

# **Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Bill**

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**Bill No. 1/2019.**

*Read the first time on 14 January 2019.*

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

**(No. of 2019)**

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A BILL

*intituled*

An Act to regulate persons who carry on a business of regulated dealing or as intermediaries for regulated dealing, so as to prevent money laundering and terrorism financing, and to make consequential and related amendments to certain other Acts.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

PART 1  
PRELIMINARY

**Short title and commencement**

5       1. This Act is the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Act 2019 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

**Interpretation**

2. In this Act, unless the context otherwise requires —

10       “asset-backed token” means a token, certificate or other instrument backed by one or more precious metals, precious stones or precious products that entitles the holder to the precious metal, precious stone or precious product, or part of it, but excludes —

15               (a) securities or derivatives contracts within the meanings of the Securities and Futures Act (Cap. 289); and

              (b) commodity contracts within the meaning of the Commodity Trading Act (Cap. 48A);

20       “Assistant Registrar” means an Assistant Registrar of Regulated Dealers appointed under section 4(1);

“authorised officer” means an authorised officer appointed under section 4(2);

25       “cash transaction report” means a cash transaction report under section 17;

“company” has the meaning given by section 4(1) of the Companies Act (Cap. 50);

“customer” means a person with whom a regulated dealer enters into or intends to enter into a transaction;

30       “Deputy Registrar” means a Deputy Registrar of Regulated Dealers appointed under section 4(1);

“FATF” means the intergovernmental body known as the Financial Action Task Force;

“FATF Recommendations” means the recommendations issued by the FATF from time to time relating to the prevention of money laundering and the financing of terrorism; 5

“financial institution” has the meaning given by section 27A(6) of the Monetary Authority of Singapore Act (Cap. 186) read with section 27A(7) of that Act;

“intermediary”, in relation to regulated dealing, means a broker, an auctioneer, an exchange or any provider of a trading or clearing facility, for regulated dealing, whether by electronic means or otherwise; 10

“money laundering or terrorism financing offence” means an offence under —

(a) Part 2, 3 or 5; 15

(b) sections 43 to 48 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A);

(c) the Terrorism (Suppression of Financing) Act (Cap. 325); 20

(d) any regulations made under the United Nations Act (Cap. 339);

(e) any provision of any other written law relating to the prevention of money laundering or terrorism financing; or 25

(f) the law of any foreign country or territory relating to the prevention of money laundering or terrorism financing;

“pawnbroker” and “pawnbroking” have the meanings given by section 3 of the Pawnbrokers Act 2015 (Act 2 of 2015); 30

“precious metal” means any precious metal specified in Part 1 of the Schedule in a manufactured or unmanufactured state;

“precious product” means any jewellery, watch, apparel, accessory, ornament or other finished product —

(a) made up of, containing or having attached to it, any precious stone or precious metal or both; and

5 (b) at least 50% of its value (or other percentage of value prescribed in substitution) is attributable to the precious stone or precious metal or both,

but excludes any product or class of products of a type prescribed;

10 “precious stone” means any precious stone specified in Part 2 of the Schedule;

“registered dealer” means a regulated dealer who is registered under section 7;

15 “Registrar” means the Registrar of Regulated Dealers appointed under section 4(1);

“registration” means registration under section 7;

“regulated dealer” means any person who carries on —

(a) a business of regulated dealing; or

(b) business as an intermediary for regulated dealing,

20 but excludes a pawnbroker and such other person as may be prescribed;

“regulated dealing” means doing any of the following:

(a) manufacturing any precious stone, precious metal or precious product;

25 (b) importing or possessing for sale any precious stone, precious metal or precious product;

(c) selling or offering for sale any precious stone, precious metal or precious product;

(d) selling or redeeming asset-backed tokens;

30 (e) purchasing any precious stone, precious metal or precious product for the purposes of resale;



“sale” includes a supply under a conditional sale agreement or hire-purchase agreement within the meanings given by section 2(1) of the Hire-Purchase Act (Cap. 125), and “selling” is construed accordingly;

“secondhand goods dealer” means a secondhand goods dealer within the meaning given by the Secondhand Goods Dealers Act (Cap. 288A); 5

“substantial shareholder”, in relation to a company, has the meaning given by section 81 of the Companies Act;

“Suspicious Transaction Reporting Officer” has the meaning given by section 2(1) of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act. 10

### **Purpose of Act**

3. The purpose of this Act is to combat money laundering and terrorism financing in the precious stones industry and precious metals industry by — 15

(a) regulating the persons who carry on a business of regulated dealing or business as intermediaries for regulated dealing; and

(b) prescribing measures to prevent regulated dealing from being used to facilitate money laundering or terrorism financing. 20

### **Appointment of Registrar, Deputy Registrars, Assistant Registrars and authorised officers**

4.—(1) The Minister may appoint from among public officers — 25

(a) a Registrar of Regulated Dealers; and

(b) one or more Deputy Registrars of Regulated Dealers and Assistant Registrars of Regulated Dealers.

(2) The Registrar may appoint any of the following persons to be an authorised officer for the purposes of this Act: 30

(a) a public officer;

(b) an auxiliary police officer appointed under the Police Force Act (Cap. 235);

(c) a public accountant registered or deemed to be registered under the Accountants Act (Cap. 2);

5 (d) any individual suitably qualified and trained to be an authorised officer.

(3) The Registrar is responsible for the administration of this Act, and may exercise all the powers and perform all the duties and functions of the Registrar under this Act, subject to any general or special directions of the Minister.

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(4) A Deputy Registrar or an Assistant Registrar may exercise all the powers and perform all the duties and functions of the Registrar under any provision of this Act (except the power of appointment and the power of delegation conferred by this section), subject to such condition or limitation as the Registrar may specify; and any reference in the provision of this Act to the Registrar includes a reference to a Deputy Registrar or an Assistant Registrar.

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(5) The Registrar may delegate the exercise of any of the powers conferred or duties imposed on the Registrar under any provision of this Act (except the power of appointment and the power of delegation conferred by this section) to an authorised officer, subject to such condition or limitation as the Registrar may specify; and any reference in the provision of this Act to the Registrar includes a reference to such an authorised officer.

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25 **Public servants**

5. Any authorised officer appointed under section 4(2) is taken to be a public servant for the purposes of the Penal Code (Cap. 224) when exercising any power conferred or performing any duty imposed on the authorised officer by the Registrar.

