

Dear Sir/Mdm,

You have a new message.

[NOTICE 15-25] GUIDANCE NOTE ON CONDUCT OF ENHANCED CDD MEASURES AND FILING OF STRS

CEA Ref: Notice 15-25

Date: 17 June 2025

To: Key Executive Officers and Real Estate Salespersons

Dear Sir/Madam,

[NOTICE 15-25] GUIDANCE NOTE ON CONDUCT OF ENHANCED CUSTOMER DUE DILIGENCE MEASURES AND FILING OF SUSPICIOUS TRANSACTION REPORTS UNDER THE ESTATE AGENTS (PREVENTION OF MONEY LAUNDERING AND FINANCING OF TERRORISM) REGULATIONS 2021

1. This Notice provides guidance to **Key Executive Officers (KEOs)** and **Real Estate Salespersons (RESs)** on conducting Enhanced Customer Due Diligence (ECDD) measures and filing suspicious transaction reports (STRs) under the Estate Agents (Prevention of Money Laundering and Financing of Terrorism) Regulations 2021 (PMLFT Regulations).
2. CEA may publish additional guidance note(s) from time to time to remind KEOs and RESs on their Anti-Money Laundering/Countering Financing of Terrorism (AML/CFT) obligations. KEOs must ensure that their estate agents (EAs) and RESs are fully conversant with their AML/CFT obligations.

What is Enhanced Customer Due Diligence (ECDD)?

3. In the earlier Notice 05-25 issued to the industry on 24 February 2025, we outlined the duties relating to the conduct of customer due diligence (CDD) measures when facilitating property transactions and provided examples of common breaches in the conduct of CDD as learning points. This Notice expands on those requirements by providing guidance on ECDD measures, which are additional steps required when handling higher-risk transactions or clients. It also highlights the best practices for filing of STRs.

4. ECDD involves taking further steps in addition to the usual CDD measures when, for example, the client is suspected to be engaged in or the transaction itself presents a higher risk of money laundering or terrorism financing. These measures include obtaining more detailed information about the clients' **source of wealth and source of funds**, understanding

the nature of their business relationships, and conducting more frequent on-going monitoring of transactions of the clients with whom EAs and RESs have on-going business relationships.

When and How to Conduct ECDD?

5. EAs and RESs should pay particular attention to clients who display unusual behaviour or reluctance in providing requested information. This includes situations where clients are evasive about their source of funds, provide inconsistent information, or show resistance to cooperate on normal CDD procedures. Such behaviour may be indicators that the money laundering and terrorism financing risks associated with the potential transaction may be higher than usual. EAs and RESs should properly document all information and documents relating to all due diligence measures that have been carried out, including supporting information such as screening results. EAs and RESs should then assess whether the circumstances they have encountered warrant the filing of an STR. EAs and RESs can refer to the red flag indicators in the Guide on Estate Agents (Prevention of Money Laundering and Financing of Terrorism) Regulations 2021 for more information on examples of suspicious circumstances that may be encountered in the course of conducting estate agency work.

6. When conducting ECDD, EAs and RESs must take reasonable steps to verify the source of wealth and/or funds through reliable and independent sources. This may include requesting for bank statements, pay slips, business ownership documents, and/or other relevant financial records. It is crucial to properly document all verification steps taken and maintain proper records of the information obtained. For example,

- a. if a client claims their property purchase is funded by the sale of another property, EAs and RESs should obtain official documentation of the previous property transaction, such as the Option to Purchase or sale completion documents, rather than relying solely on the client's verbal declarations.
- b. if a client claims their property purchase is funded by accumulated savings from 20 years of employment, it would be reasonable to verify their current employment status and recent years' income (through recent pay slips or tax statements).
- c. if a client declares their wealth is derived from business profits, EAs and RESs should obtain a combination of relevant documents such as ACRA business records to verify ownership, audited financial statements to confirm profitability, bank statements or tax returns. For overseas businesses, equivalent documents from the relevant jurisdiction should be obtained. EAs and RESs should note that multiple documents may be needed as a single document (such as just a business registration record) may not be sufficient to properly verify the actual flow of funds from business profits to the client.

d. if a client declares their wealth is derived from gifts or inheritance, EAs and RESs should verify both the relationship between the gift giver and client (through documents such as birth certificates for family members). Documents like a grant of probate, letter of administration, will, estate distribution document, or bank statements showing the gift or inheritance transfer should be obtained.

7. In all cases, EAs and RESs should focus on obtaining documents that directly prove the flow of funds to the client.

Filing of Suspicious Transaction Reports (STRs)

8. The Suspicious Transaction Reporting Office (STRO) of the Commercial Affairs Department in the Singapore Police Force has recently shared the "STR Report and Guidelines" specifically tailored for EAs, RESs and developers (refer to attached Annex "STR Report and Guidelines"). Financial intelligence derived from STRs plays a crucial role in supporting investigations and identifying emerging crime trends. These reports can provide valuable leads for authorities to commence investigations or support ongoing ones.

9. When filing STRs, it is essential for EAs and RESs to:

File as soon as practicable to enable timely intervention by authorities

Include comprehensive identifying details such as passport numbers, registration numbers, and dates of birth/registration

Provide clear and detailed information in the "Reasons for Suspicion" (ROS) field

Document any unusual client behaviour or reluctance in providing information

Include relevant property transaction details for purchases, sales, or rentals

10. The effectiveness of both ECDD measures and STR filing relies heavily on proper documentation and record-keeping. All interactions, verification steps, and findings must be properly recorded and maintained for at least five years from the date of the transaction or the termination of the business relationship, whichever is later.

11. KEOs should ensure that their agencies have robust internal systems and procedures to support both the implementation of ECDD measures and timely STR filing. This includes

providing regular training to RESs and staff, maintaining updated policies and procedures, and conducting periodic reviews to ensure their effectiveness.

12. Please ensure the above information is disseminated to all your RESs.

13. If you have any questions or require further clarification, please write in to Inspection@cea.gov.sg.

Yours sincerely,

NICHOLAS ONG

ACTING DEPUTY DIRECTOR (INSPECTION AND COMPLIANCE)

COUNCIL FOR ESTATE AGENCIES