# **Annex A Example of AML/CFT Flowchart for Regulated Dealers**

**Example of Entity-Based Requirements**

1. State the following:

* Background of your customers
* Countries that your customers are from
* Products, services, transactions and delivery channels

1. Conduct a risk assessment of the above, e.g. low, medium or high risk
2. Come up with measure to address the risks

**Step 1: Do your risk assessment**

**Step 2: Develop your internal policies, procedures and controls (IPPC)**

1. IPPCs should include the following:

* Assessment of risks faced by your business
* Appointment of compliance officer and his/her responsibilities
* Checks to conduct when hiring employees
* Procedure to conduct customer due diligence (CDD)
* Procedure to complete a cash transaction report (CTR)
* Procedure to conduct enhanced customer due diligence (ECDD)
* Procedure to complete a suspicious transaction report (STR)
* Staff training on AML/CFT
* Record keeping
* Audit of IPPC (if applicable)

**Example of Transaction-Based Requirements**

**Step 1b: How to conduct CDD?**

**Step 1a: When to conduct CDD?**

1. Obtain, record and verify customer’s particulars
2. Obtain, record and verify beneficial owner’s particulars (if any)
3. Check customer against listings for terrorist designation and designated individuals and entities
4. Check if customer is a politically exposed person (PEP)
5. Remember to file cash transaction report (CTR)
6. For designated transactions that exceed S$20,000 in cash or cash equivalent; or
7. Suspicion of money laundering; or
8. Doubts about previously obtained CDD information

**Step 2a: When to conduct ECDD?**

**Step 2b: How to conduct ECDD?**

1. The customer is defined as a PEP;
2. There is a match against the FATF list of high-risk countries; or
3. Customer fits the profile of a higher-risk customer based on your risk assessment
4. Establish customer’s income level, source of wealth and funds
5. Obtain approval from senior management to proceed with the transaction
6. Perform enhanced on-going monitoring of the transactions
7. Any other enhanced measure(s) the dealer assesses to be proportionate to the ML/TF risk of the customer

**To stop the transaction and consider filing a STR when:**

**You are unable to perform or complete any CDD; or when you have reason to suspect that the transaction or customer(s) involved may be connected with ML/TF**

**To stop the transaction and report to the police when:**

**You suspect that the customer is in the listings for terrorist designation and designated individuals and entities.**

# **Annex B Sample Risk Assessment Form**

|  |  |
| --- | --- |
| Name of regulated dealer: | Date of risk assessment: |

* + - 1. **Background of customers in the previous year**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Background** | **Number of transactions** | **% of total transactions[[1]](#footnote-1)** | **Low**  **risk** | **Medium**  **risk** | **High**  **risk** | **Measures to address risk[[2]](#footnote-2)** |
| E.g. Foreign | E.g. 10 | E.g.  10/50 X 100  (total no. of transactions) = 20% |  |  |  |  |
| E.g. Local | E.g. 40 | E.g. 80% |  |  |  |  |
| Etc. | Etc. | Etc. |  |  |  |  |

* + - 1. **Background of foreign countries that customers are from**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Country[[3]](#footnote-3)** | **Number of transactions** | **% of total transactions** | **Low**  **risk** | **Medium**  **risk** | **High**  **risk** | **Measures to address risk** |
| E.g. Country X | E.g. 5 | E.g. 5/50 X 100= 10% |  |  |  |  |
| Etc. | Etc. | Etc. |  |  |  |  |

* + - 1. **Risk level of business function/area/product**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Business function/area/product** | **Low**  **risk** | **Medium**  **risk** | **High**  **risk** | **Measures to address risk** |
| E.g. One-on-one interaction between employee and customer |  |  |  |  |
| E.g. Transaction(payment) processing e.g. processing of cash |  |  |  |  |
| E.g. Frequent turnover of staff |  |  |  |  |
| Etc. |  |  |  |  |

# **Annex C Sample IPPC Document**

Note: Regulated Dealers need to develop and document a set of IPPC which must cover the requirements stated in the Guidelines. Regulated dealers may refer to this sample to customise IPPCs that are appropriate for their business.

