

Key Changes to AML/CPF/CFT Framework

- A) Estate Agents Act 2010**
- B) Estate Agents (Prevention of
Money Laundering,
Proliferation Financing and
Terrorism Financing)
Regulations 2021**

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Nicholas Ong

Acting Deputy Director (Inspection & Compliance)

Overview

A) Key Amendments to the Estate Agents Act 2010

1. Incorporate proliferation financing (PF) into the AML/CFT framework.
2. Strengthen penalty frameworks to increase deterrence.
3. Conduct due diligence on Unrepresented Counterparties.
4. Clarify restrictions against persons convicted of ML/PF/TF offences.



Overview

B) Amendments to the Estate Agents (Prevention of Money Laundering, Proliferation Financing and Terrorism Financing) Regulations 2021 (PMLPFTF Regulations)

1. Clarify triggers for the conduct of Enhanced Customer Due Diligence (ECDD).
2. Clarify obligations of Estate Agents (EAs) and Real Estate Salespersons (RESs) for filing of Suspicious Transactions Report (STR).
3. Enhance EAs' internal controls:
 - i. Implementation of Group Wide Programme.
 - ii. Appointment of Compliance Officer at Management Level.
 - iii. Independent Audit Function for PMLPFTF Compliance.
4. Exempt HDB Residential Rental Transactions from Customer Due Diligence (CDD) and Unrepresented Counterparty Due Diligence (UCPDD) requirements.
5. Put in place requirement to submit CDD/UCPDD information and supporting documents to the EA.

Key amendments to Estate Agents Act 2010

1. Expansion of EAs/RESs' Duties to Counter Proliferation Financing

What is Proliferation Financing (PF) risk?

PF risk refers to the risk of funds, other assets or other economic resources, or financing, being raised, moved or made available, in whole or in part, for the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical or biological weapons (i.e. weapons of mass destruction) and their means of delivery and related materials (including both technologies and dual use goods used for non-legitimate purposes), in contravention of national laws or, where applicable, international obligations.

1. Expansion of EAs/RESs' Duties to Counter Proliferation Financing

- Under the revised PMLPFTF Regulations, the due diligence measures have been expanded to also cover PF risks, i.e. to determine the risk of ML, TF and PF.
- EAs/RESs are now required to mitigate PF risks **by screening clients/beneficial owners/unrepresented counterparties against the relevant sanctions lists**, as per what is already required for ML and TF risks.
- There are no changes to the follow-up measures after screening.
 - EAs/RESs should cease facilitating the transaction if the screening has a positive hit.
 - If there is any suspicion of ML/TF/PF risk, EAs/RESs are to lodge STRs.

Tip: Use the Risk Determination and Screening Checklists found in Annexes F & G of the PMLPFTF Guide to record screening results and determination of ML/PF/TF risks.

2. Revision of Maximum Financial Penalties for EAs and RESs to a ‘per contravention’ instead of ‘per case’ Basis for breaches of PMLPFTF Regulations

Maximum Financial Penalty imposable by CEA with Letter of Censure

For both EAs and RESs:

- Previous: Up to \$5,000 per case
- **New: Up to \$5,000 per breach**

Maximum Financial Penalty imposable by a Disciplinary Committee

For EAs:

- Previous: Up to \$200,000 per case
- **New: Up to \$200,000 per breach**

For RESs:

- Previous: Up to \$100,000 per case
- **New: Up to \$100,000 per breach**

3. Conduct of Unrepresented Counterparty Due Diligence (UCPDD)

New Requirements:

- EAs/RESs are now required to conduct due diligence checks on **unrepresented counterparties** before parties enter into any agreement for the sale/lease of the property.
- An unrepresented counterparty is the *other* party to the transaction (i.e. not your client) who is not represented by an EA or RES.
- The same type of checks as those done on clients should be done on unrepresented counterparties:
 - Identity verification
 - Beneficial ownership checks
 - Enhanced due diligence (where relevant)
 - Screening against sanctions lists
 - ML/PF/TF risk assessment

3. Conduct of Unrepresented Counterparty Due Diligence (UCPDD)

- Due diligence measures on the unrepresented counterparty are to be performed when it becomes clear that the sale/lease is likely to proceed (e.g. buyer/tenant has made an offer to purchase/rent a property, which the seller/landlord has indicated willingness to accept), but **before the client and the unrepresented counterparty enter into any agreement for the sale/lease of the property.**
- EA/RES must determine the ML/PF/TF risks of the unrepresented counterparty (just as you would for a client) and document the determination and conclusions reached. If there is suspicion of ML/PF/TF risks, an STR should be filed.

