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## No. S 306

### 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) REGULATIONS 2019

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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:

**PART 1****PRELIMINARY****Citation and commencement**

1. These Regulations are the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Regulations 2019 and come into operation on 10 April 2019.

**Definitions**

2.—(1) In these Regulations —

“beneficial owner”, in relation to an entity or a legal arrangement, means —

- (a) an individual who ultimately owns or controls the entity or legal arrangement;

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- (b) an individual who exercises ultimate effective control over the entity or legal arrangement; or
  - (c) an individual on whose behalf the entity or legal arrangement conducts any transaction with a regulated dealer;

“business day” means a day other than a Saturday, Sunday or public holiday;

“close associate”, in relation to a politically-exposed person, means —

- (a) a partner of the politically-exposed person;
- (b) a person accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the politically-exposed person;
- (c) a person whose directions, instructions or wishes the politically-exposed person is accustomed or under an obligation, whether formal or informal, to act in accordance with; or
- (d) a person with whom the politically-exposed person has an agreement or arrangement, whether oral or in writing and whether express or implied, to act together;

“family member”, in relation to a politically-exposed person, means a spouse, a child, an adopted child or a stepchild, a sibling, an adopted sibling or a stepsibling or a parent or step-parent, of the politically-exposed person;

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

“identifying information” means all of the following information:

- (a) full name, including any alias used;
- (b) date of birth, for an individual;

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- (c) address, which must be —
- (i) for an individual, the address of the individual’s usual place of residence; or
  - (ii) for a body corporate or unincorporate, the address of its registered office and principal place of business;
- (d) contact number or numbers;
- (e) nationality, for an individual, or place of incorporation or registration, for a body corporate or unincorporate;
- (f) identification number, which must be —
- (i) for an individual, an identity card number, a passport number, a taxpayer identification number, or the number of any other document of identity issued by a government as evidence of the individual’s nationality or residence and bearing a photograph of the individual; or
  - (ii) for a body corporate or unincorporate, a registration number, or the number of any other document issued by any government certifying the incorporation, registration or existence of the body corporate or unincorporate;
- (g) the type of identifying document mentioned in paragraph (f) and the expiry date (if any) of the identifying document;
- (h) occupation, for an individual, or business, for a body corporate or unincorporate;

“Monetary Authority of Singapore” means the Monetary Authority of Singapore established by section 3 of the Monetary Authority of Singapore Act (Cap. 186);

“net price”, in relation to any precious stone, precious metal, precious product or asset-backed token sold or purchased by a regulated dealer, means the list price of the precious stone,

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precious metal, precious product or asset-backed token sold or purchased —

- (a) deducting any discount or rebate given by the regulated dealer in connection with that sale, or to the regulated dealer in connection with that purchase, as the case may be; but
- (b) including —
  - (i) any tax charged on that sale or purchase, as the case may be; and
  - (ii) any fee or charge imposed by the regulated dealer in connection with that sale, or on the regulated dealer in connection with that purchase, as the case may be;

*[S 372/2024 wef 01/05/2024]*

“place of business”, in relation to a registered dealer, means —

- (a) the address of any place where the registered dealer maintains a fixed place of business in Singapore to carry out the business of regulated dealing or business as an intermediary for regulated dealing; or
- (b) if the registered dealer does not have a fixed place of business in Singapore —
  - (i) the registered office of a registered dealer that is a company or firm; or
  - (ii) the usual place of residence of a registered dealer who is a natural person;

“politically-exposed person” means an individual who is or has been entrusted with a prominent public function —

- (a) in Singapore;
- (b) in a foreign country or territory; or
- (c) in an international organisation;

“prominent public function” 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

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executive of a state-owned corporation, senior political party official, member of the legislature or member of the senior management of an international organisation (including a director, deputy director or member of a board or an equivalent function);

“regulated activity”, for a registered dealer, means a business of regulated dealing or business as an intermediary for regulated dealing;

“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.

*[S 372/2024 wef 01/05/2024]*

(2) For the purposes of paragraph (a) of the definition of “net price” in paragraph (1) —

(a) the reference to a discount or rebate given by a regulated dealer in connection with a sale by the regulated dealer excludes any amount that is —

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

(ii) 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 any amount that is —

(i) 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

- (ii) an amount deposited by the regulated dealer in respect of the purchase mentioned in sub-paragraph (i) or otherwise.

*[S 372/2024 wef 01/05/2024]*

### **Prescribed value for definition of “precious product”**

**2A.** For the purposes of paragraph (b)(ii) of the definition of “precious product” in section 2 of the Act, the prescribed value of any jewellery, watch, apparel, accessory, ornament or other finished product is its net price of \$20,000.