## PART 2

## REGISTRATION OF REGULATED DEALERS

*Division 1 — Registration***No regulated dealing without registration**

6.—(1) A person must not act as or hold out to be a regulated dealer unless the person is a registered dealer. 5

(2) A person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$75,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$7,500 for every day or part of a day during which the offence continues after conviction. 10

**Registration and renewal**

7.—(1) An application for registration as a registered dealer, or renewal of registration, must be — 15

- (a) made to the Registrar in the form and manner specified by the Registrar;
- (b) accompanied by the documents and information required by the Registrar; and
- (c) accompanied by the application fee prescribed (if any). 20

(2) The Registrar may —

- (a) grant the registration or renewal, with such conditions and for such period as may be prescribed; or
- (b) refuse the registration or renewal.

**Grounds for refusing to grant or renew registration** 25

8.—(1) The Registrar may refuse to grant or renew registration on any of the following grounds:

- (a) the prescribed fee for the registration or renewal is not paid;

- (b) the application for the registration or renewal —
- (i) contains materially false or misleading information;  
or
  - (ii) is materially incomplete;
- 5 (c) the applicant for the registration or renewal is, in the opinion of the Registrar, not a fit and proper person;
- (d) the applicant has an individual in any of the following positions of the applicant who, in the opinion of the Registrar, is not a fit and proper person:
- 10 (i) where the applicant is a company, a substantial shareholder;
  - (ii) a director, manager, partner, secretary or other person holding an analogous position involved in the management of the applicant;
  - 15 (iii) an employee managing the applicant's business of regulated dealing or the applicant's business as an intermediary, as the case may be;
- (e) it is not in the public interest to grant or renew the registration.

20 (2) For the purpose of determining whether or not any person is a fit and proper person under this Part, the Registrar must have regard to, and give such weight as he or she considers appropriate to, all of the following matters:

- 25 (a) whether the person has been convicted, whether before, on or after the date of commencement of this Act —
  - (i) of an offence involving fraud or dishonesty punishable with imprisonment for a term of 3 months or more, whether in Singapore or elsewhere; or
  - 30 (ii) of a money laundering or terrorism financing offence;
- (b) whether the person is an undischarged bankrupt;

- (c) the person's record of compliance with requirements for the prevention of money laundering and terrorism financing to which the person is subject under this Act or any other written law, or the law of any foreign country or territory.

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(3) To avoid doubt, the Registrar is not confined to considering the matters in subsection (2) and may take into account such other matters and evidence as may be relevant.

### **Conditions of registration**

9.—(1) The Registrar may impose such conditions of registration on a registered dealer as the Registrar considers necessary or expedient for the purposes of this Act.

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(2) The Registrar may, by written notice to a registered dealer and after giving the registered dealer an opportunity to be heard, add to, vary or cancel any condition of registration.

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### *Division 2 — Regulatory action*

#### **Regulatory action**

10.—(1) The Registrar may cancel the registration of a registered dealer, or suspend the registration for a period not exceeding 6 months, if the Registrar is satisfied of any of the following matters:

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- (a) the registered dealer has failed to comply with any condition of registration to which the registered dealer is subject;
- (b) the registration was obtained by fraud or misrepresentation;
- (c) there existed at the time the registration was granted or renewed a circumstance that, if known to the Registrar at the time, would have required or permitted the Registrar to refuse to grant or renew the registration;
- (d) the registered dealer is neither carrying on the business of regulated dealing nor business as an intermediary in Singapore;

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(e) the registered dealer or any of the persons mentioned in section 8(1)(d) is no longer a fit and proper person within the meaning of this Part;

(f) it is not in the public interest for the registered dealer to continue to carry on the business of regulated dealing or business as an intermediary in Singapore.

(2) The Registrar may, in addition to or instead of taking any action under subsection (1), order a registered dealer to pay a financial penalty of an amount not exceeding \$100,000, where the registered dealer —

(a) contravenes a provision of this Act, which contravention is not an offence; or

(b) fails to comply with a condition of registration to which the registered dealer is subject.

(3) In any proceedings under this section, or any appeal to the Minister under section 13 against the Registrar's decision, consequent on the conviction of a registered dealer for an offence, the Registrar or the Minister (as the case may be) must accept the conviction as final and conclusive.

### **Registrar to give opportunity to make representations**

**11.—**(1) Before exercising any power under section 10, the Registrar must, unless it is not practicable or desirable to do so in the circumstances of the case, give written notice to the registered dealer concerned —

(a) stating that the Registrar intends to take regulatory action under section 10;

(b) specifying the type of regulatory action the Registrar proposes to take and the ground or grounds for the regulatory action; and

(c) specifying the time (being not less than 14 days after the date the written notice is served on the registered dealer) within which representations may be made to the Registrar with respect to the proposed regulatory action.

(2) The Registrar may decide to take the appropriate regulatory action —

- (a) after considering any written representation made to the Registrar pursuant to the written notice mentioned in subsection (1); or
- (b) after the time delimited in the written notice in subsection (1)(c) lapses, if no representation is made.

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(3) The Registrar must serve on the registered dealer a written notice of the Registrar's decision and the date the decision takes effect.

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(4) The Registrar's decision takes effect on the date stated in the written notice under subsection (3) despite any appeal to the Minister under section 13 against the Registrar's decision.

(5) Any cancellation or suspension of registration does not affect —

- (a) the enforcement by any person of any right or claim against the registered dealer or former registered dealer; or
- (b) the enforcement by the registered dealer or former registered dealer of any right or claim against any person.

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### **Recovery of financial penalties**

**12.—**(1) Any registered dealer or former registered dealer who fails to pay any financial penalty imposed on the person by the date specified in the written notice under section 11(3) is liable to pay to the Registrar interest on the amount unpaid at the same rate as for a judgment debt.

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(2) Any financial penalty payable pursuant to an order under section 10, and any interest under subsection (1), is recoverable as a debt due to the Government.

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(3) The Registrar must, if directed to do so by the Minister on an appeal, and may in any other case the Registrar thinks fit, waive, remit or refund in whole or in part any financial penalty imposed or any interest due on any financial penalty.

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### **Appeal to Minister**

13.—(1) A person aggrieved by any of the following decisions may appeal to the Minister within the period and in the manner prescribed:

- (a) the Registrar's refusal to grant or renew registration;
- 5 (b) the imposition or addition, variation or cancellation of any condition of registration;
- (c) any regulatory action under section 10.

(2) An appeal under this section does not affect the validity of the decision appealed against or prevent the taking of action to  
10 implement the decision, and the decision appealed against must be complied with until the determination of the appeal.

(3) The Minister may designate any of the following persons to hear and determine, in the Minister's place, any appeal under subsection (1):

- 15 (a) the Second Minister, if any, for his or her Ministry;
- (b) any Minister of State, including a Senior Minister of State, for his or her Ministry;
- (c) any Parliamentary Secretary, including a Senior Parliamentary Secretary, to his or her Ministry.

