

**PRACTICE
GUIDELINES ON
THE
PREVENTION
OF MONEY
LAUNDERING
AND
COUNTERING
THE FINANCING
OF TERRORISM**

PG 01-19

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PRACTICE GUIDELINES ON THE PREVENTION OF MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM

PREAMBLE

1 The Council for Estate Agencies (CEA) issued Practice Circulars (PC) 04-15 and 03-17 on anti-money laundering (AML) and countering the financing of terrorism (CFT) to inform estate agents and salespersons of the appropriate preventive measures to be adopted against such activities that might be conducted through property transactions. The two main legislations against money laundering and terrorist financing in Singapore are the Corruption, Drug Trafficking and other Serious Crimes (Confiscation of Benefits) Act, and the Terrorism (Suppression of Financing) Act. In addition, estate agents and salespersons should take note of the sanction requirements under the regulations of the United Nations (UN) Act, which will be elaborated in this Practice Guidelines (PG 01-19).

2 PC 04-15 highlighted the key provisions, offences and the obligations for compliance by estate agents and salespersons, while PC 03-17 sets out the checklists to guide estate agents and salespersons to comply with PC 04-15.

3 CEA has reviewed PC 04-15 and PC 03-17 as part of our regular reviews to fully meet existing AML/CFT requirements. This Practice Guidelines (PG 01-19) supersedes PC 04-15 and PC 03-17, and takes effect from 1 January 2020.

OVERVIEW OF MONEY LAUNDERING AND FINANCING OF TERRORISM

4 Money laundering (ML) is a problem of international proportion. The laundering of proceeds of crime allows criminals to legitimise and enjoy their ill-gotten gains, and in turn provides them with greater incentive to commit financial crime. In addition, terrorist attacks in countries and cities in many parts of the world have increased the focus of governments worldwide on the need to take additional measures to counter terrorism and terrorist financing (TF).

5 The Financial Action Task Force (FATF) is an international task force established in 1989 to develop international standards to combat money laundering and the financing of terrorism and proliferation. The FATF published a revised set of 40 recommendations on AML/CFT measures in 2012, and was last updated in Jun 2019. As a member of the FATF, Singapore is committed to implementing these recommendations in an effective manner.

6 Apart from the financial sector, FATF identified the real estate agency sector and other designated non-financial business and professions such as company service providers, casinos, accountants, pawnbrokers, precious stones and metals dealers, and lawyers as gatekeepers to counter the threat of ML/TF.

7 The real estate sector can be an attractive avenue for criminals and even terrorist groups to perpetuate criminal deeds and launder tainted funds given the large sums involved. Estate agents and salespersons help clients to transact properties and this could involve or facilitate the movement of large amounts of funds, sometimes across international boundaries. Estate agents and salespersons should be aware that they could be used as conduits to receive or transfer proceeds of crime or to further remit them to third parties. Two real case examples are provided at **Annex A**.

8 ML/TF compromises Singapore's economy, safety and security. These illegal activities can expose our financial and non-financial sectors to criminal abuse. It is important for all stakeholders, including the estate agency industry, to play our part to counter these threats.

Description of Money Laundering and Financing of Terrorism

9 ML/TF are illegal activities under Singapore law. A description of them is provided at **Annex B**.

SINGAPORE'S MAIN LEGISLATION AGAINST MONEY LAUNDERING AND FINANCING OF TERRORISM

A) Corruption, Drug Trafficking and other Serious Crimes (Confiscation of Benefits) Act

10 The Corruption, Drug Trafficking and other Serious Crimes (Confiscation of Benefits) Act, commonly known as the CDSA, is the primary legislation enacted to combat money laundering in Singapore. The CDSA criminalises the laundering of proceeds derived from drug dealing, corruption and other serious offences, and allows for the seizure and confiscation of such proceeds.

11 According to the provisions in the CDSA, under sections 43 and 44, it is an offence for any person, including estate agents and salespersons, to assist another to retain benefits of drug dealing or criminal conduct. It is an offence to enter into, or is otherwise being engaged in or taking part in an arrangement, knowing or having reasonable grounds to believe that another person has been/is involved in, or has benefited from drug dealing or criminal conduct, and by that arrangement will facilitate:

- a) The retention or control of that person's benefits of drug dealing or criminal conduct; or
- b) The use of benefits of drug dealing or criminal conduct to secure funds directly or indirectly, or acquire property (by way of investment or otherwise) for that person.

12 Under sections 46 and 47 of the CDSA, it is an offence for any person to acquire, possess, use, conceal or transfer benefits of drug dealing or criminal conduct. It is an offence for any person who, knowing or having reasonable grounds to believe that any property is, in whole or in part, directly or indirectly, represents another person's benefits of drug dealing or criminal conduct, conceals, disguises, converts or transfers that property or removes it from the jurisdiction.

13 Persons who are found to have committed the offences set out in sections 43, 44, 46, and 47 of the CDSA are liable to be punished with a fine not exceeding \$500,000 or to imprisonment for a term not exceeding 10 years, or to both. Where the offender is not an individual (e.g. a company), the penalty is a fine not exceeding \$1 million or twice the value of the property in respect of which the offence was committed, whichever is higher.

Lodging a Suspicious Transaction Report as a Legal Obligation

14 Lodging Suspicious Transaction Reports (STR) is an important tool in combating ML/TF. The Suspicious Transaction Reporting Office (STRO) of the Commercial Affairs Department (CAD), Singapore Police Force, is Singapore's Financial Intelligence Unit. It is the central agency in Singapore for receiving, analysing and disseminating the STRs.

15 Section 39(1) of the CDSA makes it mandatory for a person, in the course of his trade, profession, business or employment, to lodge an STR as soon as reasonably practicable after it comes to his attention that any property may be connected to a criminal activity. This includes the situation where he knows or may have reasonable grounds to suspect that the property in whole or in part, directly or indirectly, represents proceeds of, or was used in connection with, or is intended to be used in connection with any act which may constitute drug dealing or criminal conduct.

16 Persons who are found to have committed the offences set out in section 39(1) of the CDSA are liable to be punished by a fine not exceeding \$250,000 or imprisonment for a term not exceeding 3 years, or to both. If the offence is committed not by an individual (e.g. a company), the penalty is a fine not exceeding \$500,000. Estate agents and salespersons may refer to **Annex C** for a list of common suspicious transactions.

17 Under section 39(6) of the CDSA, where a person discloses in good faith to a Suspicious Transaction Reporting Officer his knowledge or suspicion of a suspicious transaction or any information or other matter on which that knowledge or suspicion is based, the disclosure shall not be treated as a breach of any restriction upon the disclosure imposed by law, contract or rules of professional conduct. The person shall not be liable for any loss arising out of the disclosure or any act or omission in consequence of the disclosure.

18 The STR information and identity of STR informer are protected under section 40A of the CDSA. Under Section 40A of the CDSA, no information disclosed by an informer shall be admitted in evidence in any civil or criminal proceedings. Moreover, no witness in such proceedings shall be obliged to disclose the identity of the informer. If a document which is in evidence was to contain any entry that could lead to the discovery of the identity of the informer, the court shall cause those entries to be blot out to protect the identity of the informer.

19 Section 56 of the CDSA states that except for the purpose of the performance of his duties or the exercise of his functions or when lawfully required to do so by any court or under the provisions of any written law, no authorised officer, Suspicious Transaction Reporting Officer or immigration officer shall disclose any information or matter which has been obtained by him in the performance of his duties or the exercise of his functions under the CDSA.

How to Lodge a Suspicious Transaction Report

20 If in the course of carrying out estate agency work, any estate agent or salesperson suspects or has reason to believe that any property and/or property transaction (or proposed transaction) may be connected to money laundering, must make a report to the STRO in accordance with the law. Salespersons who intend to lodge STRs will need to file them through their estate agents via the estate agent's CorpPass account. Estate agents can download the STR Form from and e-file the completed STR on the STRO Online Notices And Reporting (SONAR) platform (<https://www.police.gov.sg/sonar>). See **Annex D** for a screenshot of the STR Form. STRO's guidance on the completion of the STR Form is available on SONAR.

Tipping Off Offences

21 Under section 48(1) of the CDSA, it is an offence for any person, who knows or has reasonable grounds to suspect that an investigation under the CDSA is taking place/to take place, to make a disclosure to any other person information or any other matter which is likely to prejudice that investigation or proposed investigation. Under section 48(2) of the CDSA, it is an offence for any person who knows or has reasonable grounds to suspect that a disclosure has been or is being made to an authorised officer under the CDSA, discloses to any other person information or any other matter which is likely to prejudice any investigation which might be conducted following the disclosure. Tipping off constitutes an offence punishable by a fine not exceeding \$250,000 or to imprisonment for a term not exceeding 3 years, or to both.

B) Terrorism (Suppression of Financing) Act

22 The Terrorism (Suppression of Financing) Act (also known as TSOFA) not only criminalises terrorist financing but also imposes a duty on everyone to provide information pertaining to terrorist financing to the Singapore Police Force

immediately. The obligation is laid out under sections 8 and 10 of the TSOFA. Any person found to have committed the offences set out in sections 8 and 10 of the TSOFA is liable for the following punishment:

- a) Where the offender is an individual, and the information came to the person's attention in the course of the person's trade, profession, business or employment – a fine not exceeding \$250,000 or to imprisonment for a term not exceeding 5 years, or to both;
- b) Where the offender is an individual, but paragraph 22(a) does not apply – a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 5 years, or to both; or
- c) Where the offender is not an individual (e.g. a company), the penalty is a fine not exceeding \$1 million or twice the value of the property in respect of which the offence was committed, whichever is higher.

No criminal or civil proceedings shall lie against a person for any disclosure made in good faith.

23 The TSOFA also prohibits any person in Singapore from dealing with or providing services to a terrorist or terrorist entity, including those listed in the First Schedule of the TSOFA. Specifically, sections 3, 4, 5 and 6 of the TSOFA expressly prohibits any person from:

- a) Providing or collecting property for terrorist acts;
- b) Provision of property and services for terrorist purposes;
- c) Use or possession of property for terrorist purposes; and
- d) Dealing with property of terrorists or terrorist entity.

