risk assessments to prevent activities related to money laundering and the financing of terrorism, prior to the launch or use, of such products, practices and technologies referred to in sub-paragraph (2)(b)(i) and (ii), and must take appropriate measures to manage and mitigate the risks.
- (4) A registered filing agent must, in complying with the requirements of sub-paragraphs (2) and (3), pay special attention to any —
- (a) new products and new business practices, including new delivery mechanisms; and
 - (b) new or developing technologies for both new and pre-existing products, that favour anonymity.

FIRST SCHEDULE — *continued***Duty to assess and report**

20. A registered filing agent must —

(a) regularly assess; and

(b) if the Chief Executive requires, demonstrate to the Chief Executive,

the effectiveness of the internal policies, procedures and controls referred to in paragraph 19.

Audit and compliance management

21.—(1) For the purposes of paragraph 19(1)(e), a registered filing agent must implement and maintain an audit function that is —

(a) independent; and

(b) able to regularly assess the effectiveness of the internal policies, procedures and controls of the registered filing agent, and the registered filing agent's compliance with this Part.

(2) For the purposes of paragraph 19(1)(f), a registered filing agent must —

(a) develop compliance management arrangements to continually review and update internal policies, procedures and controls for the prevention of money laundering and the financing of terrorism; and

(b) appoint an employee or officer in a management position as the compliance officer in relation to anti-money laundering and countering the financing of terrorism.

(3) The registered filing agent must grant its compliance officer, as well as any other persons appointed to assist the compliance officer, timely access to all customer records and other relevant information which they may require to discharge their functions for the purposes of this Part.

Employees

22.—(1) For the purposes of paragraph 19(1)(g), a registered filing agent must —

(a) implement screening procedures for the hiring of fit and proper persons as employees; and

(b) ensure that the employees of the registered filing agent, whether in Singapore or elsewhere, are trained on —

(i) the laws for the prevention of money laundering and the financing of terrorism, including this Part, the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A), the Terrorism (Suppression of Financing) Act

FIRST SCHEDULE — *continued*

(Cap. 325), and other legislation concerning the prevention of money laundering or the financing of terrorism as may be specified by the Authority;

- (ii) prevailing methods of, and trends in, money laundering and the financing of terrorism; and
- (iii) the registered filing agent's internal policies, procedures and controls for the prevention of money laundering and the financing of terrorism, including the roles and responsibilities of employees and officers of the registered filing agent in relation thereto.

(2) A registered filing agent must keep written records of the measures taken under sub-paragraph (1).

Provision of information

23. A registered filing agent must, at such times and within such periods as may be specified by the Chief Executive, furnish to the Chief Executive —

- (a) the following information relating to its customers as of such date as may be specified by the Chief Executive:
 - (i) total number of customers for which transactions were undertaken;
 - (ii) a list of the nationalities of customers;
 - (iii) a list of the places of residency of customers who are individuals;
 - (iv) a list of the places of incorporation or formation of customers that are not individuals;
- (b) the following information relating to transactions carried out for its customers as of 1 January (or as of such other day of a month as the Chief Executive may specify) of each year:
 - (i) total number of transactions;
 - (ii) types of transactions;
 - (iii) total number of transactions carried out for persons who are not citizens of Singapore or Singapore permanent residents;
 - (iv) total number of company incorporations, and registrations of businesses, limited liability partnerships and limited partnerships, carried out for persons who are not citizens of Singapore or Singapore permanent residents;

FIRST SCHEDULE — *continued*

- (v) total number of transactions carried out for —
 - (A) politically-exposed persons; and
 - (B) persons described in paragraph 16(1)(b) and (c);
- (vi) total number of company incorporations, and registrations for businesses, limited liability partnerships and limited partnerships, carried out for —
 - (A) politically-exposed persons; and
 - (B) persons described in paragraph 16(1)(b) and (c); and
- (c) such other information regarding its activities as a registered filing agent as the Chief Executive may require for the purpose of monitoring its compliance with this Part.

Compliance with directions

24.—(1) A registered filing agent must, in relation to the use of the electronic transaction system, comply with such written directions as the Chief Executive may issue for the prevention of money laundering or the financing of terrorism.