20 (4) The decision of the Minister, or other person designated by the Minister under subsection (3), on the appeal is final.

## **PART 3**

### **PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING**

#### **Application of this Part**

25 **14.** This Part applies to all regulated dealers who carry on in Singapore any part of their business of regulated dealing, or business as an intermediary for regulated dealing.



## Interpretation of this Part

### 15. In this Part —

“cash” means currency notes and coins (whether of Singapore or of a foreign country or territory) which are legal tender and circulate as money in the country or territory of issue; 5

“cash equivalent” means anything used as currency that is prescribed for the purposes of this Part;

“designated transaction” means any of the following transactions conducted wholly or partly in Singapore:

(a) a sale of any precious stone, precious metal, precious product or asset-backed token by a regulated dealer to a customer, for which cash or a cash equivalent exceeding the threshold amount is received as payment; 10

(b) 2 or more sales of any precious stone, precious metal, precious product or asset-backed token in a single day by a regulated dealer to the same customer, or to customers whom the regulated dealer knows act on behalf of the same person, for which cash or a cash equivalent in total exceeding the threshold amount is received as payment; 15 20

(c) a purchase of any precious stone, precious metal or precious product from a customer (who is not a regulated dealer) by a regulated dealer (who is a secondhand goods dealer), for which cash or a cash equivalent exceeding the threshold amount is received as payment; 25

(d) a transaction prescribed as a designated transaction;

“threshold amount” means \$20,000 or its equivalent in value, or an amount prescribed in substitution. 30

## Customer due diligence

16.—(1) Subject to subsections (3) and (4), a regulated dealer must perform the prescribed customer due diligence measures in any of the following circumstances:

- 5 (a) before entering into a designated transaction;
- (b) where the regulated dealer has reason to suspect money laundering or terrorism financing;
- (c) where the regulated dealer has reason to doubt the veracity or adequacy of information obtained from earlier customer due diligence measures;
- 10 (d) under circumstances prescribed for the purposes of this section.

(2) Different customer due diligence measures may be prescribed in relation to different regulated dealers or classes of regulated dealers, different types of designated transactions or different customers or classes of customers.

(3) A regulated dealer must not proceed with any designated transaction if there exists such circumstances as may be prescribed.

(4) Unless subsection (3) applies, a regulated dealer may choose not to perform or to complete any measure that the regulated dealer is required by this section to perform if —

- 20 (a) the regulated dealer has reason to suspect that the designated transaction relates to money laundering or terrorism financing; and
- 25 (b) the regulated dealer has reason to believe that performing the measure will tip off the customer or any other person.

(5) Where, in relation to any customer, a regulated dealer is for any reason unable or chooses not to complete performing any measure required to be performed under this section, the regulated dealer must —

- 30 (a) decline to enter into any transaction with the customer;
- (b) terminate any transaction entered into with the customer;

- (c) determine whether to make a disclosure under section 39 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act or section 8 or 10 of the Terrorism (Suppression of Financing) Act;
- (d) record the basis of the regulated dealer's determination under paragraph (c); and
- (e) carry out such other measures as may be prescribed.

(6) A regulated dealer who fails to comply with subsection (1), (3) or (5) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000.

### **Cash transaction reports**

17.—(1) A regulated dealer who enters into any designated transaction must submit to a Suspicious Transaction Reporting Officer, within the prescribed time, a cash transaction report relating to that transaction in the prescribed form and manner.

(2) A regulated dealer must keep a copy of each cash transaction report submitted under subsection (1) for such period as may be prescribed.

(3) A regulated dealer must at the time of submitting a cash transaction report under subsection (1) or immediately thereafter, submit a copy of the cash transaction report to the Registrar.

(4) A regulated dealer who fails to comply with subsection (1), (2) or (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$20,000 or to imprisonment for a term not exceeding 2 years or to both.

### **Keeping of records**

18.—(1) A regulated dealer must keep the following documents and information for such period as may be prescribed:

- (a) a record of every designated transaction (whether or not completed) and every other transaction for which the customer due diligence measures mentioned in section 16 must be performed, containing the prescribed information on that transaction;

- (b) a record of all information relating to a customer which is obtained through the customer due diligence measures performed under section 16;
- (c) a copy of each supporting document relied on in support of any information referred to in paragraph (b);
- (d) such other document and information as may be prescribed.

(2) For the purposes of subsection (1), different periods may be prescribed for different regulated dealers or classes of regulated dealers, different types of designated transactions or different documents and information.

(3) A regulated dealer must keep the documents and information mentioned in subsection (1) in such form as may be prescribed.

(4) A regulated dealer must make the documents and information mentioned in subsection (1) available upon request to the Registrar in the manner prescribed.

(5) A regulated dealer who contravenes subsection (1), (3) or (4) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000.

### **Programmes and measures to prevent money laundering and terrorism financing**

**19.—**(1) A regulated dealer must, in relation to the regulated dealer's business of regulated dealing or business as an intermediary for regulated dealing, implement adequate programmes and measures to prevent money laundering and terrorism financing.

(2) The type and extent of the measures to be taken under subsection (1) must —

- (a) comply with such requirements as may be prescribed; and
- (b) be appropriate, having regard to the risk of money laundering and terrorism financing and the size of the regulated dealer's business.

(3) A regulated dealer who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000.

**Additional measures relating to targeted financial sanctions, etc.**

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**20.**—(1) A regulated dealer must perform —

- (a) any prescribed measures relating to targeted financial sanctions against terrorism; and
- (b) any additional prescribed measures which are necessary or expedient to give effect to any relevant FATF Recommendation.

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(2) A regulated dealer who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000.

**Disclosure of suspicious transactions, etc.**

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**21.**—(1) A regulated dealer must, if circumstances exist that require the regulated dealer to do so, make a disclosure under whichever of the following is applicable:

- (a) section 39(1) of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act;
- (b) section 8 or 10 of the Terrorism (Suppression of Financing) Act.

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(2) A regulated dealer must, at the time of disclosing a matter under subsection (1) or immediately thereafter, submit a copy of the information so disclosed to the Registrar.

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(3) A regulated dealer who fails to comply with subsection (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$20,000.

**Power to give directions**

**22.**—(1) The Registrar may give a written direction mentioned in subsection (2) to a regulated dealer in respect of that part of the regulated dealer's business of regulated dealing or business as an

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intermediary for regulated dealing conducted in Singapore, where the Registrar considers that —

- 5           (a) the regulated dealer has carried on or is carrying on business in a manner that carries a risk of money laundering or terrorism financing;
- (b) a money laundering or terrorism financing offence is being committed; or
- 10          (c) it is necessary or expedient for the prevention of money laundering or terrorism financing for the written direction to be given.

