
First published in the *Government Gazette*, Electronic Edition, on 29 July 2021 at 5 pm.

No. S 555

ESTATE AGENTS ACT
(CHAPTER 95A)

ESTATE AGENTS
(PREVENTION OF MONEY LAUNDERING AND
FINANCING OF TERRORISM) REGULATIONS 2021

ARRANGEMENT OF REGULATIONS

PART 1

PRELIMINARY

Regulation

1. Citation and commencement
2. Definitions

PART 2

CUSTOMER DUE DILIGENCE MEASURES

3. Definition of this Part
4. General customer due diligence measures
5. Customer due diligence measures for client that is entity or legal arrangement or acting on behalf of entity or legal arrangement
6. Enhanced customer due diligence measures
7. Customer due diligence measures for rental transactions
8. Performance of customer due diligence measures by third parties
9. Ongoing monitoring
10. Risk assessment, internal controls and compliance management arrangements
11. Additional measures related to targeted financial sanctions, etc.
12. Tipping-off and inability to complete customer due diligence measures

PART 3

KEEPING OF RECORDS

13. Additional documents and information to be kept
14. Period of maintenance of documents and information

Regulation

15. Form and manner of documents and information to be kept

PART 4

NEW TECHNOLOGIES, SERVICES
AND BUSINESS PRACTICES

16. Identification and assessment of risks from new technologies, etc.
17. Management and mitigation of risks from new technologies, etc.
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In exercise of the powers conferred by section 72 of the Estate Agents Act, the Council for Estate Agencies, with the approval of the Minister for National Development, makes the following Regulations:

PART 1

PRELIMINARY

Citation and commencement

1. These Regulations are the Estate Agents (Prevention of Money Laundering and Financing of Terrorism) Regulations 2021 and come into operation on 30 July 2021.

Definitions

2. In these Regulations, unless the context otherwise requires —
- “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;
 - (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 carries out any transaction with a licensed estate agent or registered salesperson;

“close associate”, in relation to a politically-exposed person, means an individual who is known to be closely connected to the politically-exposed person, either socially or professionally, such as, but not limited to —

- (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;

“Commercial Affairs Officer” means a Commercial Affairs Officer appointed under section 64 of the Police Force Act (Cap. 235);

“countermeasure” means a measure to prevent, or to facilitate the prevention of, money laundering or the financing of terrorism;

“entity” means a sole proprietorship, a partnership, a limited partnership, a limited liability partnership, a corporation sole, a company or any other association or body of persons corporate or unincorporate;

“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 a step-parent of the politically-exposed person;

“FATF” means the intergovernmental body known as the Financial Action Task Force;

“foreign politically-exposed person” means an individual who is or has been entrusted with a prominent public function in a country or territory other than Singapore;

“identifying information” means all of the following information:

- (a) full name;
- (b) date of birth, for an individual;
- (c) nationality, for an individual, or place of incorporation, registration or formation, for a body corporate or unincorporate;
- (d) identification number, which must be —
 - (i) for an individual — an identity card number, a passport 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;
- (e) the type of identifying document mentioned in paragraph (d);
- (f) occupation, for an individual, or business, for a body corporate or unincorporate;

“legal arrangement” includes any express trust or other similar legal arrangement;

“politically-exposed person” means —

- (a) an individual who is or has been entrusted with any prominent public function in Singapore;
- (b) a foreign politically-exposed person; or

(c) an individual who is or has been entrusted with any prominent function by an international organisation;

“prominent function”, in relation to an international organisation, means the role held by a member of the senior management of the international organisation (including a director, deputy director or member of a board of the international organisation, or an equivalent appointment in the international organisation), and does not include the role held by middle-ranking or more junior officials;

“prominent public function” includes the role held by a head of state, a head of government, a government minister, a senior politician, a senior civil or public servant, a senior government, judicial or military official, a senior executive of a state-owned corporation, a senior political party official, or a member of the legislature;

“statutory board” means a body corporate or unincorporate established by or under any public Act to perform or discharge a public function;

“suspicious transaction report” means a report by which a person —

(a) discloses, under section 39(1) of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A), any knowledge or suspicion mentioned in that provision, or the information or other matter on which that knowledge or suspicion is based, to a Suspicious Transaction Reporting Officer; or

(b) informs, under section 8(1) of the Terrorism (Suppression of Financing) Act (Cap. 325), a police officer or Commercial Affairs Officer, of any fact or information mentioned in that provision;

“Suspicious Transaction Reporting Officer” has the meaning given by section 2(1) of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act.