Persons who are found to have committed the offences set out in sections 3, 4, 5 or 6 of the TSOFA are liable to be punished with a fine not exceeding \$500,000 or to imprisonment for a term not exceeding 10 years, or to both. Where the offender is not an individual (e.g. a company), the penalty is a fine not exceeding \$1 million or twice the value of the property in respect of which the offence was committed, whichever is higher. Information on the designations and de-listings of terrorists can be found on the Inter Ministerial Committee-Terrorist Designation (IMC-TD) website: [https://www.mha.gov.sg/inter-ministry-committee-terrorist-designation-\(imc-td\)](https://www.mha.gov.sg/inter-ministry-committee-terrorist-designation-(imc-td)). Estate agents should [subscribe](#) to IMC-TD RSS News and Publications feed, which includes timely updates on designations and de-listings of terrorists and general terrorism matters.

24 Estate agents and salespersons shall lodge an STR with STRO if they have information about any transaction or proposed transaction in respect of any property belonging to any terrorist or terrorist entity; or if they have possession, custody or control of any property belonging to any terrorist or terrorist entity.

CONDUCT OF CUSTOMER DUE DILIGENCE

25 FATF's recommendations require estate agents and salespersons to undertake Customer Due Diligence (CDD) measures when transacting with their clients. CDD is an important and effective tool for the identification and reporting of suspected ML/TF activities. In addition, estate agents and salespersons are required to establish a client-agent relationship with their clients and inform them of the terms of service.

26 Estate agents and salespersons shall conduct CDD when they facilitate a property sale or purchase transaction. Salespersons shall complete the **Salesperson's Checklist on Customer Due Diligence (CDD) for Sale and Purchase Transactions (see Annex E)**, which guides them on the conduct of CDD for such transactions (see paragraphs 52 to 54 below for details).

27 Estate agents and salespersons shall conduct CDD measures on property rental transactions if there are doubts about the veracity or adequacy of the customer identification data obtained from the client, or if there is suspicion of ML or TF activity (e.g. a tenant pays rental to an unrelated third party instead of the landlord¹). Salesperson shall complete the **Salesperson's Checklist on Customer Due Diligence (CDD) for Rental Transactions (see Annex F)**, which guides them on the conduct of CDD for such transactions (see paragraphs 52 to 54 below for details).

CDD measures

Identify and Verify Client's Identity

28 Estate agents and salespersons shall identify and verify their client's identity by asking their clients to complete the **Customer's Particulars Form** for all transactions (see **Annex E1** and **Annex F1** for details of customer's particulars to be obtained). The customer's particulars obtained will help estate agents and salespersons assess whether there is suspicion of ML or TF activity, as well as compliance with the regulations made under the UN Act. Estate agents and salespersons shall verify the customer's identity using reliable, independent source documents, data or information. Estate agents and salespersons should verify a customer's identity by requesting to see and record down details of documents such as the NRIC or passport.

29 If a person purports to act on behalf of your client, estate agents and salespersons are to verify the identity of the person and request for documents authorising the person to act on behalf of your client, such as an authorisation letter or Power of Attorney (POA). Do not deal with this person if the relevant supporting documents are not provided, and consider lodging an STR if there is suspicion of ML or TF activity.

30 Where the client is a Ministry or Department, an Organ of State or a Statutory Board of the Government of Singapore, and the person who purports to act on behalf of the Government entity has been verified to be duly authorised, estate agents and salespersons are only required to obtain such information as may be required to confirm that the client is a Singapore Government entity as asserted.

¹ Refer to Annex C for a list of suspicious indicators.

31 Where there is reason to believe that the customer is not the beneficial owner², estate agents and salespersons are to take reasonable measures to identify and verify the identity of the beneficial owner.

32 If the customer is a legal person (e.g. an entity, a company or an association) or a legal arrangement (e.g. trusts), estate agents and salespersons are to take reasonable measures to understand the ownership and control structure of the customer involved in the transaction. To understand the ownership and control structure of the customer, estate agents and salespersons may rely on any of the following information but not limited to:

- a) Information provided by the client;
- b) Information available on the entity's website or published annual reports;
- c) Information available on the entity from public sources (e.g. annual returns and filings with Accounting and Corporate Regulatory Authority); or
- d) Information obtained from other reliable sources (e.g. research reports, third party service providers) or other research.

33 In addition, for a customer that is a legal person or legal arrangement, estate agents and salespersons shall also verify the customer's identity through the following information:

- a) Name and proof of existence;
- b) The names of Directors or the most senior executive or managing official; and
- c) The address of the registered office.

34 For a customer that is a legal person, estate agents and salesperson should take reasonable measures to verify the identity of the beneficial owner(s) in relation to the legal person. Estate agents and salesperson shall:

- a) Identify the natural person who has controlling interest of the legal person;
- b) Where there is doubt about whether the person with controlling interest is the beneficial owner, to identify the natural person who exerts control; and
- c) Where such a natural person cannot be identified through paragraphs 34(a) or 34(b), to identify the most senior executive or managing official (e.g. the Director in a company).

35 For a customer that is a legal arrangement, estate agents and salespersons should take reasonable measures to verify the identity of the beneficial owner(s) in relation to the legal arrangement. Estate agents and salesperson shall:

- a) For trusts – identify the settlor, the trustee(s), the protector (if any), the beneficiaries or class of beneficiaries, and any natural person having

² Beneficial owner (BO) is the person who has ultimate interest in the property transaction, and who has control over the client.

ultimate ownership of the assets or undertakings of the trust, or exercising ultimate control or ultimate effective control over the trust.

- b) For any other types of legal arrangements – identify the persons in equivalent or similar positions.

Screen Client Against UN Sanctions Lists and First Schedule of TSOFA

36 As part of CDD measures and controls to be put in place, estate agents and salespersons shall screen their clients and beneficial owners against UN lists of designated individuals and entities (screening can be done on the “United Nations Security Council Sanctions List Search” webpage <https://scsanctions.un.org/search/>), as well as terrorist and terrorist entities identified under the First Schedule of the TSOFA (<https://sso.agc.gov.sg/Act/TSFA2002>), and any list that may be provided by the authorities from time to time (including CEA’s Practice Circulars on Compliance with Terrorism (Suppression of Financing) Act [TSOFA]).

37 Estate agents should [subscribe](#) to Monetary Authority of Singapore (MAS) website to receive updated information on targeted financial sanctions (subscription is free). Doing so will help estate agents to stay abreast of relevant announcements, such as higher risk jurisdictions or those with strategic AML/CFT deficiencies identified by the FATF, so as to enable estate agents to adopt the appropriate additional risk mitigation measures, including Enhanced Customer Due Diligence or other additional measures. Key Executive Officers (KEOs) should also strongly encourage salespersons to subscribe to the MAS website. Estate agent may also consider other means to ensure that they are kept up to date on changes to targeted financial sanctions requirements, including updates to the relevant UN lists.

38 In cases where estate agents and salespersons suspect that they are dealing with designated individuals or entities as defined in the UN Act, they should lodge an STR, cease any dealing and refrain from further dealing with the property or property transaction of the client. Estate agents should also consult the STRO, where appropriate on STRs filed.

39 If estate agents and salespersons suspect that they are dealing with designated individuals or entities defined in the TSOFA or any list that may be provided by the authorities from time to time (including CEA’s Practice Circulars on Compliance with Terrorism (Suppression of Financing) Act [TSOFA]), they should lodge an STR, and must not deal with the client unless the client has obtained an Exemption Order under the TSOFA. Estate agents should also consult the STRO, where appropriate on STRs filed.

Conduct Ongoing Due Diligence

40 Estate agents and salespersons shall conduct ongoing due diligence on their clients whom they have an ongoing business relationship with (e.g. a corporate client such as a developer or REIT property manager). Under such circumstance, estate agents and salespersons must ask the client to fill in the Customer’s Particulars Form and complete the Salesperson’s Checklist on Customer Due Diligence (CDD) for the initial transaction with the client.

41 Ongoing due diligence on the same clients shall then be conducted at regular intervals determined by the estate agents and salespersons based on their risk

assessment of the clients. The ongoing due diligence measures involve scrutinising transactions undertaken throughout the course of the business relationship to ensure that the transactions being conducted are consistent with the estate agents and salespersons' knowledge of the client, its business and risk profile and where necessary, the source of funds. Estate agents and salespersons may consider creating a Checklist on Ongoing Due Diligence for clients that they have an ongoing relationship with. Please refer to **Annex G** on the example of items to include in the checklist, which can be used in place of the Customer's Particulars Form and Salesperson's Checklist on CDD.

Dealing with Politically Exposed Persons

42 A "Politically Exposed Person" (PEP) refers to a domestic PEP, a foreign PEP or an international organisation PEP. A domestic PEP refers to a person who is or has been entrusted domestically with prominent public functions. A foreign PEP refers to a person who is or has been entrusted with prominent public functions by a foreign country. An international organisation PEP refers to a person who is or has been entrusted with prominent public functions by an international organisation. "Prominent public functions" includes the roles held by a Head of State or government, government ministers, senior civil or public servants, senior judicial or military officials, senior executives of state owned corporations or senior officials of political parties, members of the legislature and senior management of international organisations. "Family member" means a parent, step-parent, child, step-child, adopted child, spouse, sibling, step-sibling and adopted sibling of the PEP. "Close associate" means an individual who is closely connected to a PEP, either socially or professionally.

43 Estate agents shall implement appropriate internal policies, procedures and controls to determine if the customer or beneficial owner is a PEP³, or a family member or close associate of a PEP.

44 For a foreign PEP (whether as customer or beneficial owner), or a family member or close associate of the foreign PEP, estate agents should:

- a) Establish a process for salespersons to obtain approval from the estate agent's senior management to establish or continue the business relationship; and
- b) Establish, by appropriate and reasonable means, the source of wealth and source of funds.

45 For PEPs from domestic and international organisations, estate agents shall consider the measures set out in paragraphs 44(a) and 44(b) if it is assessed to be a higher risk business relationship or transaction.

³ If an estate agent has reason to suspect that a customer or beneficial owner is a PEP, they can use an internet based search engine to obtain news or information on the individual, or consider if it is appropriate to conduct an electronic search through a reputable international electronic identity verification provider.

Enhanced Customer Due Diligence for Higher Risk Areas

46 Estate agents and salespersons shall consider enhanced CDD measures and enhanced ongoing due diligence measures where applicable⁴ (refer to paragraphs 40 and 41) for the following areas where ML/TF risks are higher:

- a) Complex, unusually large transactions or when there are unusual patterns of transactions which have no apparent economic or lawful purpose.
- b) Business relations and transactions with individuals and companies which have been identified as higher risk or those with strategic AML/CFT deficiencies identified by the FATF. Please refer to the webpage on FATF list of high-risk and non-cooperative jurisdictions (<http://www.fatf-gafi.org/countries/#high-risk>).
- c) Business relations and transactions with a client or beneficial owner that is a foreign PEP.