(2) The Registrar may give a written direction to require the regulated dealer to do one or more of the following:

- (a) to stop or terminate its regulated dealing, or a particular transaction, with a particular customer;
- 15          (b) to stop a particular employee or individual from conducting any part of the regulated dealer's business as a regulated dealer;
- (c) to do or refrain from doing anything specified in the written direction to mitigate the risk mentioned in subsection (1)(a) or to stop the commission of the offence mentioned in subsection (1)(b);
- 20          (d) at the regulated dealer's own cost, to appoint an auditor to carry out an audit of the regulated dealer's compliance with the measures for the prevention of money laundering and terrorism financing under this Act, including an audit of such matters as the Registrar may specifically require for that purpose;
- 25          (e) to take specified measures to comply with this Act or to remedy any contravention of or non-compliance with this Act to which the direction relates.
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(3) Before giving a written direction under subsection (1), the Registrar must, unless it is not practicable or desirable to do so in the circumstances of the case, give the regulated dealer concerned an opportunity to be heard.

(4) To avoid doubt, a written direction under subsection (1) need not be published in the *Gazette*.

(5) A regulated dealer who fails to comply with a written direction given to the regulated dealer under this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$20,000.

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## PART 4

### MONITORING AND ENFORCEMENT

#### **Powers of monitoring and investigation**

**23.**—(1) The Registrar may exercise all or any powers in this section for any of the following purposes:

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- (a) ascertaining whether the provisions of Part 3 are being complied with;
- (b) ascertaining whether any condition of registration or a written direction under section 22 is being complied with;
- (c) investigating any offence under this Act.

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(2) The Registrar may —

- (a) enter and inspect any place that the Registrar believes on reasonable grounds is used for the business of regulated dealing or business as an intermediary for regulated dealing, even if also used as a residence;
- (b) photograph or film, or make any record or sketch of, any part of the premises, or any thing at the place;
- (c) require any person at that place to produce or grant access to, without charge, any document or material reasonably required for any purpose in subsection (1), which is in the possession or under the control of that person;
- (d) require any person, whom the Registrar reasonably believes has any information or any document or material in the person's possession, custody or control that is relevant for any of the purposes in subsection (1), to

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provide that information, or produce or grant access to that document or material;

5 (e) inspect and make copies of or take extracts from any such document or material provided under paragraph (c) or (d); and

(f) take possession of such document or material if, in the opinion of the Registrar —

10 (i) the inspection or copying of or extraction from the document or material cannot reasonably be performed without taking possession;

(ii) the document or material may be interfered with or destroyed unless possession is taken; or

15 (iii) the document or material may be required as evidence for any regulatory action, or in any proceedings under this Act.

(3) Any power under this section to require a person to produce any document or to provide information includes the power —

20 (a) to take reasonable steps to require the person to produce the document or provide the information immediately or at a place and time specified in writing;

(b) to require the person to provide an explanation of the document or information;

25 (c) if the document or information is not produced or provided, to require the person to state, to the best of the person's knowledge and belief, where the document or information is;

(d) if the document or information is recorded otherwise than in legible form, to require the document or information to be made available in a legible form; and

30 (e) if the document or information is recorded in electronic form, to require the person to —



- (i) provide assistance in gaining access to any computer or other equipment in which the document or information is stored; and
- (ii) provide the document or information, or a copy of the document or information, in a form or format specified by the Registrar. 5

(4) Any thing taken possession of by the Registrar under subsection (2) —

- (a) must be placed in safe custody by the Registrar; and
- (b) unless ordered otherwise by the court, may be retained until the completion of the investigation or any proceedings (including proceedings on appeal) in which it may be in evidence. 10

### **Further powers of investigation**

**24.—**(1) The Registrar may, for the purposes of investigating an offence under this Act, in addition to exercising the powers in section 23, do all or any of the following: 15

- (a) issue a written notice requiring any person within the limits of Singapore, who appears to be acquainted with the facts or circumstances of the matter, to attend before the Registrar; 20
- (b) examine orally any person who appears to be acquainted with the facts or circumstances of the matter —
  - (i) whether before or after that person or anyone else is charged with an offence in connection with the matter; and 25
  - (ii) whether or not that person is to be called as a witness in any inquiry, trial or other proceeding in connection with the matter;
- (c) without a warrant enter and search any place or premises in which the Registrar reasonably suspects that an offence under this Act has been or is being committed; 30

(d) if free entry or access to the place or premises cannot be obtained under paragraph (c), the Registrar may, with such assistance as the Registrar considers necessary, break open any door, window, lock or fastener, or use any other reasonable means in order to gain entry or access into the place or premises.

(2) Any person examined under this section is bound to state truly what the person knows of the facts and circumstances of the matter, except that the person need not say anything that might expose the person to a criminal charge, penalty or forfeiture.

(3) A statement made by any person examined under this section must —

(a) be reduced to writing;

(b) be read over to the person;

(c) if the person does not understand English, be interpreted in a language that the person understands; and

(d) after correction (if necessary), be signed by the person.

(4) If any person fails to comply with a written notice issued to the person under subsection (1)(a), the Registrar may report the failure to a Magistrate who may then, in the Magistrate's discretion, issue a warrant ordering that person to comply with the written notice.

### **Power to seize property, etc., in certain circumstances**

**25.—**(1) The Registrar may seize any property —

(a) in respect of which a contravention of this Act is suspected to have been committed;

(b) that is suspected to have been used or intended to be used in a contravention of this Act; or

(c) that is suspected to constitute evidence of a contravention of this Act.

(2) Subsection (1) does not apply to property held or suspected to be held in an account or a safe deposit box in a financial institution.

(3) The occupier or person in charge of a place from which property is to be seized under subsection (1), or a representative of the occupier or person in charge, may attend during the seizure.

(4) The Registrar must prepare and sign a list of any property seized under subsection (1), recording the location from which each item of property is seized. 5

(5) A signed copy of the list must be given to the occupier or person in charge of the place from which property was seized, or a representative of the occupier or person in charge.

(6) Instead of seizing any property under subsection (1), the Registrar may, by order in writing — 10

- (a) prohibit any person from dealing with such property; and
- (b) require any person to affix the order or a copy of the order on or near such property.

### **Power of court over seized property, etc.** 15

**26.** Sections 370, 371 and 372 of the Criminal Procedure Code (Cap. 68) are to apply, with the necessary modifications, when the Registrar seizes property or prohibits any dealing in property under section 25.