- (2) The written directions referred to in sub-paragraph (1) include —
 - (a) written directions with respect to the standards to be maintained by a registered filing agent in the conduct of its business to give effect to the provisions of this Part;
 - (b) where any registered filing agent is contravening, is likely to contravene or has contravened any provision of this Part, written directions to require the registered filing agent —
 - (i) to comply with that provision or to cease contravention of that provision;
 - (ii) to take such action necessary to enable the registered filing agent to conduct its business in accordance with sound principles for the prevention of money laundering and the financing of terrorism; or
 - (iii) to make good any default committed by the registered filing agent; and
 - (c) written directions for any other purpose specified in this Part.

FIRST SCHEDULE — *continued*

PART 3

GENERAL PROVISIONS

Duty to produce documents, provide information, etc.

25. A registered filing agent must —
- (a) permit the Chief Executive or an officer authorised by the Chief Executive to inspect the premises at which the registered filing agent is carrying on business and any document on those premises which the Chief Executive or officer reasonably requires to inspect for the purpose of ascertaining whether a contravention of this Schedule is being or has been committed;
 - (b) produce any document, and provide any information or explanation, that the Chief Executive or an officer authorised by the Chief Executive reasonably requires to determine whether a contravention of this Schedule is being or has been committed; and
 - (c) permit the Chief Executive or officer authorised by the Chief Executive to retain and make copies of any document produced.

Duty to display notice of registration

26.—(1) A registered filing agent must display its notice of registration conspicuously at every place of business at which it carries out the function of a filing agent.

(2) Despite sub-paragraph (1), a registered filing agent must not display its notice of registration if its registration has been suspended.

SECOND SCHEDULE

Regulation 9 and
paragraphs 3(e) and 4(2)(e) of
First Schedule

TERMS AND CONDITIONS APPLICABLE TO REGISTERED QUALIFIED INDIVIDUALS

Definitions

1. In this Schedule —

“principal registered filing agent”, in relation to a registered qualified individual, means the registered filing agent which employs, engages or appoints the registered qualified individual;

“supervisee” means an employee of a registered filing agent appointed by a registered qualified individual (being a registered qualified individual who is, or who is employed, engaged or appointed by, the registered filing agent) as a person who may carry out any transaction with the Registrar using the electronic transaction system under the supervision of the registered qualified individual.

Duty to report changes in registered particulars

2. A registered qualified individual must notify the Chief Executive, in such manner as the Chief Executive may determine, of any change in any particulars furnished in his or her application for registration as a registered qualified individual under section 28G of the Act, or any particulars furnished under this paragraph, within 14 days after the date of change.

Persons employed to transact using electronic transaction system

3.—(1) A registered qualified individual who is, or who is employed, engaged or appointed by, a registered filing agent must —

(a) provide the Chief Executive with the identity, together with such particulars as the Chief Executive may determine, of each supervisee appointed by him or her; and

(b) notify the Chief Executive of any change, or of any change in any particulars, of a supervisee referred to in sub-paragraph (a).

(2) A registered qualified individual who is, or who is employed, engaged or appointed by, a registered filing agent must not appoint an individual as a supervisee if he or she has reasonable cause to believe that the individual —

(a) is not a fit and proper person; or

(b) is not an employee of the registered filing agent.

SECOND SCHEDULE — *continued*

(3) A registered qualified individual who is, or who is employed, engaged or appointed by, a registered filing agent must withdraw the appointment of any individual as a supervisee if —

- (a) the registered qualified individual has reasonable cause to believe that the individual so appointed has ceased to be a fit and proper person; or
- (b) the individual has ceased to be employed by the registered filing agent.

Duties in respect of transactions

4. A registered qualified individual —

- (a) must ensure that a document used by him or her for, or in connection with, any transaction with the Registrar using the electronic transaction system is complete and in the proper form;
- (b) must not use any document for, or in connection with, any transaction with the Registrar using the electronic transaction system, if he or she believes, or has reasonable grounds to believe, that any information in the document is inaccurate;
- (c) must not carry out any transaction with the Registrar, unless —
 - (i) the transaction relates to a customer of the principal registered filing agent; and
 - (ii) the transaction is authorised by that customer; and
- (d) must not use the professional number assigned to the registered qualified individual (if he or she is also a registered filing agent), or to the principal registered filing agent, to access the electronic transaction system —
 - (i) for any purpose prohibited by the Chief Executive; or
 - (ii) for any illegal purpose.