47 The enhanced CDD measures include obtaining additional information on the customer (e.g. occupation, source of funds/wealth, purpose of transaction, information available through public databases, internet, etc.) by appropriate and reasonable means, increasing the frequency of ongoing due diligence and obtaining the approval of senior management to commence or continue the business relationship.

Where CDD cannot be completed

48 Where CDD cannot be completed, estate agents and salespersons should cease dealing with the client or the beneficial owner, terminate the relationship and consider lodging an STR. In cases where estate agents and salespersons reasonably believe that undertaking CDD measures would tip-off the client, they should not pursue the CDD process and instead, to lodge an STR.

Reliance on Third Parties

49 An estate agent or salesperson who is aware that a third party (e.g. another estate agent) has done CDD measures on a particular client may rely on the CDD measures performed by the third party provided the criteria set out below are met. However, the responsibility for complying with the CDD measures mentioned in this Practice Guidelines (PG 01-19) remains with the estate agent or salesperson. The criteria are:

- a) The estate agent or salesperson relying on a third party shall immediately obtain the required information on CDD measures undertaken (e.g. Completed Salesperson's Checklist on CDD including Customer's Particulars Form).
- b) The estate agent or salesperson shall be satisfied that identification data and other relevant documentation relating to the CDD requirements will be provided by the third party upon request without delay.

⁴ For client assessed to be of higher risk (e.g. foreign PEP), estate agents and salespersons shall conduct enhanced ongoing due diligence on that client on a more regular basis (e.g. 6 monthly intervals).

- c) The third party is regulated and supervised for compliance with requirements for the prevention of money laundering and the financing of terrorism consistent with the standards set by the FATF (e.g. another estate agent or salesperson).

NEW SERVICES AND TECHNOLOGIES

50 Estate agents shall identify and assess the ML/TF risks that may arise in relation to the development of new services and business practices, and the use of new technologies for new and existing services and business practices. Some examples are new technologies that facilitate non face-to-face transactions, use of new systems to interact/take instructions from clients or acceptance of new payment methods such as virtual assets. Such assessment should be done prior to the launch of new technologies and practices. Estate agents shall take appropriate measures to manage and mitigate the identified risks.

ASSESSING RISKS AND INTERNAL COMPLIANCE PROCEDURES

51 Estate agents shall:

- a) Take appropriate steps to identify, assess, understand and document ML/TF risks in relation to its customers;
- b) Develop and implement internal policies, procedures and controls to effectively manage and mitigate any identified ML/TF risks, to comply with the measures mentioned in this Practice Guidelines (PG 01-19) and communicate these to their salespersons;
- c) Take all appropriate steps to ensure that salespersons are regularly trained on:
 - (i) AML/CFT laws and regulations, and in particular, CDD measures, and detecting and reporting of suspicious transactions;
 - (ii) Prevailing techniques, methods and trends in ML/TF; and
 - (iii) Internal policies, procedures and controls on AML/CFT and the roles and responsibilities of salespersons in combating ML/TF.
- d) Develop appropriate compliance management arrangements through internal checks or audits, ensure that such checks and audits are carried out properly, and take appropriate rectification measures to address any non-compliance (e.g. the relevant sections of the Checklists and forms are duly and properly filled-in, and CDD measures and procedures are complied with where required); and
- e) Apart from documents cited under paragraph 7 of the Code of Practice for Estate Agents as set out in the Second Schedule to the Estate Agents (Estate Agency Work) Regulations 2010, the estate agent shall retain originals or keep copies (may be in electronic format) of documents in relation to this Practice Guidelines (PG 01-19) for at least 5 years after the

business relationship is ended, or after the date of transaction. Please refer to **Annex H** for the list of documents that records have to be kept.

CHECKLISTS TO GUIDE ESTATE AGENTS AND SALESPERSONS

52 The following checklists guide estate agents and salespersons to comply with the AML/CFT requirements in this Practice Guidelines (PG 01-19):

- a) Estate Agent's Checklist on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) provided at **Annex I & I1**;
- b) Salesperson's Checklist on Customer Due Diligence (CDD) for Sale and Purchase Transactions provided at **Annex E & E1**; and
- c) Salesperson's Checklist on Customer Due Diligence (CDD) for Rental Transactions provided at **Annex F & F1**.

53 CEA will inspect estate agents for compliance with this Practice Guidelines (PG 01-19) based on the checklists disseminated in this PG 01-19. Estate agents shall submit the completed Estate Agent's Checklist on AML/CFT to CEA for inspection as and when required by CEA. Estate agents are required to conduct self-assessment using this checklist periodically, and retain the completed checklist for record purposes.

54 It is mandatory for salespersons to complete the Salesperson's Checklist on CDD for every property transaction. Salespersons shall complete the checklist for the client(s) that they represent, e.g. if the salesperson represents the buyer, the salesperson is only required to complete the checklist for the buyer. Similarly, the salesperson is only required to complete the checklist for the landlord if he represents the landlord. Salespersons shall submit the completed Salesperson's Checklist on CDD and Customer's Particulars Form to their estate agents.

Annex A – REAL CASE EXAMPLES

Case Example 1

1 Salesperson A received a referral on a “high net worth” female Chinese national known as Client B who was interested to buy a \$23.8m property in Sentosa Cove. Salesperson A conducted viewing of the property for Client B and subsequently referred Client B to Lawyer C for the conveyancing transactions.

2 Client B paid Lawyer C \$5.5m for the purchase but a day before the scheduled completion of the property purchase, Lawyer C told Salesperson A that Client B had become uncontactable. Salesperson A performed online searches on Client B and her company, and found adverse news reporting that Client B and the company was involved in financial fraud. Salesperson A told Lawyer C about the adverse news and Lawyer C did her own online searches to verify the discovery.

3 Salesperson A alerted his estate agent about the matter and the KEO told him to lodge an STR on the property transaction. Despite repeated reminders by his estate agent to lodge the STR, Salesperson A refused to do so. Salesperson A was quoted as saying that "you do not get money out of it" and that he "hates to do paperwork".

4 Client B was sentenced to jail in China over her involvement in the financial fraud. Over \$27m of her crime proceeds was recovered in Singapore. Salesperson A and Lawyer B were prosecuted and each fined \$10,000 by the court for failing to alert the authorities that the monies used to purchase the property could have been proceeds from their client's criminal conduct.

Lesson learnt

5 In the above scenario, after discovering the adverse news on Client B, Salesperson A and Lawyer C should have lodged an STR with STRO with regard to the property transaction as the money involved in the purchase of the property could have stemmed from criminal activities.

6 Under Section 39(2) of the CDSA, failure to lodge an STR when a person knows or has reason to suspect that any property may be connected to a criminal activity constitutes an offence punishable by a fine not exceeding \$250,000.

Case Example 2

1 Salesperson A received an email purportedly from Client B, expressing his interest to rent a private property in Singapore. Client B claimed that he was an American citizen who chanced upon Salesperson A's real estate advertisement online.

2 Subsequently, a rental contract was drawn up by Salesperson A after the terms of contract was agreed upon by both parties. The rental contract will take effect upon Client B's transfer of the first month of rental deposit to Salesperson A's designated bank account. However, Client B failed to transfer the monies within the stipulated timeline.

3 A few weeks later, Client B contacted Salesperson A and informed him that his business associate/relative had 'accidentally' transferred money into Salesperson A's bank account in Singapore. Salesperson A was then instructed to withdraw the money and hand it over to a person claiming to be Client B's friend in Singapore. There was no good explanation of how Client B's associate/relative had obtained Salesperson A's bank account number, why the sum transferred bore no relation to the agreed rent, and why Salesperson A was not asked to request his bank to simply reverse the transfer. Subsequently, Salesperson A turned down the client's request when approached for assistance on another money transfer.

4 Investigation revealed that the monies transferred to Salesperson A's bank account were proceeds of crime originating from fraud perpetrated in a foreign country. By transferring proceeds of crime, Salesperson A may have wittingly or unwittingly facilitated money laundering in Singapore.

Lesson learnt

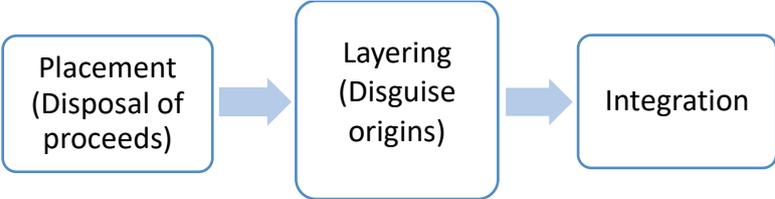
5 In the abovementioned scenario, when instructed to pass the funds to an unrelated individual, Salesperson A should have lodged an STR with STRO as the remittance and subsequent instruction are deemed suspicious. He should have also considered asking his bank to reverse the transfer of funds (i.e. to return the funds to the originating bank account).

6 Under Section 39(2) of the CDSA, failure to lodge an STR when a person knows or has reason to suspect that any property may be connected to a criminal activity constitutes an offence punishable by a fine not exceeding \$250,000.

Annex B – DESCRIPTION OF MONEY LAUNDERING AND FINANCING OF TERRORISM

Money Laundering

1 Money laundering is a process intended to mask the benefits derived from drug dealing or criminal conduct so that it appears to have originated from a legitimate source. Generally speaking, an act of money laundering involves three stages:



- (a) **Placement:** The placement stage of money laundering takes place when there is physical disposal of the benefits (such as cash proceeds) derived from illegal activities of drug dealing or criminal conduct. Here, the money launderer introduces his illegal profits into the financial system. This might be done by breaking up large amounts of cash into less conspicuous smaller sums that are then deposited direct into a bank account, or by purchasing a series of monetary instruments (cheques, money orders etc.) that are then collected and deposited into the accounts at another location.
- (b) **Layering:** After the funds have entered the financial system, the layering stage takes place. Layering refers to separating illicit proceeds from their source by creating layers of financial transactions designed to disguise the source of funds (which could involve virtual assets/digital payment tokens) and subvert the audit trail. The funds might be channelled through the purchase and sale of investment instruments/properties, or the money launderer might simply wire the funds through a series of bank accounts across the globe. In some instances, the money launderer might disguise the transfers as payments for goods and services/properties, giving them a legitimate appearance.
- (c) **Integration:** Integration is the provision of apparent legitimacy to benefits of drug dealing or criminal conduct. If the layering process succeeds, integration schemes place the laundered funds back into the economy so that they re-enter the financial system appearing to be legitimate business funds. The money launderer might choose to invest the funds into real estate, luxury assets, or business ventures.