*[S 372/2024 wef 01/05/2024]*

### **Cash equivalent**

**3.—(1)** For the purposes of section 15 of the Act, “cash equivalent” means any of the following:

- (a) a cash cheque or traveller’s cheque;
- (b) a payment account that contains e-money;
- (c) a voucher (whether in physical or electronic form) the redemption of which in accordance with its terms entitles the holder to receive goods or services up to the value stated on or recorded in or in respect of the voucher, whether such value is in terms that are monetary or non-monetary;
- (d) a token, stamp, coupon or other article (whether in physical or electronic form) the redemption of which in accordance with its terms entitles the holder to receive any precious stone, precious metal or precious product up to the value stated on or recorded in or in respect of the token, stamp, coupon, or other article;
- (e) any negotiable instrument that is in bearer form, indorsed without any restriction, made out to a fictitious payee or otherwise in such form that title thereto passes upon delivery,

and includes a negotiable instrument that has been signed but with the payee’s name omitted.

(2) In this regulation, “e-money” and “payment account” have the meanings given by section 2(1) of the Payment Services Act 2019.

*[S 728/2023 wef 15/11/2023]*

### **Designated transaction**

4.—(1) Each of the following transactions is a designated transaction for the purposes of paragraph (d) of the definition of “designated transaction” in section 15 of the Act:

- (a) a redemption of an asset-backed token from a customer (who is not a regulated dealer) by a regulated dealer, for cash or a cash equivalent exceeding the threshold amount;
- (b) 2 or more purchases of any precious stone, precious metal or precious product in a single day by a regulated dealer (who is a secondhand goods dealer), from the same customer, or customers whom the regulated dealer knows act on behalf of the same person (none of whom are regulated dealers), for which cash or a cash equivalent in total exceeding the threshold amount is received as payment;
- (c) 2 or more redemptions of any asset-backed token in a single day by a regulated dealer from the same customer, or customers whom the regulated dealer knows act on behalf of the same person (none of whom are regulated dealers), for cash or a cash equivalent exceeding the threshold amount.

(2) In this regulation, “threshold amount” has the meaning given by section 15 of the Act.

### **Transactions in prescribed circumstances**

4A.—(1) For the purpose of section 16(1)(d) of the Act, each of the following circumstances are circumstances in which a regulated dealer must perform the prescribed customer due diligence measures in regulations 5 and 6, and a reference in those regulations to a designated transaction is a reference to a transaction that takes place in any of the circumstances prescribed in this paragraph:



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- (a) the regulated dealer makes a sale or barter of any precious stone, precious metal, precious product or asset-backed token to a customer, for which gold (except in the form of jewellery) the value of which exceeds the threshold amount is received as payment;
- (b) the regulated dealer makes 2 or more sales or barter of any precious stone, precious metal, precious product or asset-backed token in a single day to the same customer, or to customers whom the regulated dealer knows act on behalf of the same person, for which gold (except in the form of jewellery) the total value of which exceeds the threshold amount is received as payment;
- (c) the regulated dealer makes a sale of any precious stone, precious metal, precious product or asset-backed token to a customer, for which digital payment tokens the value of which exceeds the threshold amount are received as payment;
- (d) the regulated dealer makes 2 or more sales of any precious stone, precious metal, precious product or asset-backed token in a single day to the same customer, or to customers whom the regulated dealer knows act on behalf of the same person, for which digital payment tokens the total value of which exceeds the threshold amount are received as payment.
- (2) In this regulation —
- “digital payment token” has the meaning given by section 2(1) of the Payment Services Act 2019;
- “threshold amount” has the meaning given by section 15 of the Act.

*[S 728/2023 wef 15/11/2023]*

## PART 2

## CUSTOMER DUE DILIGENCE AND OTHER MEASURES

**Customer due diligence measures where customer is individual**

5. Subject to regulations 8 and 9, for the purposes of section 16 of the Act, the customer due diligence measures to be performed by a regulated dealer before entering into any designated transaction with a customer who is an individual are all of the following:

- (a) obtain the customer's identifying information;
- (b) verify the customer's identity using reliable and independent sources (such as the customer's identity card, passport or other document of identity issued by a government);  
*[S 728/2023 wef 15/11/2023]*
- (c) enquire whether the customer is the owner of the cash or cash equivalent received as payment in the cash transaction, and if not, to obtain the identifying information of the owner of that cash or cash equivalent;
- (d) if the customer is selling any precious stone, precious metal, precious product or asset-backed token to the regulated dealer, enquire whether the customer is the owner of the precious stone, precious metal, precious product or asset-backed token, and if not, to obtain the identifying information of the owner;
- (e) if the enquiry in paragraph (c) or (d) reveals that the customer is not the owner of the cash, cash equivalent, precious stone, precious metal, precious product or asset-backed token (as the case may be), take reasonable measures to verify the owner's identity using reliable and independent sources;
- (f) ascertain whether the customer is acting on behalf of any other person, and if so —
  - (i) if that other person is an individual, identify and take reasonable measures to verify the identity of that individual, using reliable and independent sources;

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- (ii) if that other person is an entity or a legal arrangement, perform the customer due diligence measures specified in regulation 6 on that entity or legal arrangement; and
  - (iii) obtain appropriate documentary evidence to verify that the customer is authorised to act on behalf of that other person;
- [S 728/2023 wef 15/11/2023]*
- (g) ascertain whether any person is acting on behalf of the customer in relation to and for the purpose of the designated transaction, and if so —
    - (i) if that other person is an individual, identify and take reasonable measures to verify the identity of that individual, using reliable and independent sources;
    - (ii) if that other person is an entity or a legal arrangement, perform the customer due diligence measures specified in regulation 6 on that entity or legal arrangement; and
    - (iii) obtain appropriate documentary evidence to verify that that other person is authorised to act on behalf of the customer.

