

PRECIOUS STONES AND PRECIOUS METALS (PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING) ACT 2019

**FINANCING) ACT 2019
LAUNDERING AND TERRORISM**

**BY-
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ZOOM TALK ON 9 OCTOBER 2020



Certificate of Registration



REGISTRAR OF REGULATED DEALERS
REPUBLIC OF SINGAPORE No. [REDACTED]

REGULATED DEALERS CERTIFICATE OF REGISTRATION

Precious Stones and Precious Metals
(Prevention of Money Laundering and Terrorism Financing) Act 2019
("the Act")

[REDACTED]
Name

is hereby registered to carry on a business of regulated dealing or business as an intermediary for regulated dealing in the Republic of Singapore starting on 10 October 2019.

The conditions of this registration under section 9 of the Act are set out in **Annex A**.

This registration, unless earlier suspended or cancelled, shall end on 9 October 2022.

MR PARAMJIT SINGH
Registrar of Regulated Dealers
Ministry of Law
Singapore



PSPM ACT & PSPM ACT-REGULATIONS

The Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Act (PSPM Act) was passed by Parliament on 11 February 2019.

Registration commenced on 10 April 2019. Regulated dealers must obtain a Certification of Registration with six months, by 9 October 2019. After this date, it will be an offence to act as or hold out to be a regulated dealer without being registered.

Ministry of Law of Singapore has issued a guidelines for Regulated Dealers in the Precious Stones and Precious Metals Dealers Sector on Anti- Money Laundering/ Countering the Financing of Terrorism

Precious Metals, Precious Stones & Precious Products

► PRECIOUS METALS:

Precious Metals includes Gold, Silver, Platinum, Iridium, Osmium, Palladium, Rhodium, Ruthenium and An alloy with at least 2% in weight of all the pre mentioned precious metals.

► PRECIOUS STONES:

Precious Stones includes Diamond, Sapphire, Ruby, Emerald, Jade and Pearl.

► PRECIOUS PRODUCTS:

Precious Products includes any jewellery, watch, clothing, accessory, ornament which is made up of precious metals or stones, or at least 50 % of its value is attributable to the precious stone or precious metal.

Regulated Dealing & Regulated Dealer

► REGULATED DEALING:

Regulated Dealing includes Manufacturing, Import, Possessing for sale, Selling, Offering for sale or Purchasing of any precious stones, precious metals and precious product.

► REGULATED DEALER:

Regulated Dealer is a person who is in a business of regulated dealing or business as an intermediary for regulated dealing (excluding a pawnbroker).

POWERS OF REGISTRAR APPOINTED UNDER THE ACT:

The registrar or his appointed nominees has powers to enter without a warrant and search, and inspect any business premises, take possession of documents or materials, investigate and issue written notice to attend before the Registrar.

The Registrar has powers to disclose information obtained to any foreign authority. The Registrar may give written direction to terminate the business or a particular transaction with a particular customer, stop particular employee or regulated dealer to stop business.

The Registrar at the regulated dealers own cost appoint an auditor to carry out an audit for compliance of the Act and measures taken for the prevention of money laundering and terrorism financing under this Act.

Non-compliance of the various provisions, carry fines, imprisonment or both in the Act.

Internal Policies, Procedures and Controls (IPPC)

IPPC should include the following:

- ▶ Assessment of risk faced by your business
- ▶ Appointment of Compliance Officer and his/her responsibilities
- ▶ Checks to conduct when hiring employees
- ▶ Procedure to conduct Customer Due Diligence (CDD)

Internal Policies, Procedures and Controls (IPPC)

- ▶ Procedure to complete a Cash Transaction Report (CTR)
- ▶ Procedure to conduct Enhanced Customer Due Diligence (ECDD)
- ▶ Procedure to complete a Suspicious Transaction Report (STR)
- ▶ Staff Training on AML/CFT
- ▶ Record Keeping
- ▶ Audit of IPPC (if applicable)

Means for screening of customers by regulated dealers:

1. Refer to Ministry of Home Affairs ("MHA")'s website on the Inter-Ministry Committee on Terrorist Designation ("IMC-TD") for information on terrorist designation and requirements for countering the financing of terrorism.
2. Refer to Monetary Authority of Singapore ("MAS")'s website on targeted financial sanctions under the United Nations Regulations ("UN Regulations") for the lists of designated individuals and entities. A regulated dealer should also subscribe to MAS's website to receive alerts to changes to the lists.
3. FATF (Financial Action Task Force) has issued high risk jurisdiction List A and List B of countries which may pose a high risk and List C jurisdiction of countries where simplified due diligence process for doing CDD measures.

CUSTOMER DUE DILIGENCE (CDD)

- ▶ Customer's Particulars (For Individuals)
- ▶ Customer's Particulars (For Entities)
- ▶ Customer's Particulars (For Legal Arrangements)
- ▶ Checking Against Terrorist Designations/ Sanctions Lists
- ▶ Politically Exposed Person (PEP)
- ▶ Enhanced Customer Due Diligence (ECDD)
- ▶ Simplified Customer Due Diligence (SCDD)

Note: Regulated dealers must maintain records of CDD, ECDD and SCDD for a period of 5 years from the transaction date.

DATA PROTECTION:

All customer personal data collected in the course of CDD may only be used to address ML/TF risks in accordance with the requirements of the PSPM Act. The data collected should not be used for unrelated purposes.

DESIGNATED TRANSACTION

Designated Transaction:

Generally, refers to a cash transaction or cash equivalent exceeding S\$20,000 in value conducted wholly or partly in Singapore.

There could be instances where a customer/BO conducts multiple small transactions (less than S\$20,000 individually) within the same day. However, if the total value of all transactions exceeds S\$20,000, these transactions are considered as a designated transaction.

CASH TRANSACTION REPORT (CTR)

CTR is required to be filed for all Designated Transactions

<u>Transaction Type</u>	<u>Commodity Type</u>	<u>Form Type</u>
Cash Sale	Precious stones, metals & Products	Form NP 759 (Through SONAR)
	Asset- backed tokens	Form NP 784 (Only through hardcopy paper form)
Cash Purchase	Precious stones, metals & Products	Form NP 784 (Only through hardcopy paper form)
Cash Redemption	Asset- backed tokens	Form NP 784 (Only through hardcopy paper form)

Note:1- A regulated dealer is required to keep a copy of the CTR for a period of 5 years after the date of submission.
Note:2- In case pf hard copy filed to STR, the regulated dealer was to file a copy to Registrar.

RED FLAG INDICATORS

- ▶ Red Flag Indicators: Customers
 - i) Transaction Patterns
 - ii) Customer Behaviour

- ▶ Red Flag Indicators: Suppliers
 - i) Transaction Patterns
 - ii) Supplier Behaviour

ABC JEWELLERS PTE. LTD.

Guidelines for Regulated Dealers in the Precious Stones and Precious Metals Dealers Sector on Anti-Money Laundering/Countering the Financing of Terrorism

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THANK YOU