Financing of Terrorism

2 Terrorists require funds (which could involve virtual assets/digital payment tokens) to carry out acts of terrorism, and terrorist financing provides the funds needed. Sources of terrorist financing may be legitimate or illegitimate. It may be derived from criminal activities such as kidnapping, extortion, fraud, theft, smuggling or drug dealing. It may also be derived from legitimate income such as membership dues, sales of publications, donations from persons or entities sympathetic to their

cause and sometimes income from legitimate business operations belonging to terrorist organisations.

3 Terrorist financing involves amounts that are not always large and the associated transactions may not necessarily be complex given that some sources of terrorism funds may be legitimate.

4 However, the methods used by terrorist organisations to move, collect, hide or make available funds for their activities remain similar to those used by criminal organisations to launder their funds. This is especially so when the funds are derived from illegitimate sources, in which case, the terrorist organisations would have similar concerns to a typical criminal organisation in laundering the funds. Where the funds are derived from legitimate sources, the terrorist organisations would usually still need to employ the same money laundering techniques to obscure or disguise the links between the organisation and the funds.

Annex C – LIST OF COMMON SUSPICIOUS INDICATORS

This list of indicators is aimed at assisting estate agents and salespersons to determine the money laundering or terrorist financing risk of both new and existing clients. It is not an exhaustive list and the existence of any indicator(s) does not imply that the real estate transaction is necessarily linked to such money laundering or terrorist financing activities. If there is any suspicion, estate agents and salespersons are advised to file an STR with the STRO.

Client Behaviour - Natural Persons (Individuals), Legal Persons (e.g. Companies, Businesses, Foundations, Societies and Cooperatives) and/or Legal Arrangements (e.g. Trust)

- Client is traced to negative news or crime (e.g. he is named in a media report on a crime committed.)
- Client appears hesitant or declines to put his name on any document that would connect him with the property.
- Client uses different names on Offers to Purchase, closing documents and deposit receipts.
- Client purchases property in the name of a nominee such as a business associate or a relative (other than a spouse), or on behalf of minors or incapacitated persons or other persons who lack the economic capacity to carry out such purchases.
- Client attempts to hide the identity of the true client or requests that the transaction be structured to hide the identity of the true client.
- Client provides an address that is unknown, believed to be false, or simply a correspondence address.
- Client inadequately explains the last-minute substitution of the purchasing party's name.
- Client (a buyer) takes on a debt significantly higher than the value of the property.
- Client appears unconcerned about the economic or investment value of the property he is purchasing.
- Client purchases / rents property without inspecting it.
- Client purchases multiple properties in a short time period, and seems to have few concerns about the location, condition and anticipated repair costs, etc. of each property.
- Client queries about the AML/CFT reporting requirements.
- Client (a buyer) is a shell company and representatives of the company refuse to disclose the identity of the true owners.
- Client is a recently created legal entity and the amount of the transaction is large compared to their assets.
- Client's known business activity and purpose does not match the real estate transaction. For example, the client is a non-profit organisation but the property is purchased for investment and the client intends to have a large loan.

Transaction Patterns

- Client intends to make the real estate purchase with a significant amount of cash, or negotiable instruments which do not state the true payer (e.g. bank drafts).
- Client pays substantial down payment in cash and the balance is financed by an unusual source or offshore bank.
- Client pays rent or the amount of a lease in advance using a large amount of cash.
- Transaction is entered into at a value significantly different (much higher or much lower) from the real or market value of the property.
- Property is sold in a series of successive transactions; with each transaction at a significantly higher or lower price than a recent market price. In particular, if the transactions were conducted between the same parties.
- Transaction uses unusual or unnecessarily complex legal structures without any economic logic.
- Client (a landlord) requests the tenant to pay the rent to an unrelated third party instead of paying to the landlord.

Annex D – SUSPICIOUS TRANSACTION REPORT FORM DOWNLOADED FROM THE STRO ONLINE NOTICES AND REPORTING PLATFORM (SONAR)

STR No: <input style="width: 80%;" type="text"/>		STR Date of Submission: <input style="width: 95%;" type="text"/>				
<h2>SUSPICIOUS TRANSACTION REPORT</h2>						
Reporting Institution	Account Information	Entity Information	Policy Information	Suspicious Transactions	Reasons for Suspicion	Validation Summary
Part I Reporting Institution						
Reporting Institution Particulars						
Institution Type* <input style="width: 95%;" type="text"/>						
Business Type* <input style="width: 95%;" type="text"/>						
Name of Reporting Institution* <input style="width: 95%;" type="text"/>						
UBN of Reporting Institution* <input style="width: 60%;" type="text"/>			Internal Reporting Institution Reference Number* <input style="width: 95%;" type="text"/>			
Notice Reference Number <input style="width: 95%;" type="text"/>						
Contact Officer Particulars						
Contact Officer + -						
Name* <input style="width: 95%;" type="text"/>						
Designation* <input style="width: 60%;" type="text"/>			Direct Contact Number* <input style="width: 15%;" type="text"/> + <input style="width: 15%;" type="text"/> - <input style="width: 15%;" type="text"/>			
Email* <input style="width: 95%;" type="text"/>						
Alternate Email <input style="width: 95%;" type="text"/>						
Once all of the fields are validated successfully, the form will be enabled for submission.				<input type="button" value="Validate Reporting Institution"/>		
Validation Status <input style="width: 80%;" type="text"/>		Validated Time Stamp <input style="width: 80%;" type="text"/>				

Annex E – SALESPERSON’S CHECKLIST ON CUSTOMER DUE DILIGENCE (CDD) FOR SALE AND PURCHASE TRANSACTIONS

Important points to note:		
<p>1. This checklist guides salespersons on the conduct of CDD to comply with the requirements of the Practice Guidelines on the Prevention of Money Laundering and Countering the Financing of Terrorism (PG 01-19) when undertaking estate agency work.</p> <p>2. Salespersons are required to complete the checklist for the client(s) that they represent, e.g. if the salesperson represents the buyer, the salesperson is only required to complete the checklist for the buyer. Similarly, the salesperson is only required to complete the checklist for the seller if he represents the seller.</p> <p>3. Salespersons are required to complete the checklist for every property transaction, and thereafter submit the completed checklists to their estate agents.</p>		
Activity	Tick (✓)	Remarks (if any)
Section 1: Customer’s Particulars Form		
1.1	<p>Salespersons are required to establish a client-agent relationship with their clients and inform their clients of the proposed terms of service. If you have not done so for this transaction, please state the reasons in the “Remarks” column.</p> <p><i>Pointer: Salespersons are encouraged to use the prescribed estate agency agreement to formalise the client-agent relationship. Client-agent relationship may also be established through email or phone text messages.</i></p>	
1.2	<p>Ask your client to complete the Customer’s Particulars Form (Annex E1), and <u>verify</u>* the client’s identity. It is mandatory to do so. If it is not done, please state the reasons in the “Remarks” column.</p> <p><i>* Pointer: Verify the identity of your client by requesting to see and record details of documents such as the NRIC or passport. The customer’s particulars obtained and your encounters with your client will help you assess if there is suspicion of money laundering (ML) or terrorist financing (TF) activity.</i></p>	
1.3	<p>If a person purports to act on behalf of your client, verify the identity of the person and request for documents authorising the person to act on behalf of your client such as an authorisation letter or the Power of Attorney (POA). If it is not provided, do not deal with the person and consider lodging an STR if there is suspicion of ML or TF activity.</p> <p>If it is not done, please state the reasons in the “Remarks” column.</p>	
1.4	<p>Is your client a Ministry or Department, an Organ of State or a Statutory Board of the Government of Singapore?</p> <p>If your answer is “Yes” to the above question, you are not required to proceed with other Sections of this checklist. You may proceed to sign off the declaration and submit the checklist to the estate agent.</p> <p>If you answer is “No”, please continue with this checklist.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

	Activity	Tick (✓)	Remarks (if any)
<p>Section 2: Conduct of Customer Due Diligence (CDD) Measures</p> <p><i>[Note: In situations where the salesperson reasonably believes that conducting the below CDD measures would tip off your client, he/she should not pursue the CDD measures and he/she should lodge a Suspicious Transaction Report (STR)].</i></p>			
2.1	<p><u>Beneficial Owner (BO)</u></p> <p>a) Do you suspect that your client is not the <u>BO</u>* of this property transaction?</p> <p><i>* Pointer: BO is the person who has ultimate interest in the property transaction, and who has control over the client. If the BO is a company, take reasonable measures to understand the ownership and control structure of the company to identify the individual behind the company (see Section 2.2).</i></p> <p>If your answer is “No” to the above question, please tick (✓) “NA” for the following question.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	<p>b) If your client is not the BO, are you able to verify the identity of the BO?</p> <p>If your answer is “Yes” to the above question, please indicate the particulars of the BO in the “Remarks” column.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	
2.2	<p><u>Legal Person or Legal Arrangement</u></p> <p>a) Is your client a legal person (an entity such as a company or an association) or a legal arrangement (a trust)?</p> <p>If your answer is “Yes” to the above question, please proceed with Section 2.2(b).</p> <p>If your answer is “No”, please proceed to Section 2.3.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>b) For a client that is a legal person or legal arrangement, salesperson is to understand the <u>ownership and control structure</u>* and <u>verify the identity</u># of the client. If it is not done, please state the reasons in the “Remarks” column.</p> <p><i>* Pointer: To understand the ownership and control structure of the client, you may rely on any of the following information but not limited to:</i></p> <ul style="list-style-type: none"> (i) Information provided by your client (e.g. Entity’s organisation chart); (ii) Information available on the entity’s website or published annual reports; (iii) Information available on the entity from public sources (e.g. annual returns and filing with Accounting and Corporate Regulatory Authority); or (iv) Information obtained from other reliable sources (e.g. research reports, third party service providers) or other research. <p><i># Pointer: You may rely on the following information (e.g. entity’s business profile from Bizfile) to verify the customer’s identity:</i></p> <ul style="list-style-type: none"> (i) Name and proof of existence; (ii) The names of Directors or the most senior executive or managing official; and (iii) The address of the registered office.