Tip: Use the template forms found in Annex G of the PMLPFTF Guide to document the conduct of UCPDD.

3. Conduct of Unrepresented Counterparty Due Diligence (UCPDD)

Comparison of duties/requirements for clients and unrepresented counterparties

Duties of EA/RES		Client	Unrepresented Counterparty
1.	Establish client-agent relationship	Yes	No
2.	Obtain identifying information	Yes	Yes
3.	Verify identity	Yes	Yes
4.	Establish whether the client is an entity or a legal arrangement	Yes	Yes
5.	Identify the beneficial owner (BO) of the entity or legal arrangement	Yes	Yes
6.	Screen against UN Sanctions Lists, the First Schedule of the TSOFA and lists provided by authorities	Yes	Yes
7.	Determine if the client/unrepresented counterparty/BO is a Politically Exposed Person (PEP)	Yes	Yes
8.	Conduct Enhanced Due Diligence (where required)	Yes	Yes
9.	Keep records	Yes	Yes
10.	Conduct ongoing monitoring (where there is an ongoing business relationship)	Yes	No
11.	File an STR if there is suspicion of ML or TF (where required)	Yes	Yes

4. Update of Fit and Proper Criteria

In addition to the current “fit and proper” criteria to hold a EA licence or RES registration, a person will not be considered “fit and proper” to hold a licence or registration if convicted of the following, whether in Singapore or elsewhere:

- Money laundering offences
- Proliferation financing offences
- Terrorism financing offences

Key amendments to Estate Agents (Prevention of Money Laundering, Proliferation Financing and Terrorism Financing) Regulations 2021

1. Clarifying Triggers for Enhanced Due Diligence Requirements

ECDD/Enhanced UCPDD must be performed in these higher-risk situations:

1. Transactions presenting higher ML/PF/TF risks *[Transaction-centric]*

- E.g. unusually large-value transactions, unusual patterns with no apparent economic/lawful purpose.

2. Transacting party is from or in a High-Risk Country/Territory

- FATF-identified high-risk jurisdictions.
- Countries/territories with strategic deficiencies in anti-money laundering/countering proliferation financing/countering financing of terrorism.
- Applies to client, person acting on behalf of client, or beneficial owner.

Basel AML Index

3. Transacting party is a Foreign Politically-Exposed Person (PEP)

- Applies to client, person acting on behalf of client, beneficial owner, their family members and close associates.

4. When the EA/RES has reason to suspect that a transacting party is engaged in ML/PF/TF activities *[Client-centric]*

- Applies to client, person acting on behalf of client, or beneficial owner.

Tip: When encountering any higher-risk situations, document your reasons for conducting ECDD/Enhanced UCPDD (in Form C/U6) and maintain detailed records of all additional due diligence steps taken.

2. Clarifying Obligations of EAs and RESs for Filing Suspicious Transaction Report

- When an RES has reason to suspect ML/PF/TF activities, the RES must file an STR.
- When an RES reports suspicion of ML/PF/TF activities to their EA, the EA must file an STR unless the RES has already done so.
- The RES who has reason to suspect ML/PF/TF activities is still primarily responsible for taking the necessary steps to file an STR. If the RES does not file an STR, the EA must do so.

Tip: Use the screening checklists (Form B/Form U5 in Annex F/G) to document risk assessments. If the screening result is positive, EAs and RESs must not proceed with the transaction and must file a Suspicious Transaction Report (STR) via SONAR (<http://www.police.gov.sg/sonar>).

