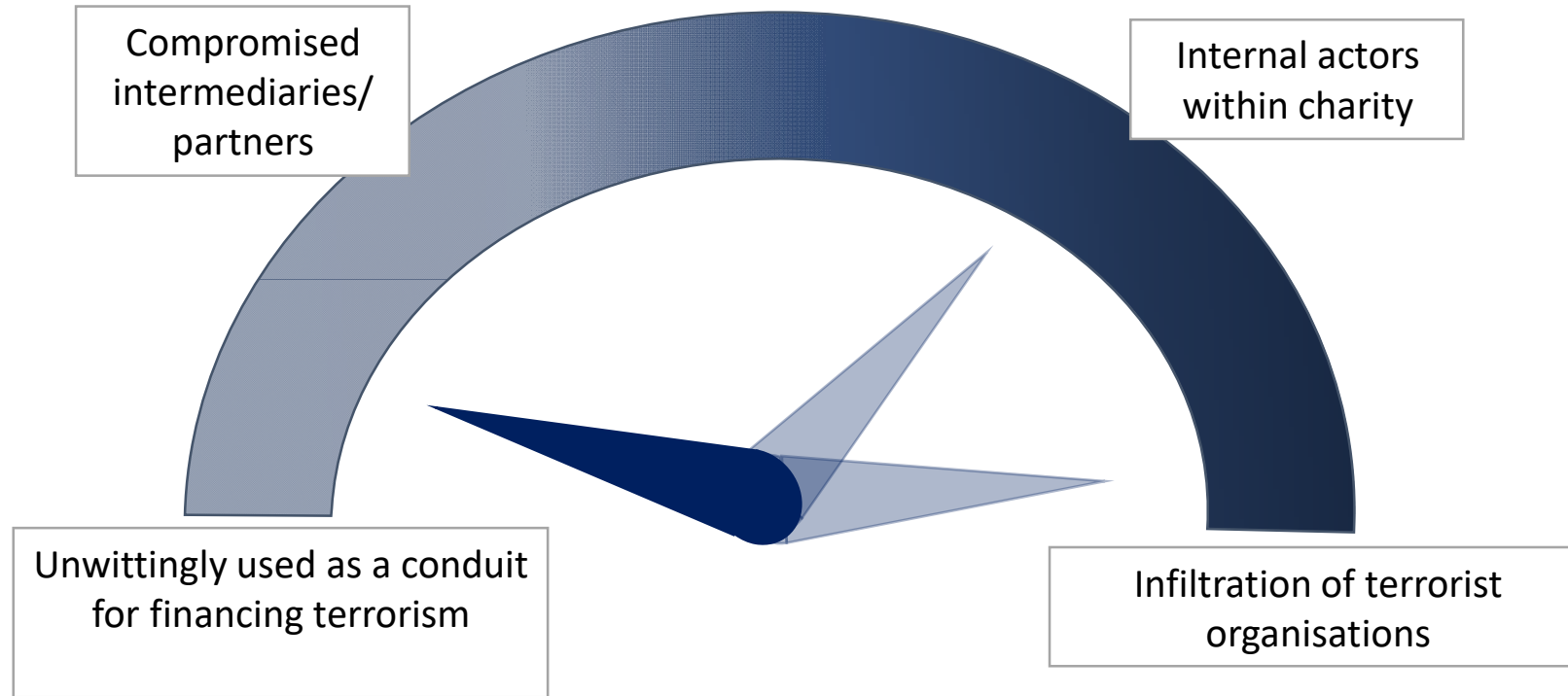


# Countering Money Laundering and Terrorism Financing in Charities

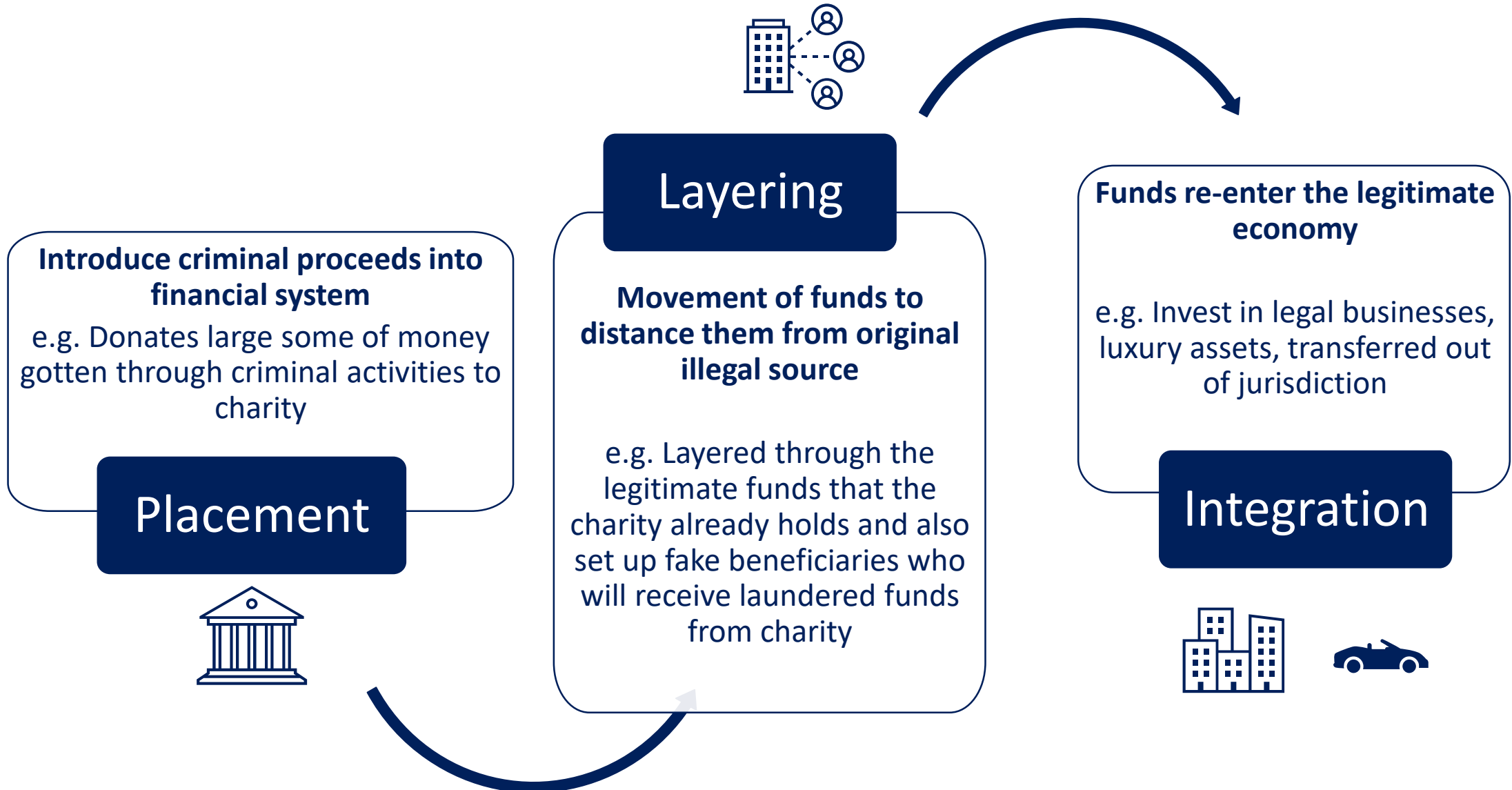
2 Nov 2023

# Exploitation of Charities for ML and TF



- Charities have various touchpoints: Receipt of resources from **donors**, which are meant to ultimately benefit **beneficiaries** through **intermediaries**
- Charities engage in providing services to beneficiaries, apart from financial assistance, which are essential needs to sustain terrorism activities.