*[S 728/2023 wef 15/11/2023]*

*[S 728/2023 wef 15/11/2023]*

### **Customer due diligence measures where customer is entity or legal arrangement**

6.—(1) Subject to regulations 8 and 9, for the purposes of section 16 of the Act, the customer due diligence measures to be performed by a regulated dealer before entering into any designated transaction with a customer who is an entity or a legal arrangement are all of the following:

- (a) identify and verify the identity of the customer by obtaining the following information from reliable and independent sources:
  - (i) the name of the customer;

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- (ii) the legal form of the customer;
  - (iii) proof of the customer's existence;
  - (iv) the place under which the customer is incorporated, registered or otherwise constituted;
  - (v) the documents that constitute, regulate and bind the customer, being the following, or their equivalent:
    - (A) in the case of a body corporate, the constitution, or the memorandum and articles of association, of the body corporate;
    - (B) in the case of a partnership or limited partnership, the partnership deed or agreement;
    - (C) in the case of an express trust, the trust deed of the trust;
    - (D) in the case of a society or an unincorporated association, the rules of the society or unincorporated association;
    - (E) in the case of any other entity or legal arrangement, the instrument or document that constitutes or establishes the entity or legal arrangement;
  - (vi) if the customer is incorporated or registered in Singapore, its unique entity number;
  - (vii) if the customer is incorporated or registered outside Singapore, its foreign incorporation or registration number;
  - (viii) if the customer is an entity, the identity of each individual having a senior management position in the entity;
  - (ix) the address of the customer's registered office or principal place of business;
- (b) subject to paragraph (2), identify each beneficial owner of the customer and take reasonable measures to verify the identity of each beneficial owner by obtaining the

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following information from reliable and independent sources:

- (i) if the customer is an entity —
  - (A) the identifying information of each individual (if any) who ultimately has a controlling ownership interest in the customer, according to the law and instrument under which the customer is constituted;
  - (B) if it is doubtful whether all or any of the individuals who ultimately have a controlling interest in the customer are its beneficial owners, or where no individual exerts control through ownership interests, the identifying information of each individual (if any) exercising control of the customer through other means; or
  - (C) if no individual is identified under sub-paragraphs (A) and (B), the identifying information of each individual having a senior management position in the customer;
- (ii) if the customer is a legal arrangement that is a trust, the identities of —
  - (A) the settlor;
  - (B) each trustee;
  - (C) the protector (if any);
  - (D) each beneficiary or class of beneficiaries; and
  - (E) any other individual exercising ultimate effective control over the trust;
- (iii) if the customer is a legal arrangement that is not a trust, the identity of each person holding a position equivalent or similar to any position in sub-paragraph (ii);

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- (c) ascertain whether any individual is acting on the customer's behalf in relation to and for the purpose of the designated transaction, and if so perform the customer due diligence measures specified in regulation 5 on that individual;
  - (d) ascertain whether the customer is acting on behalf of any other person, and if so —
    - (i) if that other person is an individual, identify and take reasonable measures to verify the identity of that individual, using reliable and independent sources;
    - (ii) if that other person is an entity or a legal arrangement, perform the customer due diligence measures specified in sub-paragraphs (a), (b), (e) and (f) on that entity or legal arrangement as if the references to the customer in those sub-paragraphs were references to the entity or legal arrangement; and
    - (iii) obtain appropriate documentary evidence to verify that the customer is authorised to act on behalf of that other person;
  - (e) understand the nature of the customer's business;
  - (f) understand the ownership and control structure of the customer.
- (2) A regulated dealer need not identify each beneficial owner of the entity where the entity is —
- (a) an entity listed on the Singapore Exchange;
  - (b) a financial institution that is subject to and supervised for compliance with requirements for the prevention of money laundering and the financing of terrorism by the Monetary Authority of Singapore, as listed in Appendix 1 of the direction known as MAS Notice 626 issued by the Monetary Authority of Singapore; or
  - (c) 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 standards set by the FATF.

(3) Where a regulated dealer determines that the entity or legal arrangement is of a type specified in paragraph (2), the regulated dealer must record the basis for the determination.

*[S 728/2023 wef 15/11/2023]*

### **Enhanced customer due diligence measures**

7.—(1) Where any of the circumstances mentioned in paragraph (2) exists, a regulated dealer must, in addition to performing the customer due diligence measures prescribed in regulations 5 and 6, perform the enhanced customer due diligence measures mentioned in paragraph (3).

