

Anti-Money Laundering – A Whole of Nation Effort

Dialogue between the Real Estate Agency Industry and
Ms Indranee Rajah, 2nd Minister for Finance and
National Development

22 Jan 2024



Programme

Time	Programme
2:30pm	Start of Programme
2:35pm	Opening remarks by Minister Indranee Rajah
2:50pm	Presentation by Mr Lau See Yong, Deputy Director of Inspection & Compliance, CEA
3:00pm	Group Discussion
3:35pm	Group Sharing
3:45pm	Dialogue with Minister Indranee Rajah
4:20pm	Closing Remarks by Minister Indranee Rajah
4:25pm	Group Photo-taking
4:30pm	End of Programme

Things to Note

To enable an open and conducive session, please observe the following:

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Opening Remarks by Ms Indraneel Rajah

Second Minister for Finance and National Development

Presentation by Mr Lau See Yong

Deputy Director of Inspection & Compliance
CEA

Role of Real Estate Agency Industry in Combating Money Laundering



\$3 Billion Money Laundering Case

- Police arrested 10 individuals in Aug 2023 for suspected money laundering offences. More than \$3b worth of assets were seized, which included over 200 properties.
- Real estate is an attractive option for criminals to launder money and integrate the illicit funds into the legitimate economy.

**Use of properties to launder money typically involves 3 stages.
Real estate salespersons (RESs)/estate agents (EAs) are involved in 2 of them.**



(1) Illicit funds are obtained through crimes



(2) Criminal purchases property with the illicit funds.



(3) Property is rented out or sold on the market, creating legal income which is reintroduced into the legitimate economy.

CEA's Regulatory Framework on Anti-Money Laundering (AML)



The Financial Action Task Force (FATF) sets the global standards for countries in their AML efforts. To align our levers against ML with FATF's standards, the Estate Agents (Prevention of Money Laundering and Financing of Terrorism) Regulations was established in 2021 to set out the AML duties of EAs and RESs.

AML Duties of EAs and RESs:



Risk assessment, internal controls, training, compliance management and records keeping



Customer due diligence (CDD) checks on clients



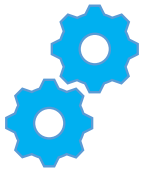
Reporting of suspicious transactions

Subject to prosecution or disciplinary actions for failure to comply

EAs' Responsibilities to Combat ML



Assess risk on past transactions to identify those with higher ML risk and put in measures to mitigate such risks.



Develop and implement internal policies, procedures and controls (IPPC) to establish clear guidelines for CDD, transaction monitoring, and reporting of suspicious activities.



Train RESs on IPPC and equip them with necessary knowledge to effectively implement AML measures.



Conduct internal compliance checks/audits to detect and address any non-compliance towards AML duties.



Retain documents for transactions, risk assessment, internal controls and compliance management for 5 years.

RESs to Conduct Customer Due Diligence (CDD)



Identify and verify the client/Beneficial Owner's (BO) identity using reliable and independent sources.



Assess ML risks of client/BO and document the risk assessment.



Screen client/BO against targeted financial sanctions lists and not deal with any subjects on the lists.



Conduct enhanced CDD for higher ML risk transactions involving complex/unusually large transactions or if client/BO is a politically exposed person or from high-risk countries.



Monitor ongoing client relationships and transactions to detect suspicious activities.



File Suspicious Transaction Report where there is suspicion of ML.

Examples of Red Flags of Money Laundering



Purchasing of multiple properties within a short period.



Client purchases property in the name of a nominee such as a relative.



Property purchase involving significant amount of cash.



Client appears to be a shell company and refuses to disclose the identity of true owners.



Purchasing of property without viewing.