# Introduction to Money Laundering



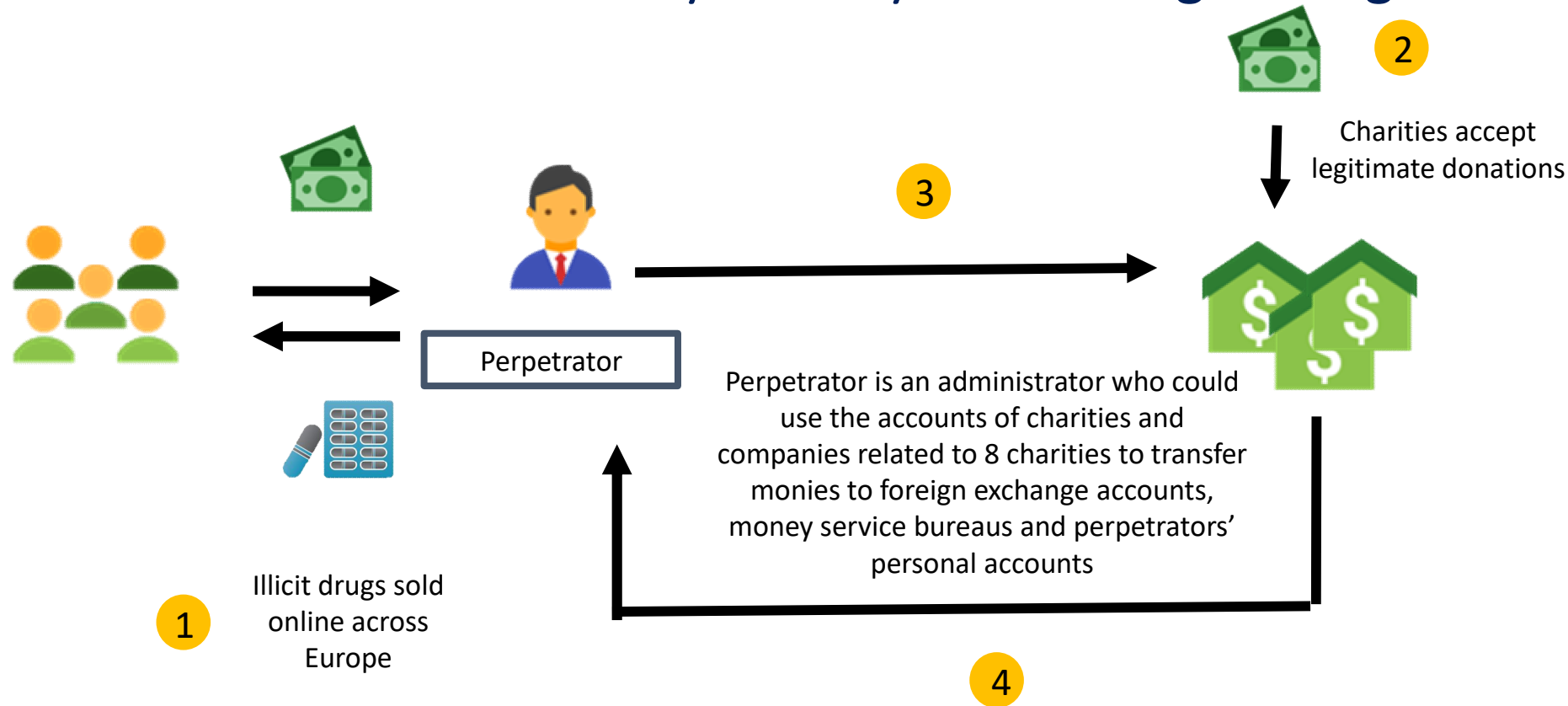
# Types of Money Laundering

**Self-laundering:** Criminal who generated those illegal proceeds through the predicate offence, proceeds to launder the benefits by himself e.g. criminals using proceeds of crime to buy luxury watch or bag.

**Third Party Laundering:** Criminal who generated those illegal proceeds through the predicate offence, enlists others (i.e. third parties) to launder the benefits. e.g.

- Look out for adverse news of donors.
- Know profile of your donors and partners. Obvious giveaway includes involvement of shell company (a company without active business operations or significant assets).

# Overseas Case Study: Money Laundering Through Charities



**Important to know individuals and organisations you collaborate with as you may lend your good reputation and legitimacy to sham charities, enabling criminals to use charities as a conduit for ML.**



Money launderer, 67, who tried to buy a knighthood is convicted in his absence of £10million Jewish charities scam after going on the run

By Isabella Nikolic For Mailonline  
13:38 24 Jun 2019, updated 14:41 24 Jun 2019