## PART 5 20

### GENERAL OFFENCES

#### **Providing false information to Registrar or authorised officer**

**27.** A person who, in any application for registration (or renewal of registration) or in compliance or purported compliance with any requirement under Part 3 or 4 — 25

- (a) provides to the Registrar or an authorised officer any information or document that the person knows or has reason to believe is materially false or misleading;
- (b) omits to provide any information to the Registrar or authorised officer for the purposes of this Act, knowing or 30

having reason to believe that such omission will create a materially false or misleading impression;

(c) intentionally alters, suppresses or destroys any document or information which the person has been required to produce or provide; or

(d) in producing any document or providing any information so required, makes any statement which the person knows or ought reasonably to know is, or is reckless as to whether it is, false or misleading in a material particular,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both.

**Obstruction of investigation, etc.**

**28.** A person who, without reasonable excuse —

(a) refuses or fails to provide any information, or produce any document or article, required of the person by the Registrar under section 23;

(b) fails to comply with any written notice issued to the person under section 24;

(c) knowingly obstructs or prevents, or attempts to obstruct or prevent —

(i) a person from complying with anything required of the person by the Registrar under section 23 or 24; or

(ii) the Registrar from exercising any of the Registrar's powers under section 23 or 24; or

(d) disposes of or deals in any property contrary to the Registrar's order under section 25(6),

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both.

PART 6  
GENERAL

**Disclosure of information to foreign authority**

**29.—(1)** The Registrar may disclose any information or document obtained in the exercise of his or her functions under this Act to a corresponding authority of a foreign country or territory only if the Registrar is satisfied that — 5

(a) the information or document is relevant to enable the corresponding authority to carry out any supervision, investigation or enforcement under any law in that country or territory relating to the prevention of money laundering or terrorism financing; 10

(b) there exists an arrangement under which the corresponding authority has agreed, or has given an undertaking, to communicate to Singapore, upon Singapore’s request, information received by the corresponding authority that corresponds to any thing required to be disclosed or reported to the Registrar under this Act; 15

(c) the corresponding authority has given appropriate undertakings — 20

(i) for protecting the confidentiality of any thing communicated to it; and

(ii) for controlling the use that will be made of any information or document disclosed to it (including an undertaking to obtain the prior consent of the Registrar before using or disclosing the information or document for a purpose other than the purpose for which the information or document was requested); and 25

(d) such other conditions as may be prescribed are fulfilled. 30

(2) In this section, “corresponding authority”, in relation to a foreign country or territory, means the authority of that foreign country or territory exercising any function that corresponds to the functions of the Registrar under this Act.

### **Protection from personal liability**

30. No liability shall lie personally against the Registrar, a Deputy Registrar, an Assistant Registrar or an authorised officer who, acting in good faith and with reasonable care, does or omits to do anything in the execution or purported execution of this Act.

### **Composition of offences**

31.—(1) The Registrar may compound any offence under this Act that is prescribed as a compoundable offence by collecting, from a person reasonably suspected of having committed the offence, a sum not exceeding half of the amount of the maximum fine for the offence.

(2) On payment of such sum of money, no further criminal proceedings are to be taken against that person in respect of the offence.

### **Offences by corporations**

32.—(1) Where, in a proceeding for an offence under this Act, it is necessary to prove the state of mind of a corporation in relation to a particular conduct, evidence that —

- (a) an officer, employee or agent of the corporation engaged in that conduct within the scope of his or her actual or apparent authority; and
- (b) the officer, employee or agent had that state of mind,

is evidence that the corporation had that state of mind.

(2) Where a corporation commits an offence under this Act, a person —

- (a) who is —
  - (i) an officer of the corporation; or
  - (ii) an individual involved in the management of the corporation and in a position to influence the conduct of the corporation in relation to the commission of the offence; and

(b) who —

- (i) consented or connived, or conspired with others, to effect the commission of the offence;
- (ii) is in any other way, whether by act or omission, knowingly concerned in, or is party to, the commission of the offence by the corporation; or
- (iii) knew or ought reasonably to have known that the offence by the corporation (or an offence of the same type) would be or is being committed, and failed to take all reasonable steps to prevent or stop the commission of that offence,

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shall be guilty of that same offence as is the corporation, and shall be liable on conviction to be punished accordingly.

(3) A person mentioned in subsection (2) may rely on a defence that would be available to the corporation if it were charged with the offence with which the person is charged and, in doing so, the person bears the same burden of proof that the corporation would bear.

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(4) To avoid doubt, this section does not affect the application of —

(a) Chapters V and VA of the Penal Code; or

(b) the Evidence Act (Cap. 97) or any other law or practice regarding the admissibility of evidence.

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(5) To avoid doubt, subsection (2) also does not affect the liability of the corporation for an offence under this Act, and applies whether or not the corporation is convicted of the offence.

(6) In this section —

25

“corporation” includes a limited liability partnership within the meaning of section 2(1) of the Limited Liability Partnerships Act (Cap. 163A);

“officer”, in relation to a corporation, means any director, partner, chief executive, manager, secretary or other similar officer of the corporation, and includes —

30

(a) any person purporting to act in any such capacity; and

- (b) for a corporation whose affairs are managed by its members, any of those members as if the member were a director of the corporation;

“state of mind” of a person includes —

- 5 (a) the knowledge, intention, opinion, belief or purpose of the person; and
- (b) the person’s reasons for the intention, opinion, belief or purpose.

### **Offences by unincorporated associations or partnerships**

10 **33.**—(1) Where, in a proceeding for an offence under this Act, it is necessary to prove the state of mind of an unincorporated association or a partnership in relation to a particular conduct, evidence that —

- 15 (a) an officer, partner, employee or agent of the unincorporated association or the partnership engaged in that conduct within the scope of his or her actual or apparent authority; and
- (b) the officer, partner, employee or agent had that state of mind,

20 is evidence that the unincorporated association or partnership had that state of mind.

(2) Where an unincorporated association or a partnership commits an offence under this Act, a person —

- (a) who is —
  - 25 (i) an officer of the unincorporated association or a member of its governing body;
  - (ii) a partner in the partnership; or
  - (iii) an individual involved in the management of the unincorporated association or the partnership and in a position to influence the conduct of that unincorporated association or partnership in relation to the commission of the offence; and
- 30



(b) who —

- (i) consented or connived, or conspired with others, to effect the commission of the offence;
- (ii) is in any other way, whether by act or omission, knowingly concerned in, or is party to, the commission of the offence by the unincorporated association or the partnership; or
- (iii) knew or ought reasonably to have known that the offence by the unincorporated association or the partnership (or an offence of the same type) would be or is being committed, and failed to take all reasonable steps to prevent or stop the commission of that offence,

shall be guilty of the same offence as is that unincorporated association or partnership, and shall be liable on conviction to be punished accordingly.