PART 2

CUSTOMER DUE DILIGENCE MEASURES

Definition of this Part

3. In this Part, “responsible person”, in relation to any estate agency work carried out or to be carried out for a client of a licensed estate agent, means —

- (a) in the case where a registered salesperson has been authorised by the licensed estate agent to carry out the estate agency work for the licensed estate agent — the registered salesperson; or
- (b) in any other case — the licensed estate agent.

General customer due diligence measures

4.—(1) A responsible person must —

- (a) before carrying out any estate agency work for a client — enter into an agreement with the client which sets out the terms of the business relationship between the client and licensed estate agent; and
- (b) in relation to the acquisition or disposal of each property by a client —
 - (i) determine the risks of the client engaging in money laundering or the financing of terrorism or both; and
 - (ii) document the determination and the conclusions reached.

(2) In addition to paragraph (1), a responsible person must, before a client enters into any agreement for the acquisition or disposal of property —

- (a) obtain the client’s identifying information, document the information obtained and obtain the client’s written acknowledgment that the information obtained is accurate;
- (b) verify the client’s identity using reliable and independent sources (such as the client’s identity card, passport or other

document of identity issued by a government, for a client who is an individual);

- (c) ascertain whether the client is acting on behalf of any other person, and if so —
 - (i) obtain appropriate documentary evidence (such as an authorisation letter or power of attorney) to verify that the client is authorised to act on behalf of that other person;
 - (ii) if that other person is a natural person — identify and take reasonable measures to verify the identity of that other person, using reliable and independent sources; and
 - (iii) if that other person is an entity or a legal arrangement — perform the customer due diligence measures specified in regulation 5;
- (d) where the client is an entity or a legal arrangement, perform the customer due diligence measures specified in regulation 5; and
- (e) take reasonable measures to determine whether the client is a politically-exposed person or a family member or close associate of a politically-exposed person.

Customer due diligence measures for client that is entity or legal arrangement or acting on behalf of entity or legal arrangement

5.—(1) This regulation applies where a client is, or where a client is acting on behalf of, an entity or a legal arrangement.

(2) A responsible person must identify and verify the identity of the entity or legal arrangement by obtaining the following information:

- (a) the name of the entity or legal arrangement;
- (b) the legal form of the entity or legal arrangement;
- (c) proof of the existence of the entity or legal arrangement;

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- (d) the instrument under which the entity or legal arrangement is constituted;
 - (e) in the case of an entity — the identity of each director of the entity, or the most senior executive or managing officer of the entity;
 - (f) the address of the registered office of the entity or legal arrangement and its principal place of business.
- (3) Without affecting paragraph (2), a responsible person must —
- (a) understand the nature of the business of the entity or legal arrangement; and
 - (b) understand the ownership and control structure of the entity or legal arrangement.
- (4) A responsible person must identify each beneficial owner of the entity or legal arrangement and take reasonable measures to verify the identity of each beneficial owner by obtaining the following information:
- (a) in the case of an entity —
 - (i) the identifying information of each individual (if any) who ultimately has a controlling ownership interest in the entity, according to the law and instrument under which the entity is constituted;
 - (ii) if it is doubtful whether all or any of the individuals who ultimately have a controlling interest in the entity 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 entity through other means; or
 - (iii) if no individual is identified under sub-paragraphs (i) and (ii), the identifying information of each individual having a senior management position in the entity;

(b) in the case of a legal arrangement —

- (i) in any case where the legal arrangement 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; or
- (ii) in any case where the legal arrangement is not a trust, the identity of each person holding a position equivalent or similar to any position in sub-paragraph (i).

(5) A responsible person must take reasonable measures to determine whether each beneficial owner (if any) of the entity or legal arrangement is a politically-exposed person, or a family member or close associate of a politically-exposed person.

(6) Despite paragraphs (2), (3), (4) and (5), a responsible person need not perform the customer due diligence measures mentioned in those paragraphs if the responsible person verifies that the entity is an Organ of State, a Ministry or a department of the Government, or a statutory board.

Enhanced customer due diligence measures

6.—(1) In addition to regulations 4 and 5, where any of the circumstances mentioned in paragraph (2) exists, a responsible person must perform the enhanced customer due diligence measures mentioned in paragraph (3).