Duty over supervisees in respect of transactions

5. A registered qualified individual must take all reasonable steps and measures —

- (a) to ensure that any document used by a supervisee for, or in connection with, any transaction with the Registrar using the electronic transaction system is complete and in the proper form;
- (b) to ensure that no document is used by a supervisee for, or in connection with, any transaction with the Registrar using the electronic transaction system, if any information in the document is inaccurate;

SECOND SCHEDULE — *continued*

- (c) to prevent a supervisee from carrying out any transaction with the Registrar using the electronic transaction system, unless the transaction —
 - (i) relates to a customer of the registered qualified individual (if the registered qualified individual is also the registered filing agent), or the principal registered filing agent; and
 - (ii) is authorised by that customer;
- (d) to prevent a supervisee from using the professional number issued to the registered qualified individual (if the registered qualified individual is also the registered filing agent), or to the principal registered filing agent, to access the electronic transaction system —
 - (i) for any purpose prohibited by the Chief Executive; or
 - (ii) for any illegal purpose; and
- (e) to prevent a supervisee from carrying out any transaction with the Registrar using the electronic transaction system, if the supervisee —
 - (i) is not a fit and proper person; or
 - (ii) has ceased to be employed by the registered qualified individual (if the registered qualified individual is also a registered filing agent), or by the principal registered filing agent.

Duty to report and rectify, etc.

6.—(1) A registered qualified individual must notify the Chief Executive if he or she is aware, or has reasonable grounds to believe, that —

- (a) any document used for, or in connection with, any transaction with the Registrar carried out by the registered qualified individual or a supervisee using the electronic transaction system is incomplete or not in the proper form;
- (b) any document used for, or in connection with, any transaction with the Registrar by the registered qualified individual or by the registered qualified individual's supervisee using the electronic transaction system, is inaccurate;
- (c) a transaction with the Registrar by the registered qualified individual or by the registered qualified individual's supervisee using the electronic transaction system has been carried out which —
 - (i) does not relate to a customer of the registered qualified individual (if he or she is also a registered filing agent), or the principal registered filing agent; or

SECOND SCHEDULE — *continued*

- (ii) is not authorised by that customer;
- (d) the professional number assigned to the registered qualified individual (if he or she is also a registered filing agent), or to the principal registered filing agent, has been used by the registered qualified individual or by the registered qualified individual's supervisee to access the electronic transaction system for —
 - (i) any purpose prohibited by the Chief Executive; or
 - (ii) any illegal purpose; or
- (e) a supervisee of the registered qualified individual has carried out any transaction with the Registrar using the electronic transaction system when the supervisee —
 - (i) was not at the time a fit and proper person; or
 - (ii) has ceased to be employed by the registered qualified individual (if he or she is also a registered filing agent), or by the principal registered filing agent.

(2) A registered qualified individual must comply with such directions of the Chief Executive as the Chief Executive considers necessary or desirable to remedy or rectify any of the occurrences referred to in sub-paragraph (1)(a) to (e) and to prevent such occurrences from happening in the future.

Duty to produce documents, provide information, etc.

7. A registered qualified individual must —
- (a) produce any document, and provide any information or explanation, that the Chief Executive or an officer authorised by the Chief Executive reasonably requires to determine whether a contravention of this Schedule is being or has been committed; and
 - (b) permit the Chief Executive or the officer authorised by the Chief Executive to retain and make copies of any document produced.

Compliance with directions

8. A registered qualified individual must, in relation to the use of the electronic transaction system, comply with such written directions as the Chief Executive may issue for the prevention of money laundering or the financing of terrorism.

THIRD SCHEDULE

Regulation 12

FEEES

- | | |
|--|-------|
| 1. Application fee for registration as a registered filing agent under section 28F(1)(c) of the Act | \$200 |
| 2. Application fee for renewal of registration as a registered filing agent under section 28F(1)(c) of the Act | \$200 |
| 3. Application fee for registration as a registered qualified individual under section 28G(1)(c) of the Act | \$100 |
| 4. Application fee for renewal of registration as a registered qualified individual under section 28G(1)(c) of the Act | \$100 |

Made on 6 April 2015.

LIM SOO HOON
Permanent Secretary
(Finance) (Performance),
Ministry of Finance,
Singapore.

[F14.1.42 V1; AG/LLRD/SL/2A/2010/4 Vol. 2]