(3) A person mentioned in subsection (2) may rely on a defence that would be available to the unincorporated association or the partnership if it were charged with the offence with which the person is charged and, in doing so, the person bears the same burden of proof as that unincorporated association or that partnership would bear.

(4) To avoid doubt, this section does not affect the application of —

- (a) Chapters V and VA of the Penal Code; or
- (b) the Evidence Act or any other law or practice regarding the admissibility of evidence.

(5) To avoid doubt, subsection (2) also does not affect the liability of an unincorporated association or a partnership for an offence under this Act, and applies whether or not that unincorporated association or that partnership is convicted of the offence.

(6) In this section —

“officer”, in relation to an unincorporated association (other than a partnership), means the president, the secretary, or any

member of the committee of the unincorporated association, and includes —

(a) any person holding a position analogous to that of president, secretary or member of a committee of the unincorporated association; and

(b) any person purporting to act in any such capacity;

“partner” includes a person purporting to act as a partner;

“state of mind” of a person includes —

(a) the knowledge, intention, opinion, belief or purpose of the person; and

(b) the person’s reasons for the intention, opinion, belief or purpose.

### **Jurisdiction of court**

**34.** Despite any provision to the contrary in the Criminal Procedure Code, a District Court has jurisdiction to try any offence under this Act and has power to impose the full punishment in respect of the offence.

### **Codes of practice, guidelines and standards of performance**

**35.—**(1) The Registrar may from time to time issue, approve, amend or revoke one or more codes of practice, guidelines or standards of performance for all or any of the following purposes:

(a) to provide guidance to regulated dealers in relation to the operation or administration of any provision of this Act;

(b) to set out best practices for regulated dealers with respect to measures for the prevention of money laundering and terrorism financing, and for giving effect to the relevant FATF Recommendations.

(2) If any provision in any code of practice, guideline or standard of performance is inconsistent with this Act, such provision, to the extent of the inconsistency, does not have effect.

(3) Where a code of practice, guideline or standard of performance is issued, approved, amended or revoked by the Registrar under subsection (1), the Registrar must —

- (a) publish a notice of the issue, approval, amendment or revocation (as the case may be) in such manner as will secure adequate publicity for such issue, approval, amendment or revocation; 5
- (b) specify in the notice the date of the issue, approval, amendment or revocation (as the case may be); and
- (c) ensure that, so long as the code of practice, guideline or standard of performance remains in force, copies of that code, guideline or standard, and of all amendments to it, are available free of charge to any regulated dealer to whom that code, guideline or standard applies. 10

(4) No code of practice, guideline or standard of performance, or amendment or revocation, has any effect until the notice relating to it is published in accordance with subsection (3). 15

(5) Any code of practice, guideline or standard of performance has no legislative effect.

(6) Any failure by a regulated dealer to comply with any code of practice, guideline or standard of performance applicable to the regulated dealer does not of itself render the regulated dealer liable to criminal proceedings, but the failure may, in any proceedings (criminal or otherwise), be relied on by any party to those proceedings as tending to establish or negate any liability which is in question in those proceedings. 20  
25

### **Power to publish information**

**36.** Where the Registrar considers it necessary or expedient in the interest of the public, the Registrar may publish —

- (a) any information relating to any regulated dealer, including — 30
  - (i) the composition of any offence by a regulated dealer under this Act;

- (ii) any regulatory action taken against, or condition of registration imposed on, a registered dealer under this Act;
- 5 (iii) any written direction under section 22 given to a regulated dealer;
- (iv) any criminal proceedings against a regulated dealer for a money laundering or terrorism financing offence; and
- 10 (v) any regulatory action or civil or criminal proceedings against a regulated dealer under the law of a foreign country or territory for a contravention of any law relating to the prevention of money laundering and terrorism financing; or
- 15 (b) any information which the Registrar has acquired in the performance of his or her duties or in the exercise of his or her powers under this Act.

### **Amendment of Schedule**

37.—(1) The Minister may, by order in the *Gazette*, amend, add to or vary the Schedule.

20 (2) The Minister may, in any order made under subsection (1), make such saving or transitional provision as may be necessary or expedient.

(3) Every order made under subsection (1) must be presented to Parliament as soon as possible after publication in the *Gazette*.

### **Exemption**

38. The Minister may, by order in the *Gazette*, exempt any person or class of persons, or any activity, from all or any provision of this Act, subject to such conditions or restrictions as may be specified in the order.

### **Regulations**

39.—(1) The Minister may make regulations for carrying out the purposes and provisions of this Act.

(2) Without limiting subsection (1), the Minister may make regulations for or with respect to all or any of the following matters:

- (a) the registration of regulated dealers;
  - (b) the duties of registered dealers;
  - (c) measures for the prevention of money laundering and terrorism financing by regulated dealers, including —
    - (i) the customer due diligence measures which must be conducted by a regulated dealer;
    - (ii) any additional reporting obligations by a regulated dealer;
    - (iii) the specific risks that must be identified and assessed, and specific internal policies, procedures, controls, programmes, measures or standards that must be implemented, in order for a regulated dealer's programmes and measures to be considered adequate for the purposes of section 19(1); and
    - (iv) any additional measures relating to targeted financial sanctions against terrorism or to give effect to any relevant FATF Recommendation which a regulated dealer must take;
  - (d) the records that must be kept by a regulated dealer and the period for which, and manner in which, the records must be kept;
  - (e) the fees to be paid in respect of any application under this Act;
  - (f) to prescribe anything required or permitted to be prescribed.
- (3) Regulations made under this section may —
- (a) provide that any contravention of any provision of the regulations shall be an offence punishable with a fine not exceeding \$100,000 or with imprisonment for a term not exceeding 3 years or with both; and

- (b) provide for such saving, transitional or other consequential provision as is necessary or expedient.

**Amendment of Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act**

5     **40.**—(1) Section 3A(1) of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A, 2000 Ed.) is amended —

(a) by deleting the word “and” at the end of paragraph (a)(iv);  
and

10     (b) by deleting the word “and” at the end of sub-paragraph (v) of paragraph (a), and by inserting immediately thereafter the following sub-paragraphs:

“*(vi)* any cash transaction report submitted to a Suspicious Transaction Reporting Officer under section 17 of the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Act 2019; and

15  
20     *(vii)* any cash transaction report submitted to a Suspicious Transaction Reporting Officer under section 74A of the Pawnbrokers Act 2015 (Act 2 of 2015); and”.

