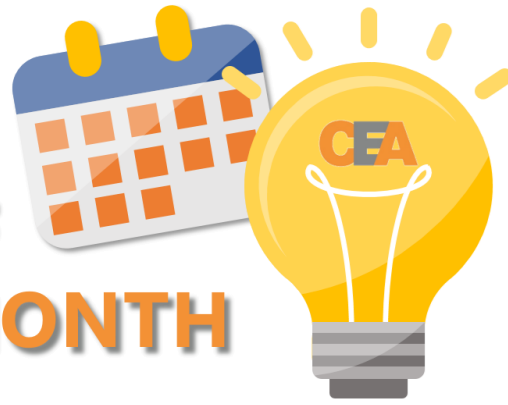


TIP OF THE MONTH




Tip of the Month

From 1 Jan 2020: New requirements to prevent money laundering and terrorist financing in property transactions

The Council for Estate Agencies (CEA) has issued a set of [Practice Guidelines](#) on 4 October 2019 on the preventive measures that property agencies and agents must take against money laundering and terrorist financing when they facilitate property transactions.

The key changes, which will take effect from 1 January 2020, are as follows:

Actions required by property agencies and agents	Sale & Purchase	Rental	Where established client is a Singapore government agency*
Conduct Customer Due Diligence (CDD)	Yes	Only where: <ul style="list-style-type: none"> • there are doubts about the client/beneficial owner • there is suspicion of money laundering or terrorist financing activity 	Not required to perform any further CDD 
Screen clients against the Terrorism (Suppression of Financing) Act (TSOFA)	Yes	Yes	
Screen clients against the list provided by the authorities <i>(sent through CEA's Practice Circular on compliance with TSOFA)</i>	Yes	Yes	

* This refers to a government ministry or department, Organ of State, or Statutory Board.

The anti-money laundering and countering the financing of terrorism (AML/CFT) [guidelines](#) also state the specific actions and due diligence that property agencies and agents are required to carry out. These include:

- Where the client is a legal person (e.g. an entity, a company) or a legal arrangement (e.g. a trust), property agencies and agents must take reasonable measures to understand the ownership and control structure of the client and verify the identity of the client and its beneficial owner.
- The need for property agencies and agents to verify their clients' identities. Where a person purports to act on behalf of a client, property agencies and agents must request and verify the documents authorising the person to act on behalf of the client.
- E-filing Suspicious Transaction Reports using the STRO Online Notices And Reporting ([SONAR](#)) platform.

With the new requirements, CEA has developed separate checklists for sale and purchase transactions and rental transactions. Property agents must complete these checklists for the clients they represent. The checklists are at Annex E and F of the [Practice Guidelines](#).

Please consult your Key Executive Officer if you need further clarification on the guidelines.

[Information accurate as at 30 October 2019. This emailer is sent to all property agents registered with CEA. Visit our [website](#) for past Tips of the Month].

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