	Activity	Tick (✓)	Remarks (if any)
	<p>c) For a client that is a legal person or legal arrangement, salesperson is to verify the identity of the beneficial owner(s) in relation to the <u>legal person*</u> or <u>legal arrangement#</u>. If it is not done, please state the reasons in the “Remarks” column.</p> <p><i>* Pointer: To verify the identity of the beneficial owner of a legal person,</i></p> <p>(i) Identify the natural person who has controlling interest stake of the legal person;</p> <p>(ii) Where there is doubt about whether the person with controlling interest is the beneficial owner, to identify the natural person who exerts control; and</p> <p>(iii) Where such a natural person cannot be identified through (i) or (ii), to identify the most senior executive or managing official (e.g. the Director in a company).</p> <p><i># Pointer: To verify the identity of the beneficial owner of a legal arrangement,</i></p> <p>(i) For trusts – identify the settlor, the trustee(s), the protector (if any), the beneficiaries or class of beneficiaries, and any natural person having ultimate ownership of the assets or undertakings of the trust, or exercising ultimate control or ultimate effective control over the trust.</p> <p>(ii) For any other types of legal arrangements – identify the persons in equivalent or similar positions.</p> <p>Consider lodging an STR if there is any suspicion of ML or TL activity (e.g. there are adverse news about the beneficial owner).</p>		
2.3	<p><u>TSOFA and list provided by authorities (including CEA’s Practice Circular (PC) on Compliance with TSOFA)</u></p> <p>a) Screen your client or BO against the <u>First Schedule of TSOFA*</u> and list provided by authorities. If it is not done, please state the reasons in the “Remarks” column.</p> <p><i>* Pointer: A copy of the TSOFA can be downloaded from https://sso.agc.gov.sg/Act/TSFA2002</i></p>		
	<p>b) In the screening of your client or BO against the TSOFA and list provided by authorities, do you <u>suspect*</u> your client or BO to be a designated individual or entity under the First Schedule or any list?</p> <p><i>* Pointer: Salespersons may match the name, nationality, age range and passport number (if applicable) of the client against the information provided in the First Schedule and list to determine if your client or BO is a designated individual or entity under the First Schedule or list.</i></p> <p>If your answer is “Yes” to the above question, please proceed to lodge an STR and continue with 2.3(c).</p> <p>If your answer is “No” to the above question, please tick (✓) “NA” for 2.3(c).</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	<p>c) Has your client or BO obtained an Exemption Order under the TSOFA?</p> <p><i>Pointer: Salespersons may check with your EA whether an Exemption Order has been issued to your client or BO.</i></p> <p>If you answer is “Yes” or “NA”, continue with section 2.4.</p> <p>If your answer is “No”, cease all dealings with the client. You are not required to proceed with other Sections of this checklist. Please proceed to sign off the declaration and submit the checklist to the estate agent.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	

	Activity	Tick (✓)	Remarks (if any)
2.4	<p><u>United Nations (UN) Sanctions Lists</u></p> <p>a) Screen your client or BO against the <u>UN Sanctions Lists</u>*. It is mandatory to do so. If it is not done, please state the reasons in the “Remarks” column.</p> <p><i>* Pointer: Screening can be done on the “United Nations Security Council Sanctions List Search” webpage at https://scsanctions.un.org/search/</i></p>		
	<p>b) In the screening of your client or BO against the UN Sanctions Lists, do you <u>suspect</u>* your client or BO to be a designated individual or entity in the lists?</p> <p><i>* Pointer: Salespersons may match the name, nationality, age range of the client against the information provided in the UN Sanctions Lists to determine if your client or BO is a designated individual or entity in the Lists.</i></p> <p>If your answer is “Yes” to the above question, please lodge an STR and <u>cease dealing</u> with your client or BO. You are not required to proceed with other Sections of this checklist. Please proceed to sign off the declaration and submit the checklist to the estate agent.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
2.5	<p><u>Politically Exposed Person (PEP)</u></p> <p>a) Do you have reasons to believe that your client or BO is a <u>PEP</u>*?</p> <p><i>* Pointer: PEP refers to a person, whether domestic, foreign or international organisation, who is or has been entrusted with prominent public functions, e.g. government ministers, senior civil servants, senior executive of state owned corporations or senior management of international organisations, etc. Use an internet-based search engine, e.g. Google and Yahoo, to obtain news or information if you suspect your client or BO is a PEP.</i></p> <p>If your answer is “No” to the above question, please tick (✓) “NA” for the following question.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	<p>b) If your client or BO is a PEP, is your client or BO a <u>foreign PEP</u>*, a <u>family member</u>* or <u>close associate</u>* of a foreign PEP?</p> <p><i>* Pointer: A foreign PEP refers to a person who is or has been entrusted with prominent public functions by a foreign country. Family member means a parent, step-parent, child, step-child, adopted child, spouse, sibling, step-sibling and adopted sibling of the PEP. Close associate means an individual who is closely connected to a PEP, either socially or professionally.</i></p> <p>If your answer is “Yes” to the above question, ask for the source of the PEP’s funds/wealth and to seek approval from your estate agent whether to continue with the property transaction. Indicate the source of funds/wealth and the decision of your estate agent in the “Remarks” column.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	

	Activity	Tick (✓)	Remarks (if any)
2.6	<p><u>Higher Risk Areas</u></p> <p>a) Is the property transaction <u>complex</u>*, or <u>unusually large</u>*?</p> <p><i>* Pointer: Complex transactions could include attempts to disguise the BO involved in the transaction, or unnecessarily complex transaction structure possibly designed to obscure the true nature of the transaction, or multiple intermediaries used for the transaction. Unusually large transactions could include transaction priced at more than the usual or expected amount for a similar typical transaction.</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	<p>b) Does the property transaction have <u>no apparent economic</u>* or <u>lawful purpose</u>*?</p> <p><i>* Pointer: Transactions with no apparent economic or lawful purpose could include using trust and company service providers to set up a number of corporate structures in multiple countries for the transaction without any apparent purpose.</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	<p>c) Is your client or BO from <u>higher risk countries</u>*?</p> <p><i>* Pointer: The links to the list of higher risk countries can be found at the Financial Action Task Force's (FATF) webpage at http://www.fatf-gafi.org/countries/#high-risk</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<p>If your answer is “Yes” to one or more of the above questions in Section 2.6, your transaction may be of higher risk. Please proceed to complete Section 2.7.</p> <p>If your answers are “No” to all of the above questions in Section 2.6, please tick (✓) “NA” for the questions in Section 2.7.</p>			
2.7	<p><u>Enhanced CDD</u></p> <p>a) As the property transaction may be of higher risk, have you conducted enhanced CDD measures by asking the following information from your client or BO, i.e. occupation, source of funds/wealth and purpose of the transaction.</p> <p>If your answer is “Yes” to the above question, please indicate the findings in the “Remarks” column.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	
	<p>b) Have you sought approval from your estate agent to continue with the property transaction?</p> <p>If your answer is “Yes” to the above question, please indicate the decision of your estate agent in the “Remarks” column.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	

Reminder: Suspicious Transaction Report (STR)

[Note: If in the course of carrying out estate agency work, any estate agent or salesperson suspects or has reason to believe that any property and/or property transaction (or proposed transaction) may be connected to money laundering or financing of terrorism, estate agents and salespersons must lodge an STR through the STRO Online Notices And Reporting (SONAR) platform in accordance with the law. Salespersons who intend to lodge STRs will need to file them through their estate agents via the estate agent's CorpPass account. STRO's guidance on the completion of the STR Form is available on <https://www.police.gov.sg/sonar>]

In your conduct of CDD for this property transaction, consider lodging an STR when:

- a) You face difficulty in completing CDD, e.g. your client is uncooperative such as refusing to provide information or attempting to hide information;
- b) There is indication of your client or BO (including family member or close associates of your client or BO who is a foreign PEP) known to be involved or linked with ML/TF activity;
- c) You reasonably believe that conducting CDD will tip off your client; or
- d) There is suspicion of ML/TF activity, such as the following (you may refer to the full list of indicators in **Annex C** of PG 01-19):
 - There is adverse news concerning your client / BO in the media.
 - Your client is hesitant or declines to put his/her name on any document that would connect him/her with the property.
 - Your client attempts to hide the identity of the true client.
 - Your client is willing to pay a higher price and is willing to transact without inspecting the property.

Salesperson's Declaration: I declare that the above information filled-in are true and correct to the best of my knowledge.

Name of Client(s):	
Identity of Client(s): (NRIC/Passport No./Other ID)	
Tick (✓) Type of Client/s:	<input type="checkbox"/> Seller <input type="checkbox"/> Buyer
Name & Licence No. of Estate Agent:	
Name & Registration No. of Salesperson:	
Date of Completing Checklist:	
Date of Submitting to Estate Agent:	
Signature of Salesperson:	

Annex E1 – CUSTOMER’S PARTICULARS FORM

Important:

Pursuant to Practice Guidelines PG 01-19 [read in conjunction with the Estate Agents (Estate Agency Work) Regulations 2010, a subsidiary legislation under the Estate Agents Act 2010], estate agents and salespersons are required to obtain their customer’s particulars for every property transaction, as part of the measures to prevent money laundering and financing of terrorism.

Salespersons are to ask their customer(s) whom they represent to complete this form, and thereafter submit the completed form to their estate agents.

Customer’s Particulars {for individuals}	
Name:	
NRIC/Passport No./Other ID:	
Date of Birth:	
Nationality:	
Occupation:	
Name of Beneficial Owner: (if individual is not the true owner)	
Customer’s Particulars {for legal persons (e.g. Government organisations, company, corporations or associations) and legal arrangements (e.g. a trust)}	
Name:	
Country of Registration:	
Registration Number:	
Registration Date:	
Main Business Activity:	
Name of Beneficial Owner: (if entity is not the true owner)	
Acknowledgement	
Date of Completing Form:	
Address of Property in the Transaction:	
Signature of Customer:	

Annex F – SALESPERSON’S CHECKLIST ON CUSTOMER DUE DILIGENCE (CDD) FOR RENTAL TRANSACTIONS

Important points to note:

1. This checklist guides salespersons on the conduct of CDD to comply with the requirements of the Practice Guidelines on the Prevention of Money Laundering and Countering the Financing of Terrorism (PG 01-19) when undertaking estate agency work.
2. Salespersons are required to complete the checklist for the client(s) that they represent, e.g. if the salesperson represents the landlord, the salesperson is only required to complete the checklist for the landlord. Similarly, the salesperson is only required to complete the checklist for the tenant if he represents the tenant.
3. Salespersons are required to complete the checklist for every property transaction, and thereafter submit the completed checklists to their estate agents.