(2) The circumstances in which a regulated dealer must perform the enhanced customer due diligence measures are any of the following:

(a) the customer, a person on whose behalf the customer is acting or a beneficial owner of the customer (where the customer is an entity or a legal arrangement), in any transaction —

(i) is a politically-exposed person, a family member of a politically-exposed person, or a close associate of a politically-exposed person;

(ii) is a resident of or originates from a relevant country or territory; or

*[S 990/2020 wef 14/12/2020]*

(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;

*[S 990/2020 wef 14/12/2020]*

*[S 990/2020 wef 14/12/2020]*

*[S 728/2023 wef 15/11/2023]*

(b) the regulated dealer has reason to believe that the customer, the person on whose behalf the customer is acting or a beneficial owner of the customer (where the customer is an entity or a legal arrangement), or the transaction entered

into or about to be entered into, may present a high risk of money laundering or terrorism financing.

*[S 990/2020 wef 14/12/2020]*

*[S 728/2023 wef 15/11/2023]*

(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 inadequate measures to prevent money laundering or terrorism financing.

*[S 990/2020 wef 14/12/2020]*

(3) The enhanced customer due diligence measures to be performed by the regulated dealer are as follows:

- (a) obtain the approval of a person holding a senior managerial or executive position in the regulated dealer before —
  - (i) in the case of a new customer, entering into a transaction with the customer; or
  - (ii) in the case of an existing customer, continuing to transact with the customer;
- (b) take reasonable measures to establish the income level, source of wealth, and the source of funds, of the customer and, if the customer is an entity or a legal arrangement, of the beneficial owner or owners of the customer;
- (c) conduct enhanced ongoing monitoring of the transactions entered into with the customer so as to identify suspicious transactions, including transactions or patterns of



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transactions that are inconsistent with the customer's profile;

*[S 990/2020 wef 14/12/2020]*

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

*[S 990/2020 wef 14/12/2020]*

(4) A regulated dealer must implement appropriate policies, controls and procedures to determine whether the circumstances mentioned in paragraph (2) exist.

### **Simplified customer due diligence measures**

**8.—**(1) If all of the following conditions are met, a regulated dealer may, instead of performing the customer due diligence measures specified in regulations 5 and 6, perform simplified customer due diligence measures:

- (a) the regulated dealer has obtained the prior written approval of the Registrar to perform the simplified customer due diligence measures;
- (b) the regulated dealer complies with any condition imposed by the Registrar in giving such written approval;
- (c) the regulated dealer has assessed the risk of money laundering and terrorism financing in relation to a particular customer or particular transaction to be low, based on an analysis of risk factors identified by the regulated dealer;
- (d) the simplified customer due diligence measures are commensurate with the level of risk of money laundering and terrorism financing identified by the regulated dealer;
- (e) none of the circumstances mentioned in regulation 7(2) requiring enhanced customer due diligence exists.

(2) Simplified customer due diligence measures are such measures as a regulated dealer considers adequate to effectively identify and verify the identity of the customer, owner of the cash or cash

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equivalent, owner of the precious stone, precious metal, precious product or asset-backed token, beneficial owner of an entity or a legal arrangement or any person on whose behalf the customer is acting, in any particular transaction.

(3) Where a regulated dealer decides to carry out simplified customer due diligence measures, the regulated dealer must record —

- (a) the details of the risk assessment that formed the basis for the decision; and
- (b) the simplified customer due diligence measures carried out.

### **Customer due diligence measures for existing customers**

9. A regulated dealer may, based on the regulated dealer's assessment of materiality and risk, perform the customer due diligence measures mentioned in regulations 5 to 8 in relation to any existing customer using information previously obtained from customer due diligence measures in relation to the same customer, taking into account —

- (a) when customer due diligence measures (if any) were last applied to that customer; and
- (b) the adequacy of information already obtained by the regulated dealer in relation to that customer.

### **Performance of customer due diligence measures by third parties**

10.—(1) A regulated dealer may rely on a third party to perform the customer due diligence measures which the regulated dealer is required to perform under regulations 5 to 8, if the following requirements are met:

- (a) the regulated dealer is satisfied that the third party it intends to rely on —
  - (i) is subject to and supervised for compliance with requirements for the prevention of money laundering and the financing of terrorism consistent with standards set by the FATF;

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- (ii) has adequate measures in place to comply with those requirements mentioned in sub-paragraph (i); and
  - (iii) is willing and able to provide, without delay, on the regulated dealer's request, any document acquired by the third party as a result of the customer due diligence measures performed for the regulated dealer;
- (b) the third party is not precluded from acting as such by the Registrar;
  - (c) the regulated dealer 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).
- (2) A regulated dealer must not rely on a third party to conduct ongoing monitoring under regulation 11.
- (3) Where a regulated dealer decides to rely on a third party to carry out customer due diligence measures, the regulated dealer must —
- (a) document the basis for the regulated dealer's opinion in paragraph (1)(a); and
  - (b) obtain from the third party without delay all documents acquired as a result of the customer due diligence measures performed by the third party.
- (4) To avoid doubt, despite the reliance on a third party, a regulated dealer remains responsible for compliance with the obligations to perform customer due diligence measures and keep records under these Regulations.