3. Enhancing EAs' Internal Controls

(i) Implement a group-wide PMLPFTF programme for branches and subsidiaries of EAs

- EAs are required to implement a group-wide programme against ML/PF/TF risks and extend the programme to all their branches and subsidiaries (whether located or incorporated in Singapore or in a foreign country or territory).
 - For subsidiaries, this applies to all subsidiaries in which the EA (in Singapore) has more than 50% ownership of the subsidiaries.
- The group-wide programme should include the following:
 - Policies and procedures for sharing of information within the group.
 - Adequate safeguards to protect the confidentiality and ensure appropriate use of shared information.
 - Where the branch or subsidiary is located/incorporated overseas, the more stringent set of laws (between Singapore and the overseas jurisdiction) should apply. If this is not possible, the EA should inform CEA.

3. Enhancing EAs' Internal Controls

(ii) Appoint a Compliance Officer at management level

- In order to better manage and effectively mitigate ML/PF/TF risks, EAs will be required to appoint a Compliance Officer at management level.
 - The Compliance Officer must be a designated officer of the EA, i.e. CEO, KEO, Director, Partner, or other officer authorised by the EA.
- The Compliance Officer is responsible for ensuring that the EA and its RESs fully comply with the PMLPFTF obligations.

Tips:

- *EAs should retain the letter of appointment of the Compliance Officer for record keeping purposes.*
- *EAs should make known to their RESs who the appointed Compliance Officer is. This information can be included in the EA's standard operating procedures.*
- *EAs must ensure that RESs are trained on the EA's internal policies, procedures and controls (IPPC).*
- *RESs have to know who to contact, including the Compliance Officer, and what steps to take (e.g. filing of STRs) when they encounter suspicious transactions.*

3. Enhancing EAs' Internal Controls

(iii) Put in place an independent audit function to ensure PMLPFTF compliance

- EAs must conduct internal checks and independent audits to ensure PMLPFTF compliance and to mitigate ML/PF/TF risks.
- An independent audit means that the individual checking transactions for compliance cannot be the person who facilitated or was involved in the transaction.
- This is to provide an unbiased assessment of the level of compliance and the effectiveness of internal policies, procedures and controls (IPPC) to identify any potential gaps in the implementation of IPPC, so that appropriate remedial actions can be taken.

Tip: EAs should establish the frequency for conducting audits and maintain records of all reviews, findings, remedial actions and timelines for the audits conducted.

4. Exempting HDB Residential Rental Transactions from Customer Due Diligence / Unrepresented Counterparty Due Diligence

- HDB residential rental transactions (HDB whole flat or room rentals) are exempted from CDD and UCPDD measures due to their lower risk profile.
- However, EAs/RESs are still obligated to file an STR if there is suspicion of ML/PF/TF activities.
- CDD/UCPDD measures continue to be required for all sale and purchase as well as other types of rental transactions.

Tip: While there are exemptions for CDD and UCPDD for HDB residential rental transactions, EAs/RESs must still be on the look-out for suspicious indicators and file STRs where relevant.