25     (2) Section 41 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act is amended —

(a) by deleting the word “or” at the end of subsection (1)(d);

(b) by deleting the comma at the end of paragraph (e) of subsection (1) and substituting a semi-colon, and by  
30     inserting immediately thereafter the following paragraphs:

“*(f)* submitted to a Suspicious Transaction Reporting Officer under section 17 of the Precious Stones and Precious Metals

(Prevention of Money Laundering and Terrorism Financing) Act 2019; or

(g) submitted to a Suspicious Transaction Reporting Officer under section 74A of the Pawnbrokers Act 2015;” and

(c) by deleting the words “, pursuant to section 39(1), under section 48C(5), 48D, 48E(5) or 48J(1) or under any regulations made under section 200 of the Casino Control Act” in subsection (2)(a) and substituting the words “or under section 39(1) or any of the provisions mentioned in subsection (1)(b) to (g)”.

### **Amendment of Pawnbrokers Act 2015**

**41.** The Pawnbrokers Act 2015 (Act 2 of 2015) is amended by inserting, immediately after section 74, the following section:

#### **“Cash transaction reports**

**74A.—**(1) A pawnbroker who enters into any relevant transaction specified in Part 1 of the Third Schedule must submit to a Suspicious Transaction Reporting Officer a cash transaction report relating to the relevant transaction, within the time and in the form and manner specified in Part 2 of the Third Schedule.

(2) A pawnbroker must keep a copy of each cash transaction report submitted under subsection (1) for the period specified in Part 2 of the Third Schedule.

(3) A pawnbroker must, at the time of submitting a cash transaction report under subsection (1) or immediately thereafter, submit a copy of the cash transaction report to the Registrar.

(4) A pawnbroker who fails to comply with subsection (1), (2) or (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$20,000 or to imprisonment for a term not exceeding 2 years or to both.”.

### **Saving and transitional provisions**

5     **42.**—(1) A person who, immediately before the date of commencement of section 6, was carrying on the business of regulated dealing, or business as an intermediary for regulated dealing, may continue to do so without being registered as if the person were a registered dealer until the earliest of the following events:

      (a) the person is registered as a registered dealer;

      (b) the person is exempted from section 6;

10     (c) 6 months after the date of commencement of section 6.

15     (2) Sections 48I, 48J and 48K of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act and the Corruption, Drug Trafficking and Other Serious Crimes (Cash Transaction Reports) Regulations 2014 (G.N. No. S 692/2014) as in force immediately before the date of commencement of section 17, continue to apply to every person who, immediately before that date, was a prescribed person for the purposes of those sections and regulations, in respect of every cash transaction entered into by that person before that date.

20     (3) For a period of 2 years after the date of commencement of any provision of this Act, the Minister may, by regulations, prescribe such additional provisions of a saving or transitional nature consequent on the enactment of that provision as the Minister may consider necessary or expedient.



## THE SCHEDULE

### PRECIOUS METALS AND PRECIOUS STONES

Sections 2 and 37(1)

#### PART 1

#### PRECIOUS METALS

	5
1. Gold	
2. Silver	
3. Platinum	
4. Iridium	
5. Osmium	10
6. Palladium	
7. Rhodium	
8. Ruthenium	
9. An alloy with at least 2% in weight of any substance mentioned in items 1 to 8	15

#### PART 2

#### PRECIOUS STONES (NATURAL OR OTHERWISE)

1. Diamond	
2. Sapphire	
3. Ruby	20
4. Emerald	
5. Jade (including nephrite and jadeite)	
6. Pearl	

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## EXPLANATORY STATEMENT

This Bill seeks to establish a framework for —

- (a) the regulation of persons who carry on a business of dealing in precious stones, precious metals, precious products and asset-backed tokens, or business as an intermediary for such dealing (all such persons called in the Bill regulated dealers); and
- (b) regulated dealers to be obliged to comply with requirements for the prevention of money laundering and terrorism financing, such as customer due diligence, cash transaction reporting, record keeping, and risk-based assessments in accordance with Singapore’s obligations as a member of the intergovernmental body known as the Financial Action Task Force (FATF).

The Bill also makes consequential and related amendments to the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A) and the Pawnbrokers Act 2015 (Act 2 of 2015).

### PART 1

#### PRELIMINARY

Clause 1 relates to the short title and commencement.

Clause 2 defines certain terms used in the Bill.

A “regulated dealer” is a person who carries on a business of regulated dealing, or business as an intermediary for regulated dealing. “Regulated dealing” refers to various acts related to the manufacture, sale or purchase of precious stones, precious metals, precious products or asset-backed tokens. Any of those acts or a combination of them would constitute “regulated dealing”. “Precious metal” and “precious stone” are defined by reference to the Schedule, and “asset-backed token” and “precious product” are defined in the clause.

Clause 3 sets out the purpose of the Bill, which will guide the exercise of powers under the Bill.

Clause 4 provides for the appointment of the Registrar of Regulated Dealers (the Registrar) by the Minister, and for the appointment of Deputy Registrars, Assistant Registrars and authorised officers. Certain non-public officers may be appointed as authorised officers for certain purposes in the Bill.

Clause 5 provides for authorised officers to be deemed as public servants for the purposes of the Penal Code (Cap. 224) when they are exercising their powers and performing their duties as such.

## PART 2

### REGISTRATION OF REGULATED DEALERS

Clause 6 requires the registration of a regulated dealer. It is an offence to carry on business as a regulated dealer or hold out as doing so without being registered. However, it is possible for certain regulated dealers to be exempted under clause 38 from having to be registered.

Clause 7 provides for the application for registration or renewal as a registered dealer and for matters connected with the application.

Clause 8 sets out the grounds for the refusal of registration or renewal. In particular, the Registrar must be satisfied that the applicant is a fit and proper person to be registered. The matters to be taken into consideration in determining whether a person is a fit and proper person include the applicant's compliance with measures for the prevention of money laundering and terrorism financing, both in Singapore and abroad.

Clause 9 empowers the Registrar to impose conditions of registration on a registered dealer and to add to, vary or cancel the conditions from time to time.

Clause 10 sets out the regulatory actions that the Registrar may take against a registered dealer. Besides cancellation or suspension of registration, the Registrar may also, in certain circumstances, impose a financial penalty.

Clause 11 sets out the due process before the regulatory action may be taken.

Clause 12 provides for the recovery of financial penalties and imposes interest for late payment.

Clause 13 provides for an appeal to the Minister against the decisions of the Registrar. The clause also allows the Minister to designate other officials within his or her Ministry to hear and determine appeals, in the Minister's place.

## PART 3

### PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING

Part 3 sets out the obligations for the prevention of money laundering and terrorism financing that regulated dealers (whether or not registered) must comply with. The measures described broadly in the Bill are to be supplemented by regulations made under clause 39.