### **Ongoing monitoring**

**11.—**(1) A regulated dealer must periodically review the information and documents obtained as a result of the customer due diligence measures under these Regulations to ascertain whether the transactions carried out by customers of the regulated dealer are consistent with the regulated dealer's knowledge of the customer, the customer's income and risk profile and the customer's source or sources of funds.

(2) A regulated dealer must periodically review the adequacy of information and documents obtained as a result of the customer due diligence measures under these Regulations, particularly in cases where there is a higher risk of money laundering or terrorism financing, to ensure that the information in respect of customers and persons on whose behalf the customers transact is kept current.

### **Form, manner and time of submission of cash transaction report**

**12.—**(1) For the purposes of section 17(1) of the Act —

(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

*[S 990/2020 wef 14/12/2020]*

(b) the prescribed time for the submission of a cash transaction report is not later than the 15th business day after the date on which the designated transaction is entered into.

(2) For the purposes of section 17(2) of the Act, the period for which a copy of a cash transaction report must be kept is 5 years after the date of submission of the cash transaction report.

### **Keeping of records**

**13.—**(1) For the purposes of section 18(1) of the Act, the period for which the documents and information in that section must be kept is 5 years after whichever of the following dates is applicable:

(a) in respect of any record made, or information obtained through customer due diligence measures performed, for a designated transaction, and each copy of a supporting document relating to that information — the date of the designated transaction;

(b) in respect of any record made, or information obtained through customer due diligence measures performed, for any other transaction, and each copy of a supporting document relating to that information — the date of that transaction;

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(c) 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, in circumstances other than that in sub-paragraph (a) or (b) — the date that the record is made, or the information or supporting document is obtained.

(2) The prescribed information of every designated transaction or other transaction (whether or not completed) the record of which must be kept under section 18(1)(a) of the Act is as follows:

- (a) in relation to the customer involved in the designated transaction or other transaction, the following information:
- (i) the customer's identifying information;
  - (ii) whether the customer is the owner of the cash or cash equivalent received from the customer, or the owner of the precious stone, precious metal, precious product or asset-backed token purchased or redeemed from the customer;
  - (iii) if the customer is not the owner mentioned in sub-paragraph (ii), the identity and identifying information of the owner;
- (b) in relation to the designated transaction or other transaction, the following information:
- (i) the date of the transaction or intended transaction;
  - (ii) the amount of the transaction or intended transaction;
  - (iii) the description of the precious stone, precious metal, precious product or asset-backed token sold, purchased or redeemed, or to be sold, purchased or redeemed, under the transaction;
  - (iv) the address or addresses where the transaction was carried out, or would have been carried out;
  - (v) the name and designation of the individual who carried out (or would have carried out) the transaction on behalf of the regulated dealer.

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(3) The following additional information and documents must be kept by a regulated dealer under section 18(1)(d) of the Act:

- (a) a record of the regulated dealer's basis for a determination under section 16(5)(c) of the Act, where the regulated dealer is unable to or chooses not to complete any customer due diligence measure under section 16(5) of the Act;
- (b) a record of the supporting information or a copy of each supporting document relied on by the regulated dealer in making a cash transaction report;
- (c) where enhanced customer due diligence measures are carried out under regulation 7, the name and designation of the person holding a senior managerial or executive position in the regulated dealer who approved the transaction with the customer;
- (d) where simplified customer due diligence measures are carried out under regulation 8, the record mentioned in regulation 8(3);

*[S 990/2020 wef 14/12/2020]*

- (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;
  - (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

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- (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.

*[S 990/2020 wef 14/12/2020]*

(4) All such records, information and documents required to be kept under section 18 of the Act and these Regulations must be kept in a manner so as to be accurate, complete, legible and accessible to the Registrar, an auditor, an authorised officer or a Suspicious Transaction Reporting Officer.

(5) For the purposes of section 18(4) of the Act, the prescribed manner of making any record kept under paragraph (3)(e) available to the Registrar is by submitting the record to the Registrar through the electronic system of the Ministry of Law at <https://acd.mlaw.gov.sg>.