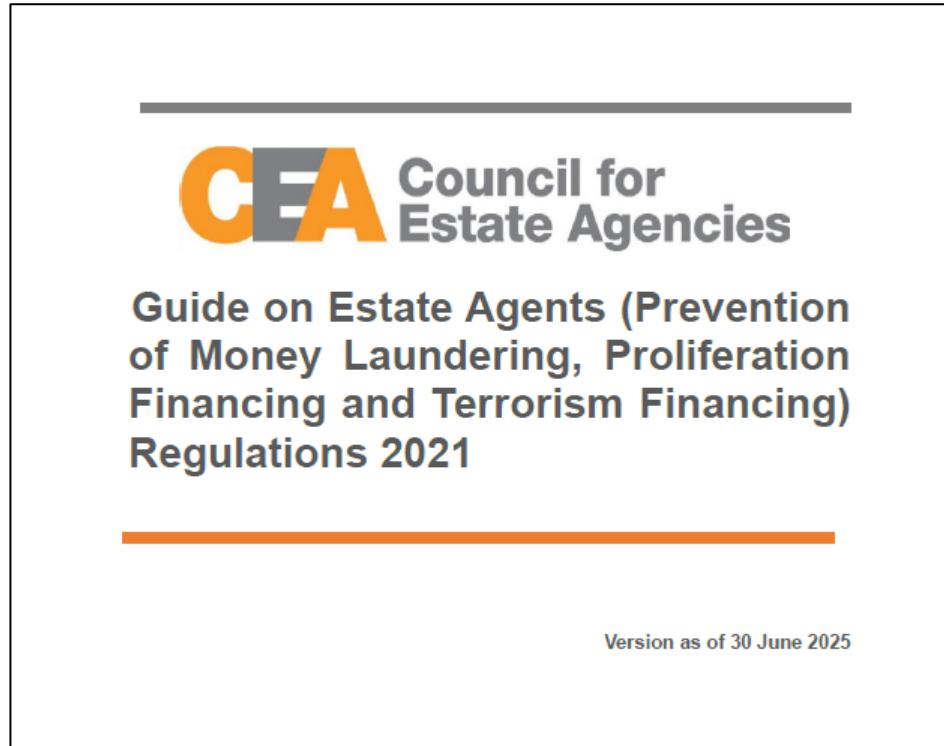
5. Submission of CDD/UCPDD Information and Documents to the EA

- Where an RES conducts CDD or UCPDD measures, the RES must submit to the EA:
 - All documents and information obtained in the conduct of CDD/UCPDD measures (e.g. completed Customer Particulars Forms, risk determination and screening checklists).
 - Any supporting document relied on in support of the information above (e.g. copies of identification documents, documents to corroborate source of wealth/fund establishment, screening results against sanctions lists).
- Both EAs and RESs are now jointly responsible for proper record-keeping.

Tip: RES should submit all CDD/UCPDD documentation promptly to their EA, as both parties share responsibility for maintaining complete records of CDD and UCPDD. DO NOT backdate or fabricate CDD/UCPDD documentation.

Guide to Estate Agents (Prevention of Money Laundering, Proliferation Financing and Terrorism Financing) Regulations 2021

Reference Guide for the Industry on PMLPFTF Regulations



The Council for Estate Agencies (CEA) enforces the Estate Agents Act 2010 and its related subsidiary legislation to maintain high professional standards for Singapore's real estate agency industry.

We investigate complaints and take appropriate enforcement actions against offences and disciplinary breaches relating to estate agency work. Through these enforcement actions, we aim to protect consumers' interest and uphold the professionalism and integrity of Singapore's real estate agency industry.

Regulatory framework

CEA's regulatory framework protects consumers' interest and raises the professionalism of the real estate agency industry.

Legislation → The Estate Agents Act 2010 protects consumers' interest and raises the professionalism of the real estate agency industry.	Codes of Conduct → Learn about the Code of Ethics & Professional Client Care and Code of Practice for Estate Agents.	Preventing money laundering, proliferation financing, and terrorism financing → The real estate agency industry plays an important role to prevent the threat of money laundering, proliferation financing, and terrorism financing.
Practice guidelines and circulars → Estate agents and real estate salespersons must adhere to the relevant practice guidelines and circulars when carrying out estate agency work.	Personal data protection → The real estate agency industry must comply with the Personal Data Protection Act 2012.	

Template Forms for EAs/RESs' Reference and Ease of Use

Annex F: Customer Due Diligence Forms for Clients

The suggested Customer Due Diligence (CDD) forms are provided in Annex F to provide EAs and RESs with a template that they may adopt when conducting CDD for all rental, sale and purchase transactions. The specific forms applicable to a particular transaction depend on whether the client is an individual or an entity/legal arrangement, and whether they are acting for themselves or on behalf of another party.

For individual clients acting for themselves, Form A1 (Customer Particulars) and Form B (Screening Documentation) may be used. When individuals or entities act on behalf of others, additional forms such as Form A3 or Form A4 may be used, along with separate risk determination and screening checklists (Form B) for each party involved.