(2) The circumstances in which the enhanced customer due diligence measures must be performed are any of the following:

- (a) the estate agency work involves complex or unusually large transactions or unusual patterns of transactions which have no apparent economic or visible lawful purpose;

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- (b) the relevant person is from or in any country or territory other than Singapore in relation to which the FATF has called, through a public statement, notice or directive on its official website at <https://www.fatf-gafi.org/>, for countermeasures or enhanced customer due diligence measures;
- (c) the relevant person is a foreign politically-exposed person, or a family member or close associate of a foreign politically-exposed person.
- (3) The enhanced customer due diligence measures to be performed are as follows:
- (a) obtain the approval of the senior management of the licensed estate agent concerned before establishing or continuing the licensed estate agent's business relationship with the client;
- (b) take reasonable measures to establish the source of wealth, and the source of funds, of the relevant person;
- (c) take all reasonable measures as are appropriate to the risks of money laundering or terrorism financing in relation to the client.
- (4) In this regulation, "relevant person" means a client, a beneficial owner of a client, a person on whose behalf a client is acting or a beneficial owner of that person.

Customer due diligence measures for rental transactions

7.—(1) If all of the following conditions are met, the customer due diligence measures specified in regulations 4(2)(c)(iii), (d) and (e) and 5 need not be performed:

- (a) the acquisition or disposal of property by the client is a rental transaction;
- (b) the responsible person concerned has assessed the risk of money laundering and terrorism financing in relation to both the client and transaction to be low, based on an analysis of risk factors identified by that responsible person.

(2) In this regulation, “rental transaction”, in relation to any property, means a tenancy for the property where the term of the tenancy does not exceed 7 years.

Performance of customer due diligence measures by third parties

8.—(1) A licensed estate agent (other than a licensed estate agent specified by the Council under paragraph (2)) may be relied upon by a responsible person, who is another licensed estate agent or is a registered salesperson of another licensed estate agent, to perform the customer due diligence measures which the responsible person is required to perform under regulations 4 to 7, if the responsible person is satisfied that the firstmentioned licensed estate agent is willing and able to provide, without delay, on the responsible person’s request, any document acquired by that licensed estate agent as a result of the customer due diligence measures or enhanced customer due diligence measures (as the case may be) performed by that licensed estate agent.

(2) The Council may, in any practice circulars or guidelines issued by the Council, specify any licensed estate agent on whom a responsible person may not rely to perform customer due diligence measures.

(3) A responsible person must not rely on a licensed estate agent to conduct ongoing monitoring under regulation 9.

(4) Where a responsible person decides to rely on a licensed estate agent to carry out customer due diligence measures, the responsible person must obtain from the licensed estate agent without delay all documents acquired as a result of the customer due diligence measures performed by the licensed estate agent.

(5) To avoid doubt, despite the reliance on a licensed estate agent to perform the customer due diligence measures that a responsible person is required to perform under regulations 4 to 7, the responsible person remains responsible for compliance with the obligations —

(a) to perform customer due diligence measures; and

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- (b) where the responsible person is a licensed estate agent —
to keep records in accordance with these Regulations.

Ongoing monitoring

9.—(1) Where a licensed estate agent has an ongoing business relationship with a client, a responsible person must perform ongoing monitoring in accordance with this regulation.

(2) The responsible person must periodically review the information and documents obtained as a result of the customer due diligence measures under these Regulations to —

- (a) ascertain whether the transactions carried out by the client are consistent with the responsible person's knowledge of the client; and
- (b) identify suspicious transactions, including transactions or patterns of transactions that are inconsistent with the client's profile.

(3) The responsible person 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 —

- (a) each client;
- (b) a beneficial owner of each client;
- (c) a person on whose behalf each client is acting; and
- (d) a beneficial owner of each such person,

is kept current.

Risk assessment, internal controls and compliance management arrangements

10.—(1) A licensed estate agent must —

- (a) take appropriate steps to identify, assess and understand the money laundering and terrorism financing risks in relation to the acquisition or disposal of each property by the client

for which the licensed estate agent performed estate agency work;

- (b) for the purpose of sub-paragraph (a) —
 - (i) document the risk assessments;
 - (ii) consider all relevant risk factors for the purpose of determining the appropriate measures to be applied to mitigate the risks identified;
 - (iii) keep the risk assessments up to date; and
 - (iv) provide the risk assessments to the Council upon request;
- (c) develop and implement internal policies, procedures and controls to manage and effectively mitigate money laundering and terrorism financing risks identified by the licensed estate agent or notified to the licensed estate agent by the Council;
- (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 registered salespersons of the licensed estate agent 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 licensed estate agent must develop and implement the following compliance management arrangements to manage and effectively mitigate money laundering and terrorism financing risks:

- (a) the licensed estate agent must conduct internal checks and audits to ensure compliance with Part IVA of the Act and these Regulations;
- (b) the licensed estate agent must monitor the implementation of the internal checks and audits conducted under sub-paragraph (a);

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- (c) the licensed estate agent must take appropriate rectification measures to address any non-compliance discovered under any internal checks and audits conducted under sub-paragraph (a).