*[S 728/2023 wef 15/11/2023]*

### **Risk assessment, internal controls and procedures**

**14.—(1)** A regulated dealer must —

- (a) take appropriate steps to identify, assess and understand the money laundering and terrorism financing risks in relation to —
  - (i) the regulated dealer’s customers;

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- (ii) the countries or jurisdictions which the regulated dealer's customers are from or in;
    - (iii) the countries or jurisdictions in which the regulated dealer has operations; and
    - (iv) the regulated dealer's products, services, transactions and delivery channels;
  - (b) for the purpose of sub-paragraph (a) —
    - (i) document the risk assessments;
    - (ii) consider all relevant risk factors before determining the overall level of risk and the appropriate type and extent of mitigation to be applied;
    - (iii) keep the risk assessments up to date; and
    - (iv) provide the risk assessments to the Registrar upon request;
  - (c) develop and implement internal policies, procedures and controls, which must be approved by its senior management, to manage and effectively mitigate the money laundering and terrorism financing risks identified by it or notified to it by the Registrar, including —
    - (i) making appropriate compliance management arrangements, including the appointment of a compliance officer at the management level; and
    - (ii) applying adequate screening procedures when hiring employees;
  - (d) take enhanced measures to manage and mitigate the risk of money laundering or terrorism financing where higher risks are identified;
  - (e) have an ongoing programme to train employees on the internal policies, procedures and controls in sub-paragraph (c); and



- (f) monitor the implementation of the internal policies, procedures and controls in sub-paragraph (c), and enhance them if necessary.

(2) A regulated dealer that carries out one or more designated transactions must, in addition to the matters mentioned in paragraph (1), have an independent audit function to test the internal policies, procedures and controls in paragraph (1)(c).

*[S 728/2023 wef 15/11/2023]*

### **Group policy for branches and subsidiaries**

**14A.**—(1) A regulated dealer that has one or more branches or subsidiaries (whether located or incorporated in Singapore or in a foreign country or territory) must —

- (a) implement a group policy for preventing money laundering and terrorism financing, and for managing and mitigating the risks of money laundering and terrorism financing; and
- (b) extend the group policy to all of those branches and subsidiaries.

(2) The group policy referred to in paragraph (1) must include the following:

- (a) the development and implementation of internal policies, procedures and controls, which must be approved by the regulated dealer's senior management, to manage and effectively mitigate the money laundering and terrorism financing risks identified by the regulated dealer or notified to it by the Registrar, including —
  - (i) making appropriate compliance management arrangements, including the appointment of a compliance officer at the management level; and
  - (ii) applying adequate screening procedures when hiring employees;
- (b) enhanced measures to manage and mitigate the risk of money laundering or terrorism financing where higher risks are identified;

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- (c) the implementation of an ongoing programme to train employees on the internal policies, procedures and controls in sub-paragraph (a);
  - (d) the monitoring of the implementation of the internal policies, procedures and controls in sub-paragraph (a), and enhancement of them if necessary;
  - (e) subject to paragraph (3), measures to share information among the regulated dealer's branches and subsidiaries for the purpose of conducting customer due diligence or managing the risk of money laundering and terrorism financing.
- (3) The measures mentioned in paragraph (2)(e) —
- (a) must incorporate adequate safeguards, implemented by the regulated dealer, to protect the confidentiality and use of any information that is shared; and
  - (b) may only apply to the extent permitted by the law of the foreign country or territory that the regulated dealer's branch or subsidiary (as the case may be) is in.
- (4) Where the regulated dealer has a branch or subsidiary in a foreign country or territory that has laws for the prevention of money laundering or terrorism financing that differ from those of Singapore —
- (a) the regulated dealer must require the management of that branch or subsidiary to apply the more stringent of the laws, to the extent that the law of the foreign country or territory permits; and
  - (b) where the management of that branch or subsidiary is unable to fully apply the more stringent law, the regulated dealer must report this to the Registrar and must, instead of sub-paragraph (a) —
    - (i) perform such additional measures as are appropriate to managing the risk of money laundering and terrorism financing; and

- (ii) comply with such directions as may be given by the Registrar.

(5) In this regulation, “subsidiary”, in relation to a regulated dealer that is a company, has the same meaning as in section 5 of the Companies Act 1967.

*[S 728/2023 wef 15/11/2023]*

### **New technologies**

**15.** A regulated dealer must, before launching a new product or a new business practice (including a new delivery mechanism) or using a new or developing technology for any new or existing product —

- (a) identify and assess the money laundering or terrorism financing risks that may arise in relation to the product, business practice or technology; and
- (b) take appropriate measures to manage and mitigate such risks.

### **Additional measures relating to targeted financial sanctions**

**16.—(1)** A regulated dealer must, before dealing with any customer, take reasonable measures to assess whether the customer, any person on whose behalf the customer is acting, or a beneficial owner of the customer (where the customer is an entity or a legal arrangement) is —

- (a) a terrorist or terrorist entity under the Terrorism (Suppression of Financing) Act (Cap. 325);  
*[S 728/2023 wef 15/11/2023]*
- (b) a designated person as defined in any regulations made under the United Nations Act (Cap. 339); or  
*[S 728/2023 wef 15/11/2023]*
- (c) a person notified by the Registrar to the regulated dealer as a person to whom the additional measures in paragraph (2) are to apply.