Clause 14 provides that Part 3 will apply to all regulated dealers who conduct any part of their business in Singapore. For example, Part 3 would apply to a regulated dealer in Singapore who carries out a regulated dealing online from Singapore with a customer overseas. It would also apply to a regulated dealer

based overseas who comes to Singapore for a trade fair and transacts with a customer in Singapore.

Clause 15 defines key terms used in the Part, in particular, “designated transaction” and “threshold amount”. A “designated transaction” is defined as a certain type of transaction or transactions that exceeds the threshold amount. A regulated dealer has certain obligations under Part 3 when engaging or about to engage in a designated transaction.

Clause 16 requires a regulated dealer to carry out customer due diligence measures that will be prescribed by regulations. The regulated dealer may not proceed with the transaction eventually and, in that case, must decide whether to make a suspicious transaction report.

Clause 17 requires a regulated dealer to submit a cash transaction report of every designated transaction to a Suspicious Transaction Reporting Officer. The regulated dealer must submit a copy of the cash transaction report to the Registrar.

Clause 18 requires the keeping of records, such as those related to the customer due diligence carried out by the regulated dealer.

Clause 19 requires a regulated dealer to develop and implement internal policies, procedures, controls and measures to prevent money laundering and terrorism financing, in accordance with requirements prescribed by regulations made under clause 39. These may include implementing processes for identifying and assessing risks in relation to certain customers and transactions, and implementing a programme to train employees in such matters.

Clause 20 requires regulated dealers to implement additional measures, relating to targeted financial sanctions or to give effect to relevant FATF Recommendations, that may be prescribed by regulations.

Clause 21 restates the obligation of a regulated dealer to file a suspicious transaction report under section 39(1) of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act or to make a disclosure of information under section 8 or 10 of the Terrorism (Suppression of Financing) Act, as the case may be. The regulated dealer must submit a copy of the information so disclosed to the Registrar.

Clause 22 sets out the power of the Registrar to give written directions to a regulated dealer in certain circumstances. The directions may require the stoppage of a transaction, and may require the regulated dealer to do or refrain from doing certain things to mitigate a risk or stop the commission of an offence.

## PART 4

### MONITORING AND ENFORCEMENT

Clause 23 sets out the powers that the Registrar may exercise to ascertain compliance with the Bill or to investigate an offence under the Bill. The powers include entering and inspecting any place, requiring the production of documents or material and asking for information. For instance, the Registrar may request for information from any person, such as trade fair organisers, for the purposes of monitoring the activities of regulated dealers.

Clause 24 sets out further powers of investigation, relating to the taking of statements and forced entry into premises.

Clause 25 allows the Registrar to seize property in respect of which a contravention of the Bill is suspected, that is suspected to have been used in a contravention, or that is suspected to constitute evidence of a contravention of the Bill.

Clause 26 provides for seized property to be reported to and disposed of by the court under the Criminal Procedure Code (Cap. 68).

## PART 5

### GENERAL OFFENCES

Clause 27 sets out an offence of giving false information to the Registrar or an authorised officer in relation to any application for registration or renewal, in purported compliance with any obligation under Part 3 or where required to provide any information or produce any document in the course of inspections or investigations.

Clause 28 criminalises the obstruction of investigations under the Bill.

## PART 6

### GENERAL

Clause 29 allows the Registrar to disclose information or documents obtained under the Bill to a corresponding authority performing the equivalent functions in a foreign country or territory to enable supervision, investigations or enforcement by the corresponding authority in that country or territory. The clause also provides certain conditions and safeguards, such as the existence of a reciprocal arrangement and undertakings by the foreign authority to protect the confidentiality of the information or document.

Clause 30 grants personal immunity to the officers appointed under the Bill for anything done in good faith and with reasonable care in the execution of the Bill.

Clause 31 provides for the composition of offences by the Registrar for a sum not exceeding half of the amount of the maximum fine for the offence.

Clause 32 deals with corporate offenders and attributes criminal liability to officers of corporate entities for offences committed by the entity. The clause also attributes the state of mind of an officer to the corporate entity where an offence requires a mental element.

Clause 33 deals with unincorporated associations and partnerships (called unincorporated entities) and similarly attributes criminal liability to the officers of unincorporated associations or partners of partnerships for offences committed by the unincorporated entity in question. The clause also attributes the state of mind of an officer or partner to the unincorporated entity.

Clause 34 empowers a District Court to try any offence under the Bill and to impose the full punishment in respect of such offence.

Clause 35 allows the Registrar to issue or approve codes of practice, guidelines or standards of performance from time to time and amend or revoke them. The codes, guidelines or standards do not have legislative effect and are issued for guidance to regulated dealers and to set out best practices. Non-compliance with the codes, guidelines or standards have no punitive consequences.

Clause 36 allows the Registrar to publish information about regulated dealers, such as regulatory action taken against them or criminal proceedings commenced against them, both in Singapore and in a foreign country or territory, for a contravention of any law that relates to the prevention of money laundering or terrorism financing. Members of the public may then make informed decisions about the regulated dealers that they deal with.

Clause 37 allows the Minister to amend, add to or vary the Schedule (listing the precious metals and precious stones) by order in the *Gazette*, which must be presented to Parliament.

Clause 38 is a general power of exemption which allows the Minister to exempt any person or class of persons, or any activity (e.g. certain types of regulated dealing) from any provision of the Bill.

Clause 39 empowers the Minister to make regulations for the purposes of the Bill. The regulations may provide for matters related to registration and to amplify the anti-money laundering and counter-terrorism financing provisions in the Bill. The regulations may also provide for contraventions to be offences punishable by fine or imprisonment or both, and for saving, transitional or consequential provisions. The saving or transitional provisions may be needed, for example, when the threshold amount for a designated transaction is varied by regulations.

Clause 40 makes consequential and related amendments to the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act. The amendments enable the Suspicious Transaction Reporting Office established by

that Act to receive and analyse cash transaction reports submitted to a Suspicious Transaction Reporting Officer under the Bill and under the Pawnbrokers Act 2015, and to share that information with a corresponding authority of a foreign country.

Clause 41 makes a related amendment to the Pawnbrokers Act 2015 to provide for the duty of pawnbrokers to file a cash transaction report with a Suspicious Transaction Reporting Officer. This amendment aligns the duty of pawnbrokers with that of regulated dealers in clause 17, and replaces the provisions in the Corruption, Drug Trafficking and Other Serious Crimes (Cash Transaction Reports) Regulations 2014 (G.N. No. S 692/2014), which will be revoked.

Clause 42 provides for saving and transitional provisions for the Bill.

The Schedule to the Bill lists the precious metals and precious stones covered by the Bill.

## EXPENDITURE OF PUBLIC MONEY

This Bill will involve the Government in extra financial expenditure, the exact amount of which cannot at present be ascertained.

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