

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING

What is Money Laundering and Terrorism Financing?

1. Money laundering (ML) is the process where criminals re-integrate the proceeds of their criminal activities into the financial system in an attempt to obscure the link between the funds and the original criminal activity. These funds may be proceeds from drug trafficking or other criminal activities.
2. Closely linked to ML is terrorism financing (TF). TF involves the raising and processing of funds which may come from legitimate or criminal sources to supply terrorists with resources to carry out their terrorist activities. The techniques used to conceal the sources and uses of the terrorists' funds are similar to that of ML.
3. Singapore is concerned about the possible consequences that ML and TF may have on the integrity and stability of the financial sector and broader economy. In an increasingly globalised economy, the impact of ML and TF may have far-reaching consequences. As such, Singapore has put in place the following measures to ensure that our financial sector and economy stay sound and clean:
 - a. Robust Anti-Money Laundering/Counter-Financing of Terrorism (AML/CFT) legislation;
 - b. Close partnership with the business community;
 - c. Strict enforcement action and ongoing supervision; and
 - d. Active international cooperation.
4. These measures form Singapore's AML/CFT framework where everyone plays an important role in combating ML and TF and help build and maintain Singapore's strong reputation as a well-regulated major financial centre.

What is Suspicious Transaction Reporting Office (STRO)?

5. STRO is Singapore's Financial Intelligence Unit (FIU). It is the central agency in Singapore for receiving, analysing and disseminating reports of suspicious transactions, known as Suspicious Transaction Reports (STRs), which have been very useful in combating crime.
6. STRO conducts outreach programmes for various industry sectors to raise awareness on anti-money laundering and counter-financing of terrorism, as well as to encourage the increase in the quantity and quality of STRs.
7. At the international front, being Singapore's FIU, STRO represents Singapore at international forums and regional bodies in global AML/CFT efforts. STRO also maintains close working relationships with FIUs in other countries through the Egmont Group of FIUs.

What role does a charity or an IPC play?

8. All charities and IPCs should be constantly alert so as not to unwittingly assist in the criminal schemes of ML or TF. These efforts can help to maintain the good name of the charity or IPC.
9. Preventive measures that can be taken by charities to combat money laundering and terrorist financing include:
 - a. Maintaining financial transparency through having proper accounting and internal control procedures;
 - b. Maintaining good administrative, managerial and policy controls over the charities' or IPCs' operations.
10. Charities and IPCs should lodge a Suspicious Transaction Report if there is a reasonable suspicion of ML or TF activity during the course of the charity's or IPC's administration or operations.

When should a Suspicious Transaction Report be made?

11. A STR should be made when a person knows or has reason to suspect that any property is directly or indirectly connected to a criminal conduct, and the knowledge or suspicion arose during the course of the person's business or employment, as well as the charity or IPC's administration or operations. While the "transaction" usually refers to a financial transaction, it can also extend to other activities which can be used to facilitate illicit activities.

Why should a STR be lodged?

12. 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 trafficking and other serious offences. Under the CDSA, it is mandatory for any person to lodge a STR if he knows or has reason to suspect that any property may be connected to a criminal activity. The failure to do so may constitute a criminal offence.
13. Money laundering is a problem of international proportion. In addition, terrorist attacks in countries and cities in many parts of the world have increased the focus of governments worldwide on countering terrorism and the financing of terrorism. As a financial hub, Singapore cannot rule out the possibility that our financial infrastructure may be abused for such illegal activities. Therefore, there is a need to be constantly vigilant and report any suspicious financial transaction.
14. STRs provide useful information for the detection of criminal wrongdoings. There are instances in which information from STRs have helped prevent crime or stop existing criminal activities.

Who can lodge a STR?

15. Everyone can lodge a STR if, in the course of the person's business or employment, as well as the charity or IPC's administration or operations, he or she has:

- a. Reason to suspect that any property represents the proceeds of, or is connected to a criminal activity; or
 - b. Possession, custody or control of property or information about any transaction (or proposed transaction) relating to any property belonging to terrorism or terrorist entity.
16. The identities of the STR lodger(s) are kept confidential.

How to lodge a STR?

17. **You may do so in writing** to: Head, Suspicious Transaction Reporting Office
- Commercial Affairs Department
391 New Bridge Road #06-701
Police Cantonment Complex Block D
Singapore 088762.

A detailed account of the relevant facts and nature of the transaction, together with copies of the relevant supporting documents, if available and your name, NRIC/passport number, contact number and address should be provided as well.

18. **Via web-based STR On-Line Lodging System (STROLLS)**. If your company has a valid STROLLS user account, your authorised officer may lodge an STR via STROLLS. You may wish to email STRO@spf.gov.sg to find out if your company has a valid STROLLS account.

Where can I obtain more information?

19. More information about AML/CFT can be obtained from <http://www.cad.gov.sg/content/cad/en/aml-cft.html>.
20. You may obtain a copy of the CAD Anti-Money Laundering and Counter-Terrorism Financing Handbook at <http://www.cad.gov.sg/content/cad/en/publications/cad-anti-money-laundering-and-counter-terrorism-financing-handb.html>.

21. Singapore is a member of several international AML/CFT organisations. Membership in these organisations underscores Singapore's commitment to the fight against ML and TF. For more information about the International Anti-Money Laundering and Counter-Terrorism Financing Organisations, please visit the following websites:

- a. Financial Action Task Force (FATF) (<http://www.fatf-gafi.org/>);
- b. Asia / Pacific Group on Money Laundering (<http://www.apgml.org/>); and
- c. Egmont Group of Financial Intelligence Units (<http://www.egmontgroup.org/>).