*[S 728/2023 wef 15/11/2023]*

*[S 728/2023 wef 15/11/2023]*

(2) If a regulated dealer has reason to suspect that the circumstances in paragraph (1)(a), (b) or (c) exist, the regulated dealer must —

- (a) decline to enter into any transaction with the customer;
- (b) terminate any transaction entered into with the customer;  
*[S 728/2023 wef 15/11/2023]*
- (c) make a report to the police; and  
*[S 728/2023 wef 15/11/2023]*
- (d) at the time of making the report to the police under sub-paragraph (c) or immediately thereafter, submit a copy of the report to the Registrar.  
*[S 728/2023 wef 15/11/2023]*  
*[S 728/2023 wef 15/11/2023]*

### PART 3

#### REGISTRATION OF REGULATED DEALERS

##### **Application fee**

17. For the purpose of section 7(1)(c) of the Act, the application fee for registration as a registered dealer is \$120.

*[S 260/2021 wef 10/04/2021]*

##### **Registration fees**

18.—(1) The fee for registration of a registered dealer, or renewal of such registration, for the purposes of section 8(1)(a) of the Act, is an amount calculated using the formula  $[(A \times B)] \times M$ , where —

- (a) A is —
  - (i) where the registration is subject to a condition that the net price of every precious stone, precious metal, precious product or asset-backed token that is or is to be sold by the registered dealer be less than \$2,000 a piece, \$250; and
  - (ii) where the registration is not subject to the condition in sub-paragraph (i) —
    - (A) \$300, in respect of an application for registration or renewal made before 10 April 2021; and

(B) \$350, in respect of an application for registration or renewal made on or after 10 April 2021;

*[S 260/2021 wef 10/04/2021]*

- (b) B is the period of registration in whole years; and
- (c) M is the maximum number of places of business the registered dealer is allowed under the conditions of registration.

(2) Where in registering or renewing the registration of a registered dealer, the Registrar imposes a condition of registration fixing the maximum number of places of business at which the registered dealer is authorised, during the validity period of the registration, to act as or hold out to be a regulated dealer, the Registrar may, subject to section 9(2) of the Act, modify that condition of registration on application of a registered dealer and on payment of a fee calculated using the formula  $\left(\frac{C \times D}{365}\right) \times E$ , where —

- (a) C is —
- (i) where the registration is subject to a condition that the net price of every precious stone, precious metal, precious product or asset-backed token that is or is to be sold by the registered dealer be less than \$2,000 a piece, \$250; and
- (ii) where the registration is not subject to the condition in sub-paragraph (i) —
- (A) \$300, where the application for registration, or the application for renewal of registration, was made before 10 April 2021; and
- (B) \$350, where the application for registration, or the application for renewal of registration, is made or after 10 April 2021;

*[S 260/2021 wef 10/04/2021]*

- (b) D is the period (in days) of the remainder of the period of the registered dealer's registration if not earlier revoked; and

(c) E is the number of every place of business in excess of that maximum.

(3) Where in registering or renewing the registration of a registered dealer, the Registrar imposes a condition stipulating that the net price of every precious stone, precious metal, precious product or asset-backed token that is or is to be sold by the registered dealer be less than \$2,000 a piece, the Registrar may, subject to section 9(2) of the Act, cancel that condition of registration on application of the registered dealer and on payment of a fee calculated using the formula  $\frac{(F-G) \times D}{365} \times M$ , where —

(a) D is the period (in days) of the remainder of the period of the registered dealer's registration if not earlier revoked;

(b) F is \$350;

(c) G is \$250; and

(d) M is the maximum number of places of business the registered dealer is allowed under the conditions of registration.

*[S 260/2021 wef 10/04/2021]*

(4) Where in registering or renewing the registration of a registered dealer, the Registrar imposes conditions of registration —

(a) fixing the maximum number of places of business at which the registered dealer is authorised, during the validity period of the registration, to act as or hold out to be a regulated dealer; and

(b) stipulating that the net price of every precious stone, precious metal, precious product or asset-backed token that is or is to be sold by the registered dealer be less than \$2,000 a piece,

the Registrar may, subject to section 9(2) of the Act, modify the condition in sub-paragraph (a) and cancel the condition in sub-paragraph (b) on application of the registered dealer and on payment of a fee calculated using the formula  $\left[ \left( \frac{E \times D}{365} \right) \times E \right] + \left[ \left( \frac{(F-G) \times D}{365} \right) \times M \right]$ , where —

- (c) D is the period (in days) of the remainder of the period of the registered dealer's registration if not earlier revoked;
- (d) E is the number of every place of business in excess of that maximum;
- (e) F is \$350;
- (f) G is \$250; and
- (g) M is the maximum number of places of business the registered dealer is allowed under the conditions of registration.

*[S 260/2021 wef 10/04/2021]*

### **Period of registration**

**19.** The Registrar may register a regulated dealer for a period of one year or 2 or 3 years, starting on a date specified by the Registrar.

### **Duty to notify change in place of business**

**20.—(1)** A registered dealer must, at least 14 days before starting to carry out any regulated activity at any place not specified in the application for registration or renewal of registration, notify the Registrar of that place of business at which the registered dealer intends to carry on that regulated activity.