Client Type	Forms to be completed
Individual Clients	
1. Client (Individual) acting for himself	<ul style="list-style-type: none">• Form A1 (Customer Particulars Form (For Individual))• Form B (Risk Determination and Screening Checklist)
2. Client (Individual) acting on behalf of another individual	<ul style="list-style-type: none">• Form A1 (Customer Particulars Form (For Individual))• Form A3 (Particulars of Individual your Client is acting on behalf of)• Form B (Risk Determination and Screening Checklist) - one for each person
3. Client (Individual) acting on behalf of another (Entity/Legal Arrangement)	<ul style="list-style-type: none">• Form A1 (Customer Particulars Form (For Individual))• Form A4 (Particulars of Legal Person (Entity/Legal Arrangement) your Client is acting on behalf of)• Form B (Risk Determination and Screening Checklist) - one for each person
Entity/ Legal Arrangement Client	
1. Client (Entity/ Legal Arrangement) acting for himself	<ul style="list-style-type: none">• Form A2 (Customer Particulars Form (For Entity/Legal Arrangement))• Form B (Risk Determination and Screening Checklist)
2. Client (Entity/ Legal Arrangement) acting on behalf of another individual	<ul style="list-style-type: none">• Form A2 (Customer Particulars Form (For Entity/Legal Arrangement))• Form A3 (Particulars of Individual your Client is acting on behalf of)• Form B (Risk Determination and Screening Checklist) – one for each person
3. Client (Entity/ Legal Arrangement) acting on behalf of another (Entity/Legal Arrangement)	<ul style="list-style-type: none">• Form A2 (Customer Particulars Form (For Entity/Legal Arrangement))• Form A4 (Particulars of Legal Person (Entity/Legal Arrangement) your Client is acting on behalf of)• Form B (Risk Determination and Screening Checklist) - one for each person

Annex G: Due Diligence Forms for Unrepresented Counterparties

The suggested Unrepresented Counterparty Due Diligence (UCPDD) forms are provided in Annex G to provide EAs and RESs with a template that they may adopt when conducting UCPDD for all rental, sale and purchase transactions. The specific forms applicable to a particular transaction depend on whether the unrepresented counterparty is an individual or an entity/legal arrangement, and whether they are acting for themselves or on behalf of another party.

For individual unrepresented counterparties acting for themselves, Form U1 (Customer Particulars) and Form U5 (Screening Documentation) may be used. When individuals or entities act on behalf of others, additional forms such as Form U3 or Form U4 may be used, along with separate risk determination and screening checklists (Form U5) for each party involved.

Client Type	Forms to be completed
Individual UCPs	
1. UCP (Individual) acting for himself	<ul style="list-style-type: none">• Form U1 (UCP Particulars Form (For Individual))• Form U5 (Risk Determination and Screening Checklist)
2. UCP (Individual) acting on behalf of another individual	<ul style="list-style-type: none">• Form U1 (UCP Particulars Form (For Individual))• Form U3 (Particulars of Individual the UCP is acting on behalf of)• Form U5 (Risk Determination and Screening Checklist) - one for each person
3. UCP (Individual) acting on behalf of another Entity/Legal Arrangement	<ul style="list-style-type: none">• Form U1 (UCP Particulars Form (For Individual))• Form U4 (Particulars of Legal Person (Entity/Legal Arrangement) the UCP is acting on behalf of)• Form U5 (Risk Determination and Screening Checklist) - one for each person
Entity/ Legal Arrangement UCP	
1. UCP (Entity/Legal Arrangement) acting for itself	<ul style="list-style-type: none">• Form U2 (UCP Particulars Form (For Entity/Legal Arrangement))• Form U5 (Risk Determination and Screening Checklist)
2. UCP (Entity/Legal Arrangement) acting on behalf of another individual	<ul style="list-style-type: none">• Form U2 (UCP Particulars Form (For Entity/Legal Arrangement))• Form U3 (Particulars of Individual the UCP is acting on behalf of)• Form U5 (Risk Determination and Screening Checklist) – one for each person
3. UCP (Entity/Legal Arrangement) acting on behalf of another (Entity/Legal Arrangement)	<ul style="list-style-type: none">• Form U2 (UCP Particulars Form (For Entity/Legal Arrangement))• Form U4 (Particulars of Legal Person (Entity/Legal Arrangement) the UCP is acting on behalf of)• Form U5 (Risk Determination and Screening Checklist) - one for each person