	Activity	Tick (✓)	Remarks (if any)
Section 1: Customer’s Particulars Form			
1.1	<p>Salespersons are required to establish a client-agent relationship with their clients and inform their clients of the proposed terms of service. If you have not done so for this transaction, please state the reasons in the “Remarks” column.</p> <p><i>Pointer: Salespersons are encouraged to use the prescribed estate agency agreement to formalise the client-agent relationship. Client-agent relationship may also be established through email or phone text messages.</i></p>		
1.2	<p>Ask your client to complete the Customer’s Particulars Form (Annex F1), and <u>verify</u>* the client’s identity. It is mandatory to do so. If it is not done, please state the reasons in the “Remarks” column.</p> <p><i>* Pointer: Verify the identity of your client by requesting to see and record details of documents such as the NRIC or passport. The customer’s particulars obtained and your encounters with your client will help you assess if there is suspicion of money laundering (ML) or terrorist financing (TF) activity.</i></p>		
1.3	<p>If a person purports to act on behalf of your client, verify the identity of the person and request for documents authorising the person to act on behalf of your client such as an authorisation letter or the Power of Attorney (POA). If it is not provided, do not deal with the person and consider lodging an STR if there is suspicion of ML or TF activity.</p> <p>If it is not done, please state the reasons in the “Remarks” column.</p>		
1.4	<p>Is your client a Ministry or Department, an Organ of State or a Statutory Board of the Government of Singapore?</p> <p>If your answer is “Yes” to the above question, you are not required to proceed with other Sections of this checklist. Please proceed to sign off the declaration and submit the checklist to the estate agent.</p> <p>If you answer is “No”, please continue with this checklist.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	

	Activity	Tick (✓)	Remarks (if any)
Section 2: Screening against Terrorism (Suppression of Financing) Act (“TSOFA”) and list provided by authorities (including CEA’s Practice Circular (PC) on Compliance with TSOFA)			
2.1	<p><u>TSOFA and list provided by authorities</u></p> <p>a) Screen your client or <u>beneficial owner</u>[#] (BO) against the <u>First Schedule of TSOFA*</u> and list provided by authorities. If it is not done, please state the reasons in the “Remarks” column.</p> <p><i># Pointer: Beneficial owner is the person who has ultimate interest in the property transaction, and who has control over the client.</i></p> <p><i>* Pointer: A copy of the TSOFA can be downloaded from https://sso.agc.gov.sg/Act/TSFA2002</i></p>		
	<p>b) In the screening of your client or BO against the TSOFA and list provided by authorities, do you <u>suspect</u>* your client or BO to be a designated individual or entity under the First Schedule or any list?</p> <p><i>* Pointer: Salespersons may match the name, nationality, age range and passport number (if applicable) of the client against the information provided in the First Schedule and list to determine if your client or BO is a designated individual or entity under the First Schedule or list.</i></p> <p>If your answer is “Yes” to the above question, please proceed to lodge an STR and continue with 2.1(c).</p> <p>If your answer is “No”, please tick (✓) “NA” for 2.1(c).</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	<p>c) Has your client or BO obtained an Exemption Order under the TSOFA?</p> <p><i>Pointer: Salespersons may check with your EA whether an Exemption Order has been issued to your client or BO.</i></p> <p>If you answer is “Yes” or “NA”, continue with section 3.</p> <p>If your answer is “No” to the above question, cease all dealings with the client. You are not required to proceed with other Sections of this checklist. Please proceed to sign off the declaration and submit the checklist to the estate agent.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	
Section 3: To Establish Need for Customer Due Diligence (CDD)			
3.1	<p>Are there <u>doubts</u> about the particulars of your client or BO provided to you for this property rental transaction?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
3.2	<p>Determine if there is <u>suspicion</u> of ML/TF activity for this property rental transaction by answering the list of suspicious ML/TF indicators below.</p>		
	<p>a) There is adverse news concerning your client or beneficial owner(s) in the media or newspapers.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	<p>b) Your client appears hesitant or declines to put his/her name on any document that would connect him/her with the property.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	

	Activity	Tick (✓)	Remarks (if any)
	c) Your client attempts to hide the identity of the true client or requests that the transaction be structured to hide the identity of the true client.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	d) Your client (a tenant) is willing to rent the property at a much higher price than the market price. Please tick (✓) "NA" if you are not serving a tenant client.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	
	e) Your client (a tenant) is planning to rent multiple properties in a short period of time. (e.g. within 6 months) Please tick (✓) "NA" if you are not serving a tenant client.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	
	f) Your client (a tenant) is willing to rent the property without inspecting it. Please tick (✓) "NA" if you are not serving a tenant client.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	
	g) Your client (a tenant) pays rent for a long duration of lease in advance. Please tick (✓) "NA" if you are not serving a tenant client.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	
	h) Your client (a landlord) requests the tenant to pay the rent to an unrelated third party instead of paying to the landlord. Please tick (✓) "NA" if you are not serving a landlord client.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	
	i) There is <u>other</u> * suspicion (please specify): _____ <i>* NB: The list of suspicious indicators above is not exhaustive. Please refer to PG 01-19 Annex C, which is available on CEA's website, for more suspicious indicators.</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	

If your answer is "Yes" to one or more of the questions in Section 3, please proceed to conduct CDD by completing Section 4. Thereafter, please complete the Salesperson's Declaration and submit Sections 1 to 4 with the completed Customer's Particulars Form to your estate agent.

If your answers are "No" to all of the above questions in Section 3, you need not proceed to Section 4. Please complete the Salesperson's Declaration below and submit Sections 1 to 3 with the completed Customer's Particulars Form to your estate agent.

Salesperson's Declaration: I declare that the above information is true and correct to the best of my knowledge.

Name of Client(s):	
Identity of Client(s): (NRIC/Passport No./Other ID)	
Tick (✓) Type of Customer(s):	<input type="checkbox"/> Landlord <input type="checkbox"/> Tenant
Name & Licence No. of Estate Agent:	

Name & Registration No. of Salesperson:	
Date of Completing Checklist:	
Date of Submitting to Estate Agent:	
Signature of Salesperson:	

Please attend to Section 4 if your answer is “Yes” to one or more of the questions in Section 3.

	Activity	Tick (✓)	Remarks (if any)
<p>Section 4: Conduct of Customer Due Diligence (CDD) Measures</p> <p><i>[Note: In situations where the salesperson reasonably believes that conducting the below CDD measures would tip off your client, he/she should not pursue the CDD measures and he/she should lodge a Suspicious Transaction Report (STR)].</i></p>			
4.1	<p><u>Legal Person or Legal Arrangement</u></p> <p>a) Is your client a legal person (an entity such as a company or an association) or a legal arrangement (a trust)?</p> <p>If your answer is “Yes” to the above question, please proceed to Section 4.1(b).</p> <p>If your answer is “No”, please proceed to Section 4.2.</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
	<p>b) For a client that is a legal person or legal arrangement, salesperson is to understand the <u>ownership and control structure</u>* and <u>verify the identity</u># of the client. If it is not done, please state the reasons in the “Remarks” column.</p> <p><i>* Pointer: To understand the ownership and control structure of the client, you may rely on any of the following information but not limited to:</i></p> <ul style="list-style-type: none"> <i>(i) Information provided by your client (e.g. Entity’s organisation chart);</i> <i>(ii) Information available on the entity’s website or published annual reports;</i> <i>(iii) Information available on the entity from public sources (e.g. annual returns and filing with Accounting and Corporate Regulatory Authority); or</i> <i>(iv) Information obtained from or other reliable sources (e.g. research reports, third party service providers) or other research.</i> <p><i># Pointer: You may rely on the following information (e.g. entity’s business profile from Bizfile) to verify the customer’s identity:</i></p> <ul style="list-style-type: none"> <i>(i) Name and proof of existence;</i> <i>(ii) The names of Directors or the most senior executive or managing official; and</i> <i>(iii) The address of the registered office.</i> 		

	Activity	Tick (✓)	Remarks (if any)
	<p>c) For a client that is a legal person or legal arrangement, salesperson is to verify the identity of the beneficial owner(s) in relation to the <u>legal person*</u> or <u>legal arrangement#</u>. If it is not done, please state the reasons in the “Remarks” column.</p> <p><i>* Pointer: To verify the identity of the beneficial owner of a legal person,</i></p> <ul style="list-style-type: none"> (i) Identify the natural person who has controlling interest stake of the legal person; (ii) Where there is doubt about whether the person with controlling interest is the beneficial owner, to identify the natural person who exerts control; and (iii) Where such a natural person cannot be identified through (i) or (ii), to identify the most senior executive or managing official (e.g. the Director in a company). <p><i># Pointer: To verify the identity of the beneficial owner of a legal arrangement,</i></p> <ul style="list-style-type: none"> (i) For trusts – identify the settlor, the trustee(s), the protector (if any), the beneficiaries or class of beneficiaries, and any natural person having ultimate ownership of the assets or undertakings of the trust, or exercising ultimate control or ultimate effective control over the trust. (ii) For any other types of legal arrangements – identify the persons in equivalent or similar positions. <p>Consider lodging an STR if there is any suspicion of ML or TL activity (e.g. there are adverse news about the beneficial owner).</p>		
4.2	<p><u>Beneficial Owner (BO)</u></p> <p>a) Do you suspect that your client is not the <u>BO*</u> of this property transaction?</p> <p><i>* Pointer: BO is the person who has ultimate interest in the property transaction, and who has control over the client. If the BO is a company, take reasonable measures to understand the ownership and control structure of the company to identify the individual behind the company (see Section 4.1).</i></p> <p>If your answer is “No” to the above question, please tick (✓) “NA” for the following question.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	<p>b) If your client is not the BO, are you able to verify the identity of the BO?</p> <p>If your answer is “Yes” to the above question, please indicate the particulars of the BO in the “Remarks” column.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	
4.3	<p><u>United Nations (UN) Sanctions Lists</u></p> <p>a) Screen your client or BO against the <u>UN Sanctions Lists*</u>. It is mandatory to do so. If it is not done, please state the reasons in the “Remarks” column.</p> <p><i>* Pointer: Screening can be done on the “United Nations Security Council Sanctions List Search” webpage at https://scsanctions.un.org/search/</i></p>		

