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First Reading of the Anti-Money Laundering and Other Matters Bill

A Bill proposing changes to various laws to enhance Singapore's anti-money laundering and countering the financing of terrorism (“**AML/CFT**”) regime was read for the first time in the Singapore Parliament on 2 July 2024.

1. Introduction

The Singapore Parliament has read the Anti-Money Laundering and Other Matters Bill (the “**Bill**”) for the first time on 2 July 2024. The Bill seeks to introduce various legislative changes that would:

- Enhance the ability of law enforcement agencies to pursue and prosecute money laundering offences;
- Clarify and improve processes to deal with seized or restrained properties linked to suspected criminal activities; and
- Align Singapore's AML/CFT framework for casino operators with the Financial Action Task Force (“**FATF**”) standards.

This Client Update highlights the key changes introduced by the Bill.

2. Enhancements to the ability of law enforcement agencies to pursue and prosecute money laundering offences

The Bill introduces three main changes to the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 (“**CDSA**”) to enhance the ability of law enforcement agencies to pursue and prosecute money laundering offences.

Firstly, the Bill will amend section 56 of the CDSA such that in a money laundering prosecution, the Prosecution will no longer need to prove a direct link between the underlying criminal conduct and the monies allegedly laundered in Singapore. This seeks to address the difficulties associated with obtaining evidence from foreign victims, entities and authorities and proving the complete trail of monies, especially where it had passed through multiple foreign jurisdictions. With this amendment, it will be sufficient for the prosecution to show that the money launderer knew or had reasonable grounds to believe that he or she was dealing with criminal proceeds in order to establish a money laundering offence.

Secondly, the Bill will introduce a Third Schedule to the CDSA that designates certain serious foreign environmental crimes as predicate offences for money laundering. Under the current CDSA, a foreign offence must satisfy the dual criminality requirement in order for Singapore's law enforcement agencies to be able to investigate money laundering offences arising from such foreign offences. However, environmental crimes such as illegal mining, illegal waste trafficking or illegal logging do not have direct domestic equivalents under Singapore law. By specifying such foreign environmental crimes as predicate offences, Singapore's law enforcement agencies would be able to investigate suspected money laundering arising from such foreign crimes.

Thirdly, the Bill will enable cross-agency data sharing to enhance the detection of money laundering, terrorism financing and proliferation financing. The Inland Revenue Authority of Singapore and Singapore Customs will be allowed to share tax and trade data with the Suspicious Transaction Reporting Office (“**STRO**”) through amendments to the relevant legislation. In addition, the CDSA will be amended to allow certain sectoral regulators, such as the Council for Estate Agencies and the Accounting and Corporate Regulatory Authority, to access suspicious transaction reports filed with STRO by their respective regulated entities. Allowing such access will enable law enforcement agencies and government AML/CFT regulators to have better intelligence so that they can enhance their AML/CFT supervisory capabilities.

3. Clarifying and improving processes to deal with seized or restrained properties linked to suspected criminal activities

There will be two main changes in respect of the current processes under the CDSA for dealing with seized or restrained properties.

Disposal of seized or restrained property

Where seized or restrained property is no longer required for investigations or court proceedings, law enforcement agencies are presently required to obtain the consent of all parties involved if they intend to obtain a court order to sell that property. If parties do not consent, law enforcement agencies would have to continue to manage and maintain that property. This could lead to significant costs being incurred. According to the Ministry of Home Affairs, the Singapore police spent nearly S\$650,000 maintaining assets including properties, vehicles and luxury goods such as bags, watches and alcohol, that had been seized during investigations into the recent billion-dollar money laundering case. Furthermore, the value of certain properties, such as vehicles, may depreciate over time.

To address these issues, the Bill will amend the Criminal Procedure Code 2010 (the “CPC”) and the CDSA to allow the police or public prosecutor to apply for the sale of the property where certain conditions are satisfied, such as where:

- All parties consent to the sale;
- The value of the property is likely to depreciate, or undue costs are involved in maintaining the property; or
- The sale would be in the interests of justice.

These amendments are meant to reduce the costs of maintaining seized assets and preserve their value so as to enhance subsequent asset recovery and the amount that may be returned to victims.

Premature release of seized property

The CPC will be amended to prevent the premature release of seized properties linked to persons who are suspected of having committed a crime and who have left the country while investigations are ongoing. Investigations can be wilfully stalled by such absconded persons if they do not cooperate with investigations. At the same time, such absconded persons may also attempt to make a claim to the seized properties from abroad on the basis that investigations have not been able to progress. Currently, the CPC is silent on the processes for dealing with seized properties linked to absconded persons.

To plug this gap, the CPC will be amended to clarify that: (a) where law enforcement agencies apply to court for the continued seizure of properties, the court must not dispose of the properties if it is satisfied that there are ongoing investigations into a person who has absconded; and (b) the absconded person must personally present himself or herself to the law enforcement agency for investigations before he or she can make a claim to the seized properties.

4. Aligning Singapore’s AML/CFT framework for casino operators with FATF standards

To align Singapore’s processes with FATF standards, the Bill will introduce various amendments to Casino Control Act 2006 to address proliferation financing risks and enhance the AML/CFT framework for casino operators.

Firstly, casino operators will be required to consider proliferation financing risks when carrying out their customer due diligence (“CDD”) checks.

Secondly, the Gambling Regulatory Authority of Singapore will be empowered to issue regulations to require casino operators to detect or prevent proliferation financing.

Thirdly, the threshold for carrying out CDD checks will be lowered for cash transactions or deposits. Currently, CDD checks are required where a casino operator enters into a cash transaction with a patron involving S\$10,000 or more in a single transaction or where the casino operator receives a sum of s\$5,000 or more in a single transaction to be deposited in a deposit account. These thresholds will respectively be lowered to S\$4,000.

5. Conclusion

The legislative changes introduced by the Bill are part of Singapore's continuing efforts to ensure the robustness of its AML/CFT regime. They serve to align Singapore's AML/CFT regime with FATF standards and enhance the ability of law enforcement agencies to combat money laundering.

The Bill can be accessed [here](#).

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