Additional measures related to targeted financial sanctions, etc.

11.—(1) A responsible person must, before a client enters into any agreement for the acquisition or disposal of property, take reasonable measures to assess whether the client, a beneficial owner of the client, any person on whose behalf the client is acting or a beneficial owner of that person, is —

- (a) a terrorist or terrorist entity under the Terrorism (Suppression of Financing) Act;
- (b) a designated person as defined in any regulations made under the United Nations Act (Cap. 339); or
- (c) a person suspected of, or at risk of, facilitating money laundering, the financing of terrorism or both who is specified by the Council in any written notice issued by the Council.

(2) Subject to paragraph (5), where a registered salesperson of a licensed estate agent has reason to suspect that a client, a beneficial owner of a client, any person on whose behalf a client is acting or a beneficial owner of that person, is a person mentioned in paragraph (1)(a), (b) or (c) —

- (a) the registered salesperson must not carry out any transaction with or for the client;
- (b) the registered salesperson must disclose the suspicion to the licensed estate agent; and
- (c) the registered salesperson must disclose the suspicion, or the information on which the suspicion is based, by filing a suspicious transaction report with either or both of the following (as the case may be):
- (i) a Suspicious Transaction Reporting Officer, if the client may be engaged in money laundering;

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- (ii) a police officer or Commercial Affairs Officer, if the client may be engaged in the financing of terrorism.

(3) Subject to paragraph (5), where a licensed estate agent has reason to suspect that a client, a beneficial owner of a client, any person on whose behalf a client is acting or a beneficial owner of that person, is a person mentioned in paragraph (1)(a), (b) or (c), or where a registered salesperson of the licensed estate agent has disclosed such a suspicion to the licensed estate agent under paragraph (2)(b) —

- (a) the licensed estate agent must not carry out any transaction with or for the client;
- (b) the licensed estate agent must not establish a business relationship with the client;
- (c) the licensed estate agent must terminate any existing business relationship with the client; and
- (d) unless the registered salesperson of the licensed estate agent has disclosed the suspicion or the information on which the suspicion is based in accordance with, and to the persons mentioned in, paragraph (2)(c), the licensed estate agent must disclose the suspicion, or the information on which the suspicion is based, by filing a suspicious transaction report with either or both of the following (as the case may be):
 - (i) a Suspicious Transaction Reporting Officer, if the client may be engaged in money laundering;
 - (ii) a police officer or Commercial Affairs Officer, if the client may be engaged in the financing of terrorism.

(4) Where a responsible person has reason to suspect that a client, a beneficial owner of a client, any person on whose behalf a client is acting or a beneficial owner of that person may be engaged in money laundering or the financing of terrorism, the responsible person must disclose the suspicion, or the information on which the suspicion is based, by filing a suspicious transaction report with either or both of the following (as the case may be):

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- (a) a Suspicious Transaction Reporting Officer, if the client may be engaged in money laundering;
 - (b) a police officer or Commercial Affairs Officer, if the client may be engaged in the financing of terrorism.

(5) Paragraphs (2)(a) and (3)(a), (b) and (c) do not apply to a licensed estate agent or registered salesperson (as the case may be) for the purposes of carrying out any estate agency work in relation to the acquisition or disposal of property that is the subject of an exemption under section 7(1) of the Terrorism (Suppression of Financing) Act.

Tippling-off and inability to complete customer due diligence measures

12.—(1) A responsible person required to perform or to complete any customer due diligence measure under these Regulations may choose not to perform the measure if —

- (a) there is reason to suspect that the client may be engaged in money laundering or the financing of terrorism; and
- (b) there is reason to believe that performing the customer due diligence measure will tip off the client or any other person.

(2) Where, in relation to any client, a registered salesperson of a licensed estate agent is for any reason unable or chooses not to complete performing any customer due diligence measure required to be performed under these Regulations —

- (a) the registered salesperson must not carry out any transaction with or for the client;
- (b) the registered salesperson must inform the licensed estate agent that the registered salesperson is unable or has chosen not to complete performing the customer due diligence measure; and
- (c) the registered salesperson must determine whether to file a suspicious transaction report with either or both of the following (as the case may be):

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- (i) a Suspicious Transaction Reporting Officer, if the client may be engaged in money laundering;
 - (ii) a police officer or Commercial Affairs Officer, if the client may be engaged in the financing of terrorism.