	Activity	Tick (✓)	Remarks (if any)
	<p>b) In the screening of your client or BO against the UN Sanctions Lists, do you <u>suspect</u>* your client or BO to be a designated individual or entity in the lists?</p> <p><i>* Pointer: Salespersons may match the name, nationality, age range of the client against the information provided in the UN Sanctions Lists to determine if your client or BO is a designated individual or entity in the Lists.</i></p> <p>If your answer is “Yes” to the above question, please lodge an STR and <u>cease dealing</u> with your client or BO. You are not required to proceed with other Sections of this checklist. Please proceed to sign off the declaration and submit the checklist to the estate agent.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
4.4	<p><u>Politically Exposed Person (PEP)</u></p> <p>a) Do you have reasons to believe that your client or BO is a <u>PEP</u>*?</p> <p><i>* Pointer: PEP refers to a person, whether domestic, foreign or international organisation, who is or has been entrusted with prominent public functions, e.g. government ministers, senior civil servants, senior executive of state owned corporations or senior management of international organisations, etc. Use an internet-based search engine, e.g. Google and Yahoo, to obtain news or information if you suspect your client or BO is a PEP.</i></p> <p>If your answer is “No” to the above question, please tick (✓) “NA” for the following question.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	<p>b) If your client or BO is a PEP, is your client or BO a <u>foreign PEP</u>*, a <u>family member</u>* or <u>close associate</u>* of a foreign PEP?</p> <p><i>* Pointer: A foreign PEP refers to a person who is or has been entrusted with prominent public functions by a foreign country. Family member means a parent, step-parent, child, step-child, adopted child, spouse, sibling, step-sibling and adopted sibling of the PEP. Close associate means an individual who is closely connected to a PEP, either socially or professionally.</i></p> <p>If your answer is “Yes” to the above question, ask for the source of the PEP’s funds/wealth and to seek approval from your estate agent whether to continue with the property transaction. Indicate the source of funds/wealth and the decision of your estate agent in the “Remarks” column.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	
4.5	<p><u>Higher Risk Areas</u></p> <p>a) Is the property transaction <u>complex</u>*, or <u>unusually large</u>*?</p> <p><i>* Pointer: Complex transactions could include attempts to disguise the BO involved in the transaction, or unnecessarily complex transaction structure possibly designed to obscure the true nature of the transaction, or multiple intermediaries used for the transaction. Unusually large transactions could include transaction priced at more than the usual or expected amount for a similar typical transaction.</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	

	Activity	Tick (✓)	Remarks (if any)
	b) Does the property transaction have <u>no apparent economic*</u> or <u>lawful purpose*</u> ? <i>* Pointer: Transactions with no apparent economic or lawful purpose could include using trust and company service providers to set up a number of corporate structures in multiple countries for the transaction without any apparent purpose.</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	c) Is your client or BO from <u>higher risk countries*</u> ? <i>* Pointer: The links to the list of higher risk countries can be found at the Financial Action Task Force's (FATF) webpage at http://www.fatf-gafi.org/countries/#high-risk</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<p>If your answer is "Yes" to one or more of the above questions in Section 4.5, your transaction may be of higher risk. Please proceed to complete Section 4.6.</p> <p>If your answers are "No" to all of the above questions in Section 4.5, please tick (✓) "NA" for the questions in Section 4.6.</p>			
4.6	<p><u>Enhanced CDD</u></p> <p>a) As the property transaction may be of higher risk, have you conducted enhanced CDD measures by asking the following information from your client or BO, i.e. occupation, source of funds/wealth and purpose of the transaction.</p> <p>If your answer is "Yes" to the above question, please indicate the findings in the "Remarks" column.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	
	<p>b) Have you sought approval from your estate agent to continue with the property transaction?</p> <p>If your answer is "Yes" to the above question, please indicate the decision of your estate agent in the "Remarks" column.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	
<p>Reminder: Suspicious Transaction Report (STR)</p> <p><i>[Note: If in the course of carrying out estate agency work, any estate agent or salesperson suspects or has reason to believe that any property and/or property transaction (or proposed transaction) may be connected to money laundering or financing of terrorism, estate agents and salespersons must e-file an STR through the STRO Online Notices And Reporting (SONAR) platform in accordance with the law. Salespersons who intend to lodge STRs will need to file them through their estate agents via the estate agent's CorpPass account. STRO's guidance on the completion of the STR Form is available on https://www.police.gov.sg/sonar]</i></p> <p>In your conduct of CDD for this property transaction, consider lodging an STR when:</p> <ol style="list-style-type: none"> You face difficulty in completing CDD, e.g. your client is uncooperative such as refusing to provide information or attempting to hide information. There is indication of your client or BO (including family member or close associates of your client or BO who is a foreign PEP) known to be involved or linked with ML/TF activity. You reasonably believe that conducting CDD will tip off your client. There is suspicion of ML/TF activity, such as the following (you may refer to the full list of indicators in Annex C of PG 01-19): <ul style="list-style-type: none"> There is adverse news concerning your client / BO in the media. Your client is hesitant or declines to put his/her name on any document that would connect him/her with the property. Your client attempts to hide the identity of the true client. Your client is willing to pay a higher price and is willing to transact without inspecting the property. 			

Salesperson's Declaration: I declare that the above information filled-in are true and correct to the best of my knowledge.

Name of Client(s):	
Identity of Client(s): (NRIC/Passport No./Other ID)	
Tick (✓) Type of Client/s:	<input type="checkbox"/> Landlord <input type="checkbox"/> Tenant
Name & Licence No. of Estate Agent:	
Name & Registration No. of Salesperson:	
Date of Completing Checklist:	
Date of Submitting to Estate Agent:	
Signature of Salesperson:	

Annex F1 – CUSTOMER’S PARTICULARS FORM

Important:

Pursuant to Practice Guidelines PG 01-19 [read in conjunction with the Estate Agents (Estate Agency Work) Regulations 2010, a subsidiary legislation under the Estate Agents Act 2010], estate agents and salespersons are required to obtain their customer’s particulars for every property transaction, as part of the measures to prevent money laundering and financing of terrorism.

Salespersons are to ask their customer(s) whom they represent to complete this form, and thereafter submit the completed form to their estate agents.

Customer’s Particulars {for individuals}	
Name:	
NRIC/Passport No./Other ID:	
Date of Birth:	
Nationality:	
Occupation:	
Name of Beneficial Owner: (if individual is not the true owner)	
Customer’s Particulars {for legal persons (e.g. Government organisations, company, corporations or associations) and legal arrangements (e.g. a trust)}	
Name:	
Country of Registration:	
Registration Number:	
Registration Date:	
Main Business Activity:	
Name of Beneficial Owner: (if entity is not the true owner)	
Acknowledgement	
Date of Completing Form:	
Address of Property in the Transaction:	
Signature of Customer:	

Annex G – ITEMS TO BE INCLUDED IN THE CHECKLIST FOR ONGOING DUE DILIGENCE

Estate agents and salespersons may consider creating a Checklist on Ongoing Due Diligence for clients that they have an ongoing relationship with. The following items shall be included in the checklist, which can be used in place of the Customer's Particulars Form and Salesperson's Checklist on CDD.

- a) Name of client (and beneficial owner) that estate agent or salesperson has ongoing relationship with.
- b) Brief description of estate agent or salesperson's business relationship with the client.
- c) How often does the estate agent or salesperson help the client with the transaction?
- d) Determine the frequency to complete the Checklist on Ongoing Due Diligence on the client. For client assessed to be of higher risk (e.g. foreign PEP), estate agents and salespersons shall conduct ongoing due diligence on that client on a more regular basis (e.g. 6 monthly intervals).
- e) When was the previous Checklist on Ongoing Due Diligence last completed on the client and were there any issues with the previous completed Checklist, e.g. did estate agent or salesperson lodge any Suspicious Transaction Report?
- f) Since the last completed Checklist on Ongoing Due Diligence, are the past transactions consistent with the estate agent or salesperson's knowledge of the client, its business and risk profile? (If answer is 'no', to assess the need to conduct CDD for all subsequent transactions)
- g) Is there suspicion of money laundering and/or terrorist financing activities from these transactions? (If answer is 'yes', to elaborate and assess the need to conduct CDD for all subsequent transactions)

Annex H – RECORDS KEEPING

Estate agents shall retain originals or keep copies (may be in electronic format) of the following documents for at least 5 years after the business relationship is ended, or after the date of transaction. CEA's inspection of estate agents' compliance with this Practice Guidelines (PG 01-19) will include sighting the documents and any other documents relating to CDD measures.

- a) Records to be retained in relation to prevention of ML/TF, which include:
- Estate Agent's Checklist on AML/CFT
 - Analysis of its transactions with higher risk to ML/TF (e.g. Estate Agent's Nature of Transaction template)
 - Estate agent's communication to its salespersons on the requirements and procedures on prevention of ML/TF
 - Compliance management detailing the dates of compliance checks, number of transactions sampled for each compliance check, and identifying the transactions that have been sampled, any audit findings (including non-compliance) and rectification measures taken
 - Customer's Particulars Form
 - Salesperson's Checklist on Customer Due Diligence
 - Checklist on Ongoing Due Diligence
 - Documents to show the person acts on behalf of customer (e.g. Letter of Authorisation, Power of Attorney)
 - Documents to understand entity's ownership and control structure information
- b) Records showing salespersons that have undergone AML/CFT training, date of training and type of training received. Also, records showing the training schedule for salespersons that have not been trained; and
- c) Records pertaining to cases under investigation or which have been the subject of a Suspicious Transaction Report, for such longer period as may be necessary in accordance with any request or order from the STRO or other relevant competent authorities.