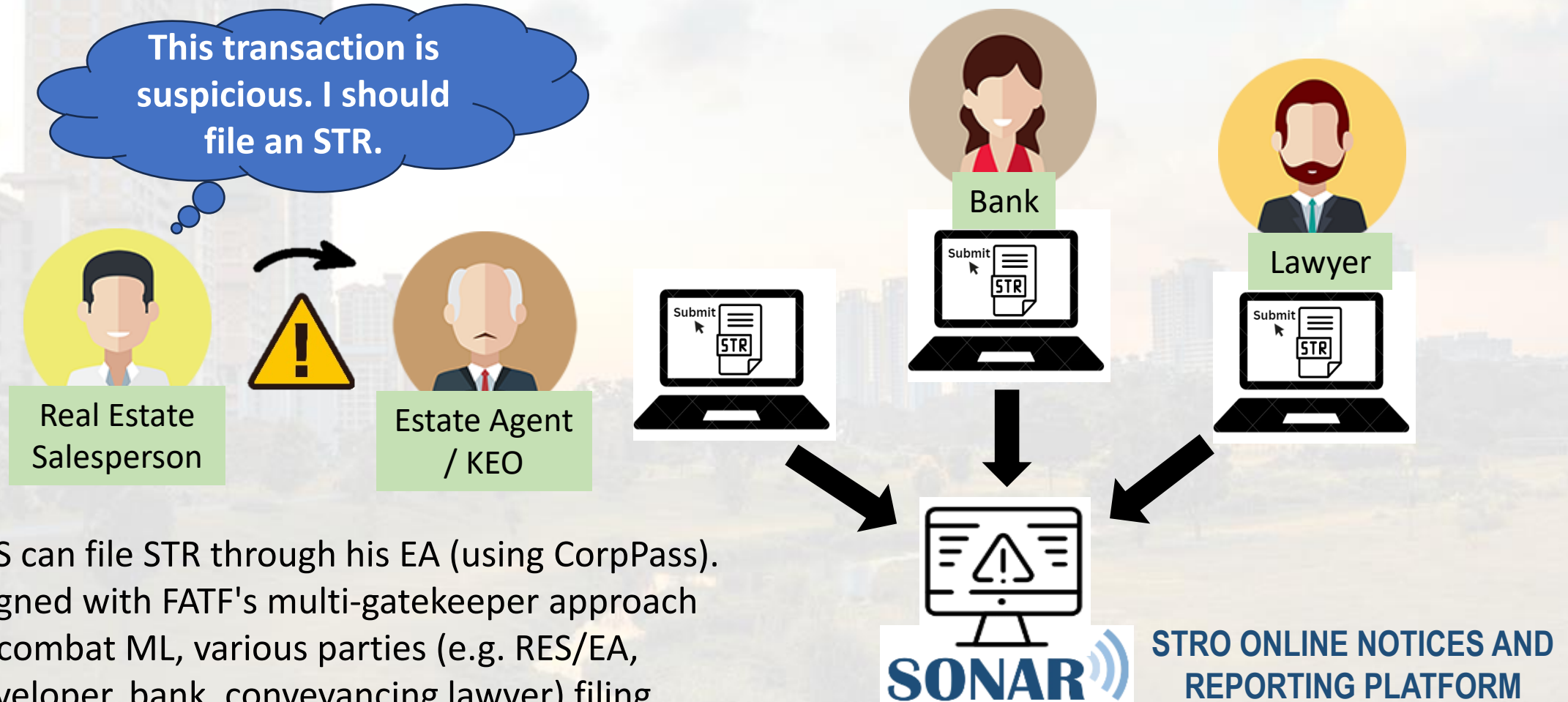


Payment with funds from an unusual source or offshore bank.

Suspicious Indicators

Refer to CEA's Guide on Prevention of Money Laundering and Financing of Terrorism for full list of common suspicious indicators.

Reporting Suspicious Transactions

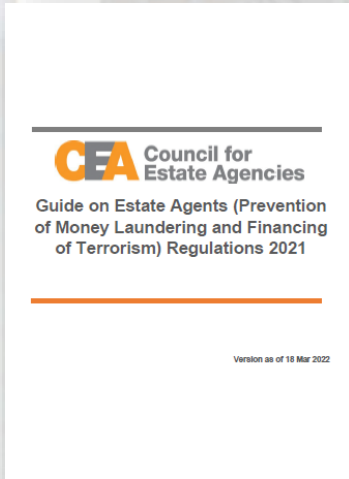


- RES can file STR through his EA (using CorpPass).
- Aligned with FATF's multi-gatekeeper approach to combat ML, various parties (e.g. RES/EA, developer, bank, conveyancing lawyer) filing STRs throughout the property transaction process would enhance the effectiveness of AML efforts.

- Filing of STRs provide authorities with intel so that investigation and appropriate enforcement actions can be taken.

Support and Resources to Tackle ML

CEA's Guide on Prevention of Money Laundering and Financing of Terrorism.



<https://go.gov.sg/cea-pmlft-guide>



AML training by EAs (in-house) and CPD course providers to ensure RESs stay up-to-date.



<https://go.gov.sg/cpd-course-directory>

Leverage on commercial AML tools and solutions designed to perform CDD checks (e.g. SEAA's collaboration with Amicus Pte Ltd on an AML application).

AMICUS AML SYSTEM
Initiative by  **SEAA**
Singapore Estate Agents Association
新加坡房产中介协会

New



CEA's one-stop webpage on information to prevent ML and financing of terrorism for RESs/EAs' reference.



<https://go.gov.sg/cea-amlcft>

EAs and RESs Play an Important Role to Combat ML

- Real estate is an attractive avenue to launder money.
- EAs and RESs help clients to transact properties and are well placed in providing information to the authorities on suspicious ML activities.
- Important for all gatekeepers, including EAs and RESs (who are usually the first touch points) to play our part in countering the threat of ML.



Group Discussion

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Question 1 (15 mins)

What **challenges do you face** in performing your roles to prevent and combat money laundering (ML) in your day-to-day work as a property agent and property agency?

Question 2 (15 mins)

What are your **suggestions to address the challenges and enhance the processes** to carry out your roles to counter the threat of money laundering?

Group Sharing

Dialogue with Ms Indraneel Rajah

2nd Minister for Finance and National Development

Ground Rules

- Please keep your question concise and related to today's topic on Anti-Money Laundering issues
- One speaker at any one time
- If you have personal / case-specific questions, please come to us separately after the session
- Introduce yourself (name) and agency before your question

Closing Remarks by Ms Indraneel Rajah

2nd Minister for Finance and National Development