(3) Where, in relation to any client, both a licensed estate agent, and the registered salesperson (if any) authorised by the licensed estate agent to carry out estate agency work for the client, are for any reason unable or choose not to complete performing any customer due diligence measure required to be performed under these Regulations —

- (a) the licensed estate agent must not carry out any transaction with or for the client;
- (b) the licensed estate agent must not establish a business relationship with the client;
- (c) the licensed estate agent must terminate any existing business relationship with the client; and
- (d) the licensed estate agent must determine whether to file a suspicious transaction report with either or both of the following (as the case may be):
 - (i) a Suspicious Transaction Reporting Officer, if the client may be engaged in money laundering;
 - (ii) a police officer or Commercial Affairs Officer, if the client may be engaged in the financing of terrorism.

(4) For the purposes of paragraphs (2) and (3), a licensed estate agent or registered salesperson (as the case may be) is unable to complete a customer due diligence measure, if —

- (a) the licensed estate agent or registered salesperson (as the case may be) is unable to obtain, or to verify, any information required as part of the customer due diligence measure; or
- (b) the licensed estate agent or registered salesperson (as the case may be) does not receive a satisfactory response to any inquiry in relation to any information required as part of the customer due diligence measure.

PART 3

KEEPING OF RECORDS

Additional documents and information to be kept

13. For the purposes of section 44C(1)(d) of the Act, the following records are the prescribed documents and information to be kept by a licensed estate agent:

- (a) records showing —
 - (i) the registered salespersons of the licensed estate agent who have undergone the training mentioned in regulation 10(1)(e) in relation to the prevention of money laundering and countering the financing of terrorism;
 - (ii) the date of the training;
 - (iii) the type of training received;
 - (iv) the training schedule for the registered salespersons employed by the licensed estate agent who have not been trained; and
 - (v) any correspondence or other communication sent by the licensed estate agent to the registered salespersons of the licensed estate agent setting out the internal policies, procedures and controls mentioned in regulation 10(1)(c);
- (b) records relating to any matter —
 - (i) under investigation by the police, a Commercial Affairs Officer or a Suspicious Transaction Reporting Officer; and
 - (ii) that is the subject of a suspicious transaction report;
- (c) records relating to any risk assessment documented under regulation 10(1)(b);
- (d) records relating to the compliance management arrangements developed and implemented under regulation 10(2), including —

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- (i) the date each internal check and audit mentioned in that regulation was carried out;
 - (ii) the sample size of each such internal check and audit;
 - (iii) details of each transaction that was sampled for the purposes of each such internal check and audit;
 - (iv) the outcome and result of each such internal check and audit; and
 - (v) details of each rectification measure taken under regulation 10(2)(c).

Period of maintenance of documents and information

14. For the purposes of section 44C(1) of the Act, the prescribed period is —

- (a) for any document or information mentioned in section 44C(1)(a), (b) or (c) of the Act — at least 5 years after the date the relevant estate agency work carried out by or on behalf of the licensed estate agent is completed; and
- (b) for any document or information mentioned in regulation 13 — at least 5 years after the record is made.

Form and manner of documents and information to be kept

15. For the purposes of section 44C(2) of the Act, the prescribed form in which any document or information mentioned in section 44C(1) of the Act must be kept is in its original form, or as a copy of the document or information (whether or not in electronic form).

PART 4

NEW TECHNOLOGIES, SERVICES
AND BUSINESS PRACTICES

**Identification and assessment of risks from new technologies,
etc.**

16. A licensed estate agent must identify and assess the risks of money laundering and the financing of terrorism that may arise in relation to —

- (a) the development of any new service or new business practice (including any new delivery mechanism for any new or existing service); and
- (b) the use of any new or developing technology for any new or existing service.

**Management and mitigation of risks from new technologies,
etc.**

17. A licensed estate agent must —

- (a) before offering any new service or starting any new business practice mentioned in regulation 16(a), or using any new or developing technology mentioned in regulation 16(b), undertake an assessment of the risks of money laundering and the financing of terrorism that may arise in relation to the offering of that service, the starting of that business practice or the use of that technology; and
- (b) take appropriate measures to manage and mitigate those risks.

Made on 27 July 2021.

QUEK SEE TIAT
President,
Council for Estate Agencies,
Singapore.

[ND 311/04-396; AG/LEGIS/SL/95A/2020/3 Vol. 1]