**London**  
**Man jailed for laundering more than £10m through Jewish charity**

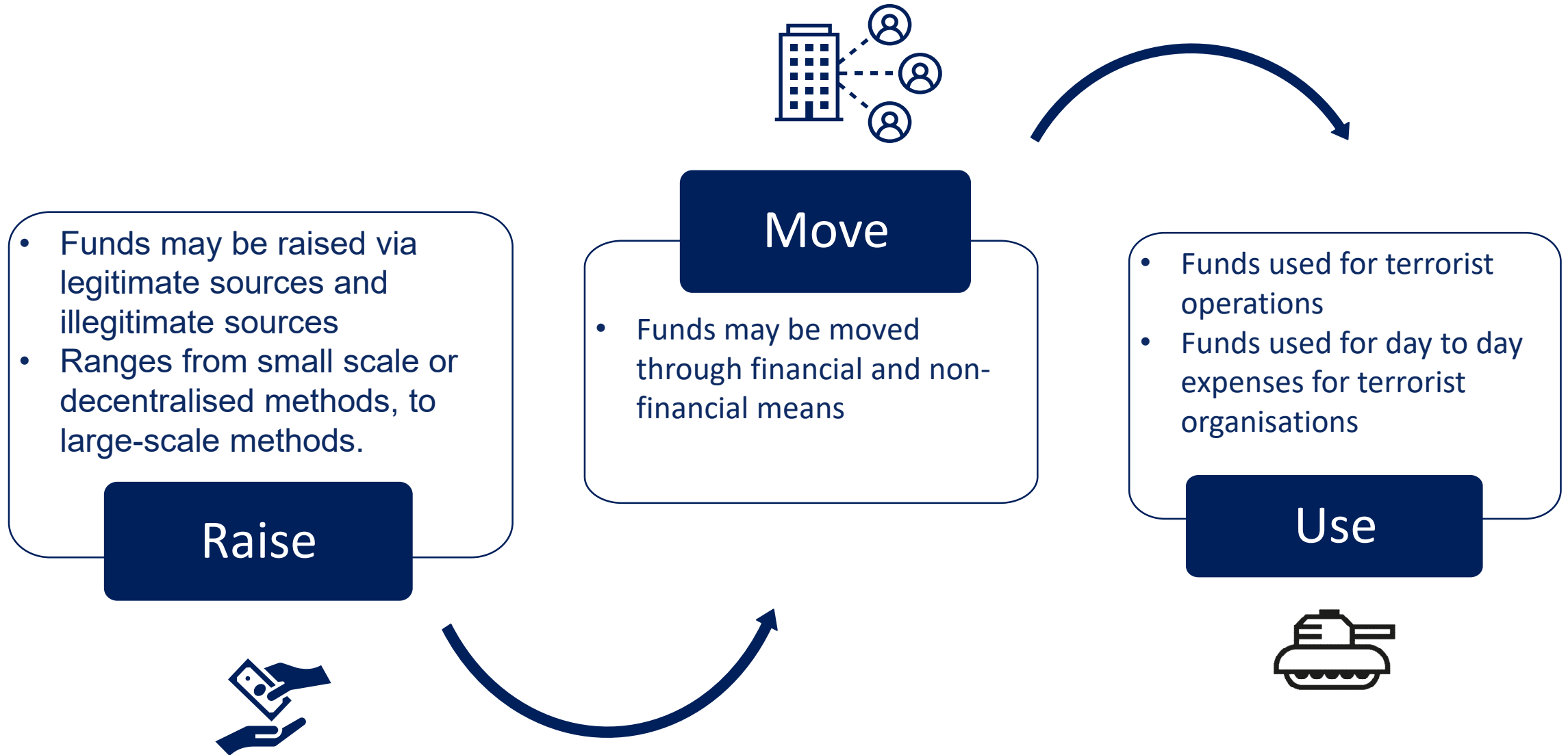
Met discovered Edward Cohen also sold counterfeit erectile dysfunction and slimming pills

**Aamna Mohdin**

@aamnamohdin

Fri 5 Jul 2019 18:10 BST

# Introduction to Terrorism Financing



# FATF Reports for reference

FATF Report on Risk of Terrorism Abuse in Non-Profit Organisations



**[https://www.fatf-gafi.org/  
content/dam/fatf-gafi/reports/  
Risk-of-terrorist-abuse-in-non-  
profit-  
organisations.pdf.coredownload.  
pdf](https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/Risk-of-terrorist-abuse-in-non-profit-organisations.pdf.coredownload.pdf)**

[www.fatf-gafi.org](https://www.fatf-gafi.org)

FATF Typologies Report on Terrorism Financing



**[https://www.fatf-gafi.org/  
content/dam/fatf-gafi/reports/  
FATF Terrorist Financing  
Typologies  
Report.pdf.coredownload.inline.p  
df](https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/FATF Terrorist Financing Typologies Report.pdf.coredownload.inline.pdf)**

[www.fatf-gafi.org](https://www.fatf-gafi.org)

# Lodging of Suspicious Transactions Reports (STRs)



# Importance of reporting suspicious transactions

1

Singapore's status as an international financial centre makes it vulnerable to becoming a transit point for illicit funds from abroad

➤ Bulk of exposure to money laundering risks arise from offences committed overseas

2

Singapore is situated in a region where several terrorist groups operate actively

➤ Terrorists may seek to exploit Singapore's status as a financial hub to raise funds for terrorism-related activities

3

Each reporting entity has visibility over different parts of any one chain of events or transactions

➤ May complement other information to help establish previously unknown linkages between entities/transactions

# Statutory obligations

## Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 Section 45

In the course of your trade, profession, business or employment, if you **know or have reasonable grounds to suspect** that any property may be connected to a criminal conduct, you are **required** to file a STR to STRO.