(2) The registered dealer must, at least 14 days before ceasing to carry out any regulated activity at any place of business, notify the Registrar of that place of business the registered dealer intends to cease carrying on that regulated activity.

(2A) Paragraph (2) does not apply if the registered dealer's cessation of the regulated activity is due to —

- (a) where the registered dealer is a company or a limited liability partnership, the registered dealer being wound up or otherwise dissolved, whether in Singapore or elsewhere;
- (b) the registered dealer's registration being cancelled under section 10 of the Act; or
- (c) the registered dealer's registration expiring without having been renewed.

*[S 728/2023 wef 15/11/2023]*

(3) A registered dealer who, without reasonable excuse, fails to comply with paragraph (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$20,000.

(4) This regulation does not apply in relation to any place of business of a registered dealer which is in excess of the maximum number of places of business at which the registered dealer is authorised under its registration to act or hold out to be a regulated dealer.

### **Duty to notify Registrar of change in particulars and circumstances**

**21.**—(1) A registered dealer must notify the Registrar within 14 days after any of the following matters occurs:

- (a) any change in the business name or registered office of the registered dealer;
- (b) any change in the address of the registered dealer given to the Registrar for the service of documents;
- (c) any change in telephone number, facsimile number, email address or other contact details of the registered dealer;
- (d) any change of any key personnel of the registered dealer;  
*[S 260/2021 wef 10/04/2021]*  
*[S 728/2023 wef 15/11/2023]*
- (e) any change in any telephone number, facsimile number, electronic mail address or any other contact details of the registered dealer's key personnel that had been provided to the Registrar.  
*[S 728/2023 wef 15/11/2023]*

(2) *[Deleted by S 260/2021 wef 10/04/2021]*

(3) A registered dealer must notify the Registrar within 14 days after any of the following matters occurs:

- (a) any application for a bankruptcy order made against the registered dealer or any key personnel of the registered dealer;



- (b) any application to place the registered dealer under judicial management or for the winding up of the registered dealer;
- (c) any investigation or criminal proceedings against the registered dealer or a key personnel of the registered dealer, in Singapore or elsewhere, for —
  - (i) an offence involving fraud or dishonesty punishable with imprisonment for a term of 3 months or more, whether in Singapore or elsewhere; or
  - (ii) a relevant offence.

*[S 372/2024 wef 01/05/2024]*

(4) A registered dealer that contravenes paragraph (1) or (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$75,000.

*[S 260/2021 wef 10/04/2021]*

(5) In this regulation, “key personnel”, in relation to a registered dealer, means an individual who is any of the following:

- (a) where the registered dealer is a company, a substantial shareholder;
- (b) a director, manager, partner, secretary, compliance officer or other person holding an analogous position involved in the management of the registered dealer;
- (c) an employee managing the registered dealer’s business of regulated dealing or the registered dealer’s business as an intermediary, as the case may be.

*[S 728/2023 wef 15/11/2023]*

### **Appeal to Minister**

**22.—(1)** For the purposes of section 13 of the Act, any appeal to the Minister must be made not later than the 14th day after whichever of the following dates is applicable:

- (a) the date the applicant for registration is notified of the Registrar’s refusal to grant registration to the applicant;
- (b) the date the registered dealer is notified of the Registrar’s refusal to renew the registered dealer’s registration;

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- (c) the date the registered dealer is notified of the imposition of a condition of registration;
  - (d) the date the registered dealer is notified of the addition, variation or cancellation of any condition of the registered dealer's registration in accordance with section 9(2) of the Act;
  - (e) the date the registered dealer is notified under section 11(3) of the Act of the Registrar's decision to take regulatory action against the registered dealer under section 10 of the Act.
- (2) An appeal under section 13 of the Act must be in writing and sent to the Minister at an address specified at a website of the Ministry of Law at <https://acd.mlaw.gov.sg>.
- (3) A notice of appeal must state —
- (a) the appellant's name and address;
  - (b) either of the following (if any):
    - (i) the appellant's application number in the electronic transactions service established by the Registrar for the purpose of submitting an application for registration or renewal of registration as a registered dealer;  
*[S 990/2020 wef 14/12/2020]*
    - (ii) the appellant's registration number on the appellant's certificate of registration;
  - (c) the type of notice or the decision of the Registrar in respect of which the appeal is brought.
- (4) A notice of appeal must —
- (a) specify the grounds on which the appeal is brought; and
  - (b) be accompanied by such documentary evidence as the Minister considers necessary.

**Waiver and refund of fees**

**23.** The Registrar may, in any particular case, waive or refund in whole or part any fee payable under these Regulations.

Made on 8 April 2019.

NG HOW YUE  
*Permanent Secretary,  
Ministry of Law,  
Singapore.*

[LAW 113/001; AG/LEGIS/SL/237B/2015/1 Vol. 1]