Annex I – ESTATE AGENT’S CHECKLIST ON ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM (AML/CFT)

Important points to note:			
<p>1. This checklist serves to guide estate agents to comply with the requirements of the Practice Guidelines on the Prevention of Money Laundering and Countering the Financing of Terrorism (PG 01-19).</p> <p>2. The pointers in this checklist are suggested courses of action that estate agents may take. They are not intended to be exhaustive and estate agents should take any additional actions that may be necessary and applicable to their businesses. Estate agents can choose to adopt the pointers or consider alternative measures that suit the needs of their businesses in complying with PG 01-19.</p> <p>3. Estate agents are required to conduct self-assessment using this checklist periodically. When CEA conducts inspection of estate agents on compliance with PG 01-19, estate agents are required to complete and submit this checklist to CEA if requested by CEA as part of CEA’s inspection of estate agents.</p> <p>4. In the “Elaboration” column of the checklist, estate agents should state the title and provide a brief description with details of what the estate agent has done where necessary, and include all relevant supporting documents if so required.</p> <p>5. The checklist should be completed by the Key Executive Officer (KEO) or an authorised person of estate agents.</p> <p>6. All information/documents provided must be accurate, complete and current as at the time of submission.</p>			
S/N	Criteria	Tick (✓)	Elaboration (if any)
Section 1: Identification and Documentation of Risks			
1.1	<p>Did your estate agent analyse its past property transactions to assess the risks of money laundering (ML) and terrorist financing (TF) in the transactions it had facilitated? If yes, please show the analysis in the “Elaboration” column.</p> <p><i>Pointer: Your estate agent may consider using the suggested template in Annex I1 as a guide on how to analyse the past transactions.</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
1.2	<p>From the risk analysis of past property transactions, did your estate agent identify the likely types of transactions that may pose a higher risk to ML/TF for your transactions in future? If yes, please list the types of higher risk transactions in the “Elaboration” column.</p> <p><i>Pointer: Transactions of higher risk could include those involving foreigners including Singapore Permanent Residents, transactions of higher monetary value (e.g. ≥ S\$3m), or where physical cash is used. Your estate agent should also consider news and typologies of ML/TF in the estate agency trade or industry provided in CEA’s circulars and notices to estate agents.</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
1.3	<p>Did your estate agent take any measures to mitigate the potential risks posed by higher risk property transactions? If yes, please provide the details in the “Elaboration” column.</p> <p><i>Pointer: Your estate agent may consider requiring the KEO or the designated staff to be informed when salespersons are conducting such high risk or higher risk transactions, to facilitate the estate agent exercising closer scrutiny or monitoring of such transactions.</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
1.4	<p>Please indicate in the “Elaboration” column the frequency in which your estate agent conducts risk analysis (i.e. Sections 1.1 to 1.3) to prevent ML/TF.</p> <p><i>Pointer: Your estate agent may consider carrying out <u>this risk analysis yearly</u> to keep abreast of changes in the nature of your estate agent’s property transactions and the typologies for ML/TF in the industry.</i></p>		

S/N	Criteria	Tick (✓)	Elaboration (if any)
Section 2: Customer Due Diligence (CDD)			
2.1	<p>Your salespersons are required to fill in the “Salesperson’s Checklist on Customer Due Diligence (CDD)” for every property transaction and submit it to your estate agent. Please provide details on how your estate agent ensures that the above measure is put in place, and when your salespersons are required to submit the completed Salesperson’s Checklists to your estate agent in the “Elaboration” column. If your estate agent did not carry out the above, please also state the reasons in the “Elaboration” column.</p> <p><i>Pointer: Your estate agent may consider requiring your salespersons to submit the completed “Salesperson’s Checklist on CDD” in a timely manner to your estate agent (e.g. before or just after, the issue of the Option to Purchase (OTP), or the signing of the Tenancy Agreement).</i></p>		
2.2	<p>Where there is a need to lodge a Suspicious Transaction Report (STR), does your estate agent have procedures to discuss with your salespersons before the STR is lodged by the estate agent? If yes, please elaborate on the procedures and state the identity of the person who is tasked to lodge the STR in the “Elaboration” column.</p> <p>Tick (✓) “NA” for estate agents where the KEO is the only salesperson.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	
Section 3: Communication			
3.1	<p>Did your estate agent communicate the requirements and procedures on prevention of ML/TF to your salespersons? If yes, please state the details of the relevant information communicated to your salespersons in the “Elaboration” column.</p> <p><i>Pointer: Besides circulating your internal policies and procedures on AML/CFT to your salespersons, your estate agent may consider circulating CEA Practice Guidelines and Practice Circulars relating to AML/CFT to them.</i></p> <p>Tick (✓) “NA” for estate agents where the KEO is the only salesperson.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	
Section 4: Training			
4.1	<p>Did your estate agent ensure that your salespersons undergo training on prevention of ML/TF? If yes, please state the percentage of your salespersons who have been trained, and the type of training that they have attended in the “Elaboration” column.</p> <p><i>Pointer: The training curriculum should cover the estate agent’s internal policies, procedures and control on the prevention of ML/TF. Available courses are provided at CEA’s CPD microsite, http://www.cea.gov.sg/cpd</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
4.2	<p>Does your estate agent have plans to train those who have not undergone training on the prevention of ML/TF? If yes, please provide the details of your training plans and the accompanying completion timelines in the “Elaboration” column.</p> <p><i>Pointer: Your estate agent may consider sending your salespersons to attend in-house courses or send them to attend approved CPD courses on the prevention of ML/TF. Your estate agent may work with industry associations or training providers to develop the relevant in-house training.</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	

S/N	Criteria	Tick (✓)	Elaboration (if any)
Section 5: Compliance Management			
5.1	<p>Did your estate agent conduct internal audits or compliance checks and take appropriate rectification measures to address non-compliance with the requirements and procedures to prevent ML/TF as set out in PG 01-19? If yes, please state (i) the frequency, and (ii) the number of compliance checks conducted in the past two years, in the “Elaboration” column. In addition, please provide details of any incidents of non-compliance found and the follow-up actions taken to rectify the situation, and to prevent a repeat of a similar incident.</p> <p><i>Pointer: Your estate agent may consider having quarterly or monthly internal audits or compliance checks (estate agents with large number of transactions may consider more regular checks).</i></p> <p><i>For transactions identified for checks, estate agents may check whether</i> (1) Salesperson’s Checklist on Customer Due Diligence (CDD) is submitted for each transaction, and all relevant fields are filled up; (2) Customer’s Particulars Form is filled up for each transaction, and all relevant fields are filled up; (3) CDD should have been conducted where required; and (4) Procedures for CDD have been followed if CDD was conducted.</p> <p><i>The transaction identified for the audit/check could be based on the types of transaction identified to be of higher risk (during the risk analysis conducted in Section 1) and on salespersons with a record of poor compliance of the procedures for preventing ML/TF.</i></p> <p><i>The follow-up actions for non-compliance could include taking action on the salespersons concerned (e.g. warning, penalties, closer supervision by KEO, etc.) and/or a general reminder to all salespersons on the matter.</i></p> <p>Tick (✓) “NA” for estate agents where the KEO is the only salesperson.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	
Section 6: Record Keeping			
6.1	<p>Did your estate agent maintain records of documents cited under the Second Schedule to the Estate Agents (Estate Agency Work) Regulations 2010 and all documents on the prevention of ML/TF (see PG 01-19 Annex H), including all documents required to satisfy Sections 1 to 5 above for 5 years, in each instance. If yes, please state where such records are kept, in the “Elaboration” column.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Declaration (To be signed by the Key Executive Officer or an authorised person of the estate agent)			
I declare that all information submitted to the Council for Estate Agencies is correct, accurate, current and complete as at the time of submission.			
Name of Estate Agent:			
Licence Number of Estate Agent:			
Name of Authorised Person:			
Designation of Authorised Person:			
Date of Assessment:			
Signature of Authorised Person:			

Annex I1 – SUGGESTED TEMPLATE FOR RISK ASSESSMENT

This template serves to guide estate agents in analysing their past property transactions for the conduct of risk analysis. Estate agents can choose to adopt the tables and criteria, or have their own methodology for conducting the required risk analysis, which best suits their business needs.

This guide helps estate agents to understand the nature of its transactions and hence the types of transactions that may pose a higher risk to ML/TF risks, so that the appropriate steps to mitigate the risks can be put in place. It includes both sale and lease transactions, as ML/TF may be unwittingly facilitated by estate agents and salespersons through these transactions.

The tables and criteria, including review of data over past 3 years, \geq S\$3 million, \geq 3 properties and \geq S\$10,000, are suggested figures. They serve as a guide to help estate agents identify potential higher risk transactions.

For Sale and Purchase Transactions: Tables 1 and 2

1. "Total Transaction Value" refers to total value of property sales and purchases transacted in a specified year.
2. "Physical cash" refers to transactions in which physical cash were used (e.g. for payment of the option fee). Cheques and cashier orders are not considered physical cash for this purpose.
3. " \geq S\$3 million" refers to those transactions in which the property had been transacted at S\$3 million or higher.
4. " \geq 3 properties" refers to the transactions in which an individual or a corporate or business entity had transacted 3 or more properties for that year
5. "Number of sales and purchases": the information to be stated in Table 2 includes information of transactions involving both sellers and buyers.
6. "Foreigners" includes Singapore Permanent Residents.

Table 1 – Overview of Sale and Purchase Transactions for Past 3 Years

Year	Number of Transactions	Total Transaction Value (S\$)
201X		
201X		
201X		

Table 2 – Details of Sale and Purchase Transactions in 201X (One table for each year)

				Local			Foreign
				Residential	Commercial	Industrial	
Number of sales and purchases	By individuals	Local	Physical cash				
			\geq S\$3 million				
			\geq 3 properties				
		Foreigners	Physical cash				
			\geq S\$3 million				
			\geq 3 properties				
	By entities	Local	Physical cash				
			\geq S\$3 million				
			\geq 3 properties				
		Foreign	Physical cash				
			\geq S\$3 million				
			\geq 3 properties				

For Lease Transactions: Tables 3 and 4

1. "Annual Rental Value" refers to the annual value of the lease (monthly rental amount multiplied by 12) transacted in a specified year.
2. "≥ S\$10,000" refers to the transactions in which the property had been leased for a monthly rental value of S\$10,000 or higher.
3. "≥ 3 properties" refers to the transactions in which an individual or a corporate or business entity had transacted 3 or more properties for that year
4. "Number of leases": the information to be stated in Table 4 includes information of transactions involving both tenants and landlords.
5. "Foreigners" includes Singapore Permanent Residents

Table 3 – Overview of Lease Transactions for Past 3 Years

Year	Number of Transactions	Annual Rental Value (S\$)
201X		
201X		
201X		

Table 4 – Details of Lease Transactions in 201X (One table for each year)

				Residential	Commercial	Industrial
Number of leases	By individuals	Local	≥ S\$10,000/-			
			≥ 3 properties			
		Foreigners	≥ S\$10,000/-			
			≥ 3 properties			
	By entities	Local	≥ S\$10,000/-			
			≥ 3 properties			
		Foreign	≥ S\$10,000/-			
			≥ 3 properties			