PMLPFTF Implementation Timeline Update

(Updated 19 September 2025)

- CEA has engaged the industry on the revised PMLPFTF requirements and is aware of feedback from EAs and RESs on the need for more time to implement changes to [comply with](#) the PMLPFTF requirements.
- CEA will extend the period for EAs/RESs to [make changes and](#) fully implement the [revised](#) PMLPFTF requirements until [31 December 2025](#). Existing PMLPFTF obligations in force since July 2021 (such as customer due diligence measures and screening of clients) [MUST](#) still be complied with during this transition period. CEA will take this transition period into consideration in our regulation of the industry.
- EAs/RESs are to [FULLY](#) comply with the PMLPFTF requirements for transactions that take place from 1 January 2026.
- During this extension period, EAs and RESs should:
 - Attend PMLPFTF-related CPD courses to strengthen understanding and familiarise yourselves with the revised PMLPFTF requirements. EAs should ensure that their RESs are adequately trained and familiar with the revised requirements.
 - Update internal systems and processes to comply with the new requirements.

Frequently Asked Questions

Frequently Asked Questions

Q1: Are there different CDD forms for rental and sales transactions?

A1: No, EAs/RESs should use the same due diligence forms in the Annexes of the PMLPFTF Guide (issued on 30 June 2025) for both rental and sale/purchase transactions.

Q2: Can we continue using the forms from the previous PMLFT Guide?

A2: No. EAs/RESs should use the forms from the revised PMLPFTF Guide (issued on 30 June 2025). The updated forms reflect the latest obligations under the revised Act and Regulations to assist you in complying with statutory obligations.

Q3: At which point should the CDD form be completed? i.e. by date of TA and OTP?

A3: CDD should be completed before the client enters into any agreement to buy, sell or lease a property (i.e. before the TA is signed/OTP is issued). The TA and OTP are typically documents through which binding obligations for the acquisition or disposition of interest in property are created.

Frequently Asked Questions

Q4: HDB residential rental transactions are now exempted from CDD requirements. Do we still need the client to sign Forms A1 and B? If this is not required, how do we know when to file an STR? Would we need to answer whether we have performed CDD?

A4: HDB residential rental transactions are exempted from CDD and UCPDD requirements from 1 July 2025. This means that no forms (A1, B, U1, U5) or AML screenings are required. While EAs and RESs are not required to conduct proactive screening, they are still obligated to lodge an STR to report any suspicious circumstances they become aware of during the course of their work.

For example, if an RES encounters a tenant who appears to consistently try to avoid providing identifying information and/or keeps changing the personal particulars provided, this would potentially be suspicious. In such a scenario, the RES should take further steps to conduct due diligence where there are doubts (e.g. screen against the sanctions lists) even if such due diligence is not mandatory, and lodge an STR if necessary.

Frequently Asked Questions

Q5: Section 2 of Forms B and U5 list a total of 29 Red Flag Indicators in the checklist. Some of the questions are only relevant to sale and purchase of property (e.g. Q7, Q8, Q11). If I am facilitating a rental transaction, how do I answer these questions? Should I tick "No" or leave them unanswered?

A5: For rental transactions, you should tick "No" for questions that are specifically related to property purchases (e.g. Q7, Q8, Q11) since these scenarios are not relevant in a rental transaction.

Frequently Asked Questions

Q6: If an RES is unable to obtain the landlord or tenant's signature for the Customer Particulars Form, due to them being public listed companies, REITs, banks, fund managers or big corporations, should the RES just indicate a remark in the form accordingly?