Violation [w.e.f. 1 Apr 2019]

- **Individual:** Maximum \$250,000 fine or 3 years imprisonment, or both
- **Corporation:** Maximum \$500,000 fine

## Terrorism (Suppression of Financing) Act 2002 Section 8

Every person in Singapore, and every Singapore citizen overseas, to inform the Police of **any property or information relating to any terrorist or terrorist entity**

Violation

- **Individual:** Maximum \$250,000 fine, or 5 years imprisonment, or both
- **Corporation:** Maximum fine is the higher of \$1,000,000 or twice the value of property involved



A STR should be filed when your organization assessed that there is ML/TF risks involved in the transaction or interaction. There is **NO** threshold amount for STR filing.

# Statutory obligations

## ➤ *No tipping-off*

### Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 Section 57

**Not to disclose** to any other person information or any other matter which is likely to prejudice any investigation/ investigation that may be conducted following the STR disclosure

#### Violation

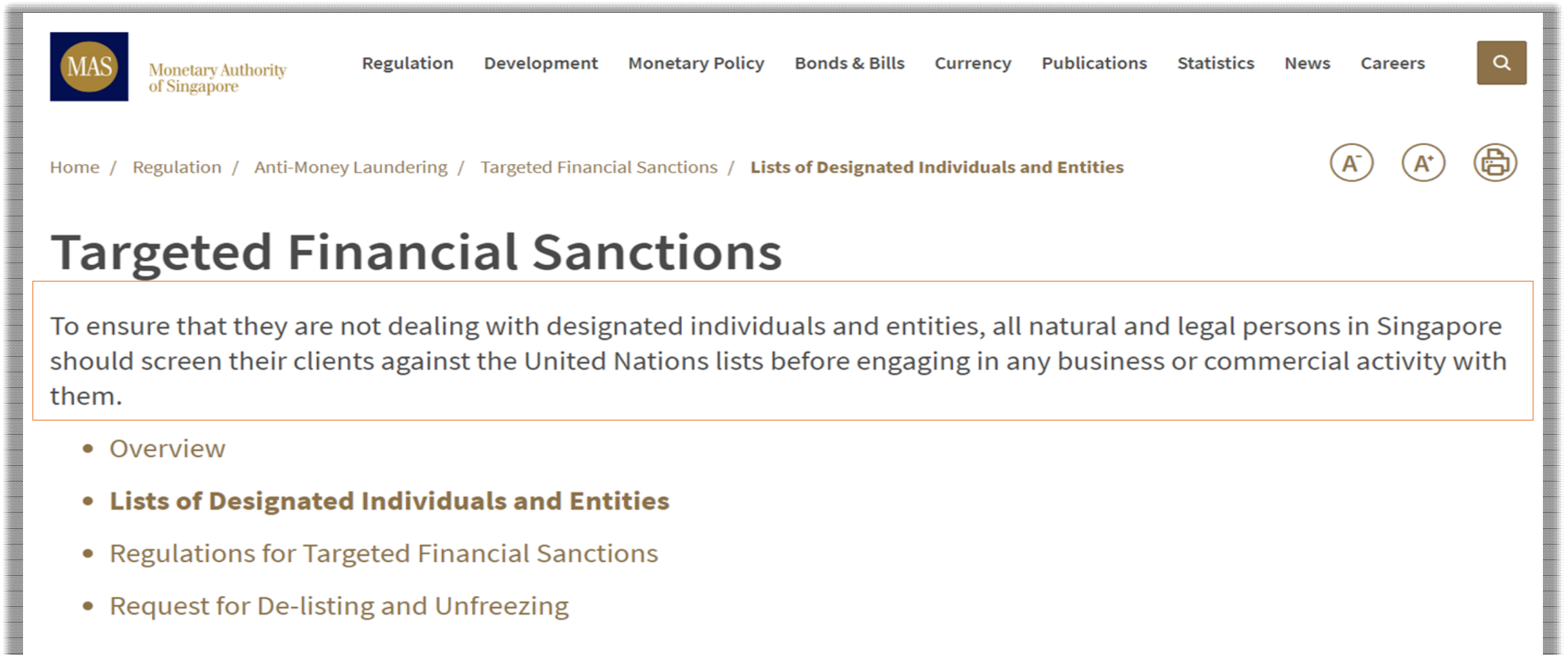
- Maximum \$250,000 fine, or 3 years imprisonment, or both