A6: For companies or other entities or legal arrangements, RESs should first ascertain who they are dealing with i.e. whether the individual is duly authorised by the company, entity or legal arrangement. They should obtain the authorisation letter from the company/entity/legal arrangement and have the relevant Customer Particulars Form(s) signed by the authorised representative.

Where the authority of the entity's representative has already been verified but he or she subsequently refuses to provide a signature on the relevant Customer Particulars Form(s), the RES can put a remark that the client is an entity whose representative has refused to provide written acknowledgement of the Form, and attach any relevant correspondence showing the RES' attempt to obtain written acknowledgement.

Frequently Asked Questions

Q7: When we are engaged by a Power Of Attorney (POA) holder, do we get the POA to sign Form A1 and the actual property owner to sign Form A3? Does the same apply to the estate of a deceased person where we get the executor to sign Form A1 and beneficiaries to sign Form A3?

A7: Yes, RES should have the POA sign Form A1 and prepare Form A3 for the actual property owners. The RES should then conduct CDD using Form B for both the POA and the property owners.

In the case of the estate of a deceased person, this is a legal arrangement. For such cases, the RES should have the Executor sign Form A1 and prepare Form A4 for the beneficiaries. The RES should then conduct CDD using Form B for both the Executor and the beneficiaries.

Frequently Asked Questions

Q8: EAs and RESs must enter into an agreement with the client that sets out the terms of the business relationship before conducting any estate agency work for the client. In a non-exclusive arrangement, the client may not be willing to sign any paperwork unless the transaction is finalised. Are there any sample templates for such an agreement?

A8: EAs and RESs can make use of the prescribed estate agency agreements to request their clients to sign. It is in the interest of the EA/RES for such agreements to be signed upfront with their clients so that the terms of the service are clear and to avoid any disputes.

Frequently Asked Questions

Q9: For companies with multiple layers (e.g. a company owned by another company) and if the company is registered outside of Singapore (e.g. British Virgin Islands, Marshall Islands), how extensive should the checks be?

A9: The RES should trace the ownership of the companies to the ultimate individual beneficial owners. If, after reasonable efforts, the RES cannot determine the ultimate beneficial owners due to complex offshore structures, the RES should consider if the complex structure gives rise to suspicious circumstances or poses a higher risk of ML/PF/TF. If so, the RES should then proceed with Enhanced Customer Due Diligence (ECDD) which requires verification of source of wealth/funds. The RES should then obtain the EA's approval to proceed with the transaction based on the EA's Internal Policies, Procedures and Controls (IPPC). The RES should also document all findings thoroughly, and lodge an STR where required.

Frequently Asked Questions

Q10: How do we deal with a rental transaction involving an UCP (prospective tenant) with a positive screening result? If we do not proceed with the transaction, how can we do so without alerting the UCP of our actions? What is the recommended approach to mitigate any potential issues or legal concerns?

A10: If sanctions screening shows a positive hit on the UCP, the RES must not proceed with the transaction. The RES must disclose this to his EA, and file an STR. There is no need to mention to the client and the UCP on the filing of STR or that the screening is positive. The RES should inform his client (the landlord) that he cannot proceed with the transaction.

EAs and RESs must remember that if they continue to facilitate transactions in spite of a positive hit on TSOFA or UN sanctions lists, they may be committing an offence under the TSOFA or UN Act.

Frequently Asked Questions

Q11: For Section 3 (Particulars of Beneficial Owner(s) of Legal Entity / Arrangement) in Form U2, it will be very challenging to get the Date of Birth (DOB) of every director / BO. The DOBs are not stated in Bizfile, and it will be very onerous to check with each individual director / BO, when these are not our direct customers. Can we do away with the DOB requirement?

A11: RESs should make best efforts to obtain sufficient identifying information to be able to properly verify the identity of the individuals involved. Examples of such information are DOBs and identification numbers, which will aid in screening against the sanctions lists.

If such information cannot be obtained through the authorised representative of the legal entity/legal arrangement, the RES can make a remark on this accordingly and attach any relevant correspondence showing the RES' attempt to obtain the information.

Frequently Asked Questions

Q12: How do we prove that we have screened the clients/UCPs against the Terrorists and Sanctions lists?

A12: RESs who screen clients/UCPs manually can take screenshots of their screening results with date/time stamps after screening their clients/UCPs against the UN sanctions lists and other lists, to document when the screening was conducted and the results. For RESs who use commercial screening service providers, they should retain a copy of the screening report as proof of compliance.

All relevant screenshots/documents/forms must be submitted to their EAs.

The EAs must maintain these records for at least 5 years as proof of compliance.

Frequently Asked Questions

Q13: In a co-broking situation, each RES/EA is supposed to conduct CDD measures on their respective clients. If a co-broking RES/EA conducts ECDD on his own client for that transaction, should he inform the other co-broking RES/EA of this and the reason(s) for doing so?

A13: An RES/EA who has conducted ECDD on his client does not need to inform his co-broking RES/EA (who represents the counterparty) about the ECDD conducted and the reasons for conducting ECDD. For transactions where each party of the transaction is represented by an RES/EA, each RES/EA is only responsible for conducting and maintaining CDD/ECDD records for their own clients. Similarly, if suspicious indicators are detected, RESs should file an STR without informing any other parties (including co-broking RESs).

Frequently Asked Questions

Q14: What are the other examples of ongoing CDD? For RESs that facilitate tenancies/leases, does this mean that the RES must conduct ongoing CDD on the landlord/tenant?

A14: Ongoing CDD applies to clients with which EAs/RESs have a continuing business relationship. For example, when the same client engages an RES for multiple transactions like buying a property and later helping to rent it out, or marketing multiple properties for the same client over a span of time.

For such a client, the RES should conduct CDD on the client during the initial transaction. Subsequently, during tenancy/lease renewals with the same client, the RES should update any changes to the previously collected CDD information. RES should also conduct a review of the risk assessment (i.e. CDD) of the client periodically. The frequency of this review should be based on the assessment of risk of the client and any guidance provided by the EA's Internal Policies, Procedures and Controls (IPPC). Ongoing monitoring helps RESs review transaction patterns and identify any unusual changes in the client's profile or behavior across multiple transactions that may require filing an STR.

Frequently Asked Questions

Q15: If the Customer Particulars Form is signed by one of the directors of a company, do we still need to get an authorisation letter? Do we need to ask for the NRICs/passes of the directors / beneficial owners (BOs) as supporting documents?

A15: In this scenario, the client/UCP is the company, and the company itself is intending to transact. Form A2/U2 should therefore be used for the client/UCP, and the director can sign the acknowledgement portion of the form. You will still need to have sight of an authorisation letter from the client or UCP to confirm the director's authority to act on behalf of the company. You will still need to identify and verify the identity of the BOs of the company and conduct CDD on the BOs.

Q16: I am an RES. What are the steps that I need to take regarding CDD documents after I close the deal?

A16: As a reminder, the various CDD forms and supporting documents must already have been completed/obtained **before** the client entered into the transaction. After the transaction is closed, the CDD forms and supporting documents must then be submitted to the EA for record-keeping. EAs are required to retain such documents and information for at least 5 years after the transaction is completed or business relationship has ended.

Frequently Asked Questions

Q17: I am a KEO. What should my EA do if my RES submits CDD documents that are dated after the transaction is closed?

A17: The EA should flag this as an instance of non-compliance by the RES and take remedial actions, including asking the RES to explain the delay and documenting the RES's explanation. If the CDD information reveals that there were suspicious circumstances or reasons to suspect ML/PF/TF that were not detected earlier in the transaction process, the RES/EA must file an STR.

Where CDD was conducted belatedly or not carried out at all, EAs **MUST NOT** instruct their RESs to "backdate" the dates on the relevant CDD documents or create CDD documents to conceal non-compliance.

Other remedial actions include implementing additional training for RESs on the EA's internal policies, procedures and controls, and/or taking internal disciplinary action in accordance with the EA's internal policies.

Where such non-compliance is discovered during the conduct of independent checks and audits by the EA, details of the non-compliance and remedial actions taken should be properly documented.

Thank you