# Red Flag Indicators (Financial Support/Transactions)

- i) Use of false corporation, shell-companies
- ii) Use of multiple, foreign bank accounts
- iii) Multiple cash donations/ wire transfers / deposits in small amounts followed by request to refund large amount via wire transfer to another country
- iv) Large amount of cash transactions / donations without using banking facilities
- v) Use of funds is not consistent with the organisation's purpose
- vi) Transactions with no link between the stated activity and the recipient
- vii) Unexpected cash withdrawals
- viii) Transactions are structured to avoid transaction reporting
- ix) Requests to transfer funds are accompanied by vague justifications
- x) Charity's funds are comingled with personal or private business funds

*\*This list is not exhaustive, please refer to SONAR for the updated list of suspicious indicators*

➤ Subscribe to the MAS Mailing List for “List of Designated Individuals and Entities”  
<https://www.mas.gov.sg/regulation/anti-money-laundering/targeted-financial-sanctions/lists-of-designated-individuals-and-entities>



The screenshot shows the MAS (Monetary Authority of Singapore) website. The header includes the MAS logo and a navigation menu with links: Regulation, Development, Monetary Policy, Bonds & Bills, Currency, Publications, Statistics, News, and Careers. A search icon is also present. Below the header, a breadcrumb trail reads: Home / Regulation / Anti-Money Laundering / Targeted Financial Sanctions / **Lists of Designated Individuals and Entities**. To the right of the breadcrumb are three icons: a circle with 'A-', a circle with 'A+', and a printer icon. The main heading is 'Targeted Financial Sanctions'. Below it, a text box states: 'To ensure that they are not dealing with designated individuals and entities, all natural and legal persons in Singapore should screen their clients against the United Nations lists before engaging in any business or commercial activity with them.' Below this text box is a list of links: Overview, **Lists of Designated Individuals and Entities**, Regulations for Targeted Financial Sanctions, and Request for De-listing and Unfreezing.

**MAS** Monetary Authority of Singapore

Regulation Development Monetary Policy Bonds & Bills Currency Publications Statistics News Careers

Home / Regulation / Anti-Money Laundering / Targeted Financial Sanctions / **Lists of Designated Individuals and Entities**

**Targeted Financial Sanctions**

To ensure that they are not dealing with designated individuals and entities, all natural and legal persons in Singapore should screen their clients against the United Nations lists before engaging in any business or commercial activity with them.

- Overview
- **Lists of Designated Individuals and Entities**
- Regulations for Targeted Financial Sanctions
- Request for De-listing and Unfreezing

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🔒 police.gov.sg/sonar

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A Singapore Government Agency Website


SINGAPORE  
POLICE FORCE

SAFEGUARDING EVERY DAY

🔍

☰

SONAR



FILING REPORTS TO THE SUSPICIOUS TRANSACTION REPORTING OFFICE (STRO)


STRO Online Notices And Reporting platform (SONAR) allows businesses and their employees to file Suspicious Transaction Reports ([STRs](#)), Cross Border Cash Movement Reports ([CMRs](#) - Form NP 728) and Cash Transaction Reports for Precious Stones and Metals Dealers ([CTRs](#) - Form NP 784) electronically to the Suspicious Transaction Reporting Office (STRO) via STRO Online Notices and Reporting Platform (SONAR).

WHAT YOU NEED FOR SONAR

	Suspicious Transaction Report	Cash Movement Report (Form NP 728)		Cash Transaction Report (Form NP 784)
Filer Type	Businesses and employees of businesses	Businesses and employees of businesses	Individuals	Businesses and employees of businesses
Accounts needed	CorpPass + SONAR <a href="#">SONAR User Guide for STR User</a>	CorpPass + SONAR <a href="#">SONAR User Guide for CMR User</a>	SingPass	CorpPass + SONAR <a href="#">SONAR User Guide for CTR User</a>
Software needed	Adobe Acrobat Reader to view and edit forms			
Forms	<a href="#">Electronic Form NP 728</a>		<a href="#">Electronic Form NP 784</a>	
Form Guide	<a href="#">Guide to Fill Up Electronic Form NP 728</a>		<a href="#">Guide to Fill Up Electronic Form NP 784</a>	

# STRO Online Notices and Reporting (SONAR)

More information on SONAR can also be found at <https://www.police.gov.sg/sonar>.



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