**Cover Page**

Document title: Internal Policies, Procedures and Control

Name of regulated dealer:

**Version Control Record**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Version** | **Release Date** | **Key Changes** | **Author** | **Approved by Senior Management** |
| 1.0 | 6 May 2019 | First release | xx | xx |

**Content Page**

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* + 1. Aim ………………………………………………………………………………………………….. 2
    2. Assessment of risks ………………………………………………………………………….. 4
    3. Etc. …………………………………………………………………………………………………… xx

1. **Aim**
   1. Employees of <**Name of regulated dealer**> or the “regulated dealer” play an important role in protecting against money laundering and terrorism financing (ML/TF) risk. The following IPPC will equip you to do so, and ensure that the business is in compliance with the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Act 2019 (“PSPM Act”).
   2. Reference should also be made with the PSPM Act and Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Regulations (“PMLTF Regulations”) as well as Guidelines from the Ministry of Law and relevant government agencies.
2. **Assessment of risks** 
   1. The regulated dealer shall conduct a risk assessment of its business to identify, assess and understand its ML/TF risks in relation to:
3. the profile of its customers;
4. the customers’ country of origin;
5. the countries where the regulated dealer has operations; and
6. the regulated dealer’s products, services, transactions, delivery channels, etc.
   1. The regulated dealer shall develop measures (internal rules, processes, etc.) to address the identified risks, and ensure that all employees follow and implement such measures.
   2. The regulated dealer shall ensure that its risk assessments are up-to-date by regularly reviewing it every <**X months**>, before launching a new product or a new business practice or before using a new or developing technology for any new or existing product.
   3. The assessment must be seen and/or evaluated and signed off by the highest ranking employee in the senior management of the regulated dealer or whosoever he/she designates in the senior management team.
   4. <**Additional item(s) to be decided by the regulated dealer**>
7. **Appointment of a Compliance Officer** 
   1. The regulated dealer shall appoint a management level employee to be the Compliance Officer for all anti-money laundering/countering the financing of terrorism (“AML/CFT”) efforts, including the design and execution of these IPPCs. In the case of a sole proprietorship, the sole proprietor is the designated Compliance Officer. The responsibilities of the Compliance Officer shall be as follow:
8. Trained/be familiar with the PSPM Act, PMLTF Regulations, relevant regulations and Guidelines issued by the Ministry of Law and relevant government agencies;
9. Ensure that the regulated dealer is in full compliance with the PSPM Act and its regulations;
10. Be responsible for day-to-day operation of the regulated dealer’s AML/CFT measures;
11. Be the main point-of-contact with the Registrar of Regulated Dealers under the Ministry of Law and law enforcement authorities. The compliance officer shall ensure that he/she is reasonably contactable and should appoint a covering officer (in writing to the covering officer), where possible;
12. Ensure that remedial actions are taken in a timely and effective manner when there are instances of non-compliance;
13. Regularly conduct internal audits of all compliance procedures/processes related to AML/CFT of the regulated dealer (if applicable, refer to section 11); and
14. <**Additional item(s) to be decided by the regulated dealer**>
15. **Conduct employee checks when hiring employees (Not applicable to sole proprietorships)**
    1. The regulated dealer shall check each employee before hiring, against the following information sources:
16. Ministry of Home Affairs Inter Ministry Committee-Terrorist Designation (IMC-TD) webpage for listings on terrorist designation (persons designated as terrorists) : <https://www.mha.gov.sg/inter-ministry-committee-terrorist-designation-(imc-td)>;
17. Monetary Authority of Singapore webpage for sanction listings on designated individuals: <https://www.mas.gov.sg/regulation/anti-money-laundering/targeted-financial-sanctions/lists-of-designated-individuals-and-entities>;
18. Public sources like the internet, or against commercial databases, to check if a prospective employee has any adverse/negative news which may pose an ML/TF risk to the dealer, e.g. history of dishonest behaviour;
19. Declaration made by potential employee that such a person:
20. was not convicted of any offence involving fraud or dishonesty; and
21. is not an undischarged bankrupt.
22. <**Additional item(s) to be decided by the regulated dealer**>
23. **Procedure to conduct Customer Due Diligence (CDD)** 
    1. Employees of the regulated dealer shall follow the following procedure when conducting CDD:
24. The employee shall complete the CDD form as shown in **Annex E**.
25. The employee shall update the supervisor (if any) and/or managerial-level employee (if any) and/or compliance officer if there are any matches to the:
    1. Ministry of Home Affairs: Inter-Ministry Committee-Terrorist Designation (IMC-TD) website (<https://www.mha.gov.sg/inter-ministry-committee-terrorist-designation-(imc-td)>);
    2. UN sanction List from the Monetary Authority of Singapore website (<https://www.mas.gov.sg/regulation/anti-money-laundering/targeted-financial-sanctions/lists-of-designated-individuals-and-entities>); and
    3. Financial Action Task Force (FATF) list of high-risk countries ([www.fatf-gafi.org/countries/#high-risk](http://www.fatf-gafi.org/countries/#high-risk)).
26. The employee shall update the supervisor (if any) and managerial-level employee (if any) if the customer is defined as a Politically Exposed Person (PEP).
27. In the case of para 5.1(b)(i) and 5.1(b)(ii), the regulated dealer shall stop the transaction and lodge a Suspicious Transaction Report (STR) within 15 business days.
28. In the case of para 5.1(b)(iii) and 5.1(c), the regulated dealer shall continue with enhanced customer due diligence (ECDD) (refer to section 7).
29. In the case that CDD cannot be completed, the regulated dealer shall stop the transaction and lodge a police report.
30. <**Additional item(s) to be decided by the regulated dealer**>
31. **Procedure to complete a Cash Transaction Report (CTR)**
    1. The following procedure shall apply for the regulated dealer and employees when completing a CTR:
32. The regulated dealer shall designate an employee e.g. Compliance Officer or employee/s to complete a CTR.
33. The employee who is communicating with the customer and/or conducting CDD shall inform the supervisor on the necessity to lodge a CTR.
34. The designated employee tasked with completing the CTR shall submit Form NP 759 at the Suspicious Transaction Reporting Office (“STRO”) Online Notices And Reporting Platform (“[SONAR](http://www.police.gov.sg/sonar)”) at <http://www.police.gov.sg/sonar> within 15 business days.
35. The designated employee shall check all the inputted information to ensure accuracy.
36. <**Additional item(s) to be decided by the regulated dealer**>
37. **Procedure to conduct Enhanced Customer Due Diligence (ECDD)**
    1. Employees of the regulated dealer shall follow the following procedure when conducting ECDD:
38. The employee shall complete the ECDD form as shown in **Annex F**.
39. The employee shall update the supervisor (if any) and managerial-level employee (if any) if ECDD cannot be completed.
40. <**Additional item(s) to be decided by the regulated dealer**>
    1. The regulated dealer shall assign an employee to conduct enhanced and regular (the time-frame to be decided by the regulated dealer) checks of higher-risk customers.
    2. <**Additional item(s) to be decided by the regulated dealer**>
41. **Procedure to complete a Suspicious Transaction Report (STR)**
    1. The following procedure shall apply for the regulated dealer and employees when completing a STR:
42. The regulated dealer shall designate an employee e.g. Compliance Officer or employees tasked to complete a STR;
43. The employee who is communicating with the customer and/or conducting CDD or ECDD shall inform the supervisor on the necessity to complete a STR (a discussion may be necessary);
44. The designated employee tasked with completing a STR shall submit via the [SONAR](http://www.police.gov.sg/sonar) within 15 business days; and
45. The designated employee shall check all the inputted information to ensure accuracy and/or get clearance from the compliance officer.
46. <**Additional item(s) to be decided by the regulated dealer**>
47. **Staff training on AML/CFT**
    1. The regulated dealer shall ensure that its employees attend on-going training on AML/CFT matters. The training can be conducted internally or through the engagement of external training providers.
    2. The regulated dealer shall record the names of the employees who had undergone training and the courses attended (with date/s of courses attended).
    3. <**Additional item(s) to be decided by the regulated dealer**>
48. **Record keeping** 
    1. The Regulated Dealer shall keep copies of documents with the following information for a period of **5 years**:

*For all customers*

1. Customer’s identifying information;
2. A copy of the supporting document that was relied upon for the customer’s identifying information (e.g. NRIC, passport);
3. Whether the customer is the owner of the cash or cash equivalent received from the customer, or owner of the PSPM purchased or redeemed from the customer;
4. Identifying information of the person the customer is acting on behalf of, if the customer is not the owner mentioned in para 10.1(c);
5. Proof that the customer is authorised to act on behalf of that other person, if the customer is not the owner mentioned in paragraph 10.1(c);
6. Date of transaction or intended transaction;
7. Amount of transaction or intended transaction;
8. Description of the PSPMs sold, purchased or redeemed under the transaction or intended transaction;
9. Address where the transaction was carried out, or would have been carried out;
10. Name and designation of the individual who carried out (or would have carried out) the transaction on behalf of the regulated dealer; and
11. The reason why the regulated dealer was unable to or chose not to complete any CDD measures;
12. Supporting documents relied on in making a CTR;
13. Where ECDD or SCDD was carried out, the name and designation of the person holding the senior managerial or executive position in the regulated dealer who approved the transaction with the customer.
14. A copy of all CTRs.

*For customers acting on behalf of a legal person*

1. the name of the legal person;
2. the legal form of the legal person;
3. proof of the legal person’s existence (e.g. Certificate of Good Standing);
4. the place under which the legal person is incorporated, registered or otherwise constituted;
5. the instrument under which the legal person is constituted (e.g. Articles of Association);
6. if the legal person is incorporated or registered in Singapore, its unique entity number (UEN No.);
7. if the legal person is incorporated or registered outside Singapore, its foreign incorporation or registration number;
8. if the legal person is an entity, the identity of each individual having a senior management position in the legal person;
9. the address of the legal person’s registered office and its principal place of business.
10. if the legal person is an entity:
    * 1. the identifying information of each individual who ultimately has a controlling ownership interest in the legal person;
      2. if it is doubtful whether all or any of the individuals who ultimately have a controlling interest in the legal person are its beneficial owners, or where no individual exerts control through ownership interests, the identifying information of each individual (if any) exercising control of the legal person through other means; or
      3. if no individual is identified under sub-paragraphs (i) and (ii), the identifying information of each individual having a senior management position in the legal person.
11. if the legal person is a trust, the identities of:
    * 1. the settlor;
      2. each trustee;
      3. the protector (if any);
      4. each beneficiary or class of beneficiaries; and
      5. any other individual exercising ultimate effective control over the trust;
12. if the legal person is a legal arrangement that is not a trust, the identity of each person holding a position equivalent or similar to any position in paragraph (y).
    1. <**Additional item(s) to be decided by the regulated dealer**>
13. **Audit of IPPC** (*Applicable to regulated dealers who conduct designated transactions*)
    1. The regulated dealer shall conduct an independent audit of its IPPC to assess the effectiveness of measures taken to prevent ML/TF. This include the following:
14. Determine the adequacy and relevance of the IPPC;
15. Assess employees’ compliance with IPPC; and
16. Assess whether instances of non-compliance are reported to senior management on a timely basis.
    1. The regulated dealer shall state that the frequency of such audits is every **X** month.
    2. The auditing unit must be adequately independent of the business arm.
    3. <**Additional item(s) to be decided by the regulated dealer**>
17. **Additional procedures (deemed necessary by the regulated dealer)**
    1. XXX

# **Annex D Red Flag Indicators for Regulated Dealers**

The list is not exhaustive and may be updated due to changing circumstances and new methods of laundering money or financing terrorism. Regulated dealers are to refer to STRO’s website for the latest list of red flags.

**Red Flag Indicators: Customers**

**Transaction Patterns**

* 1. Transactions that are not consistent with the usual profile of a customer:
     + 1. Transactions that appear to be beyond the means of the customer based on his/her stated or known occupation or income; or
       2. Transactions that appear to be more than the usual amount for a typical customer of your business.
  2. Unusual payment methods, such as large amounts of cash, traveller’s cheques, or cashier's cheques.
  3. Large or frequent transactions that are in a foreign currency.
  4. Numerous transactions by a customer, especially over a short period of time, such that the amount of each transaction is not substantial (e.g. below the regulatory threshold for customer due diligence), but the cumulative total of which is substantial.
  5. Use of third parties in transactions related to precious metals and precious stones, for example:
     + 1. Payments received from a third party, who is not the owner of the funds, without legitimate business purpose; or
       2. Precious stones/metals product delivered to a third party, who is not the owner or payer of funds, without legitimate business purpose.

Note: Payments may be in the form of third party cheques or a third party credit card.

**Customer Behaviour**

1. The customer enquires about refund policies and requests for large refunds subsequently.
2. The customer does not consider the value, size and/or colour of the precious stone, precious metal or precious product.
3. The customer is suspected to be using forged, fraudulent or false identity documents for due diligence and record keeping purposes.
4. The customer is unusually concerned with the Regulated Dealer’s AML/CFT policies.
5. The customer pays for precious metals, precious stones or precious products with cheques, but noted on the cheque that the payment is for something else.
6. The customer attempts to maintain a high degree of secrecy with respect to the transaction, for example –
7. To request that normal business records not to be kept; or
8. The customer is unable or unwilling to provide information for due diligence and record keeping purposes.
9. The customer or the declared owner of the funds is traced to negative news or crime e.g. he is named in a news report on a crime committed, or detected when screened against UN Security Council Resolutions (UNSCRs).
10. The customer appears to be related to a country or entity that is associated with money laundering or terrorism activities or a person that has been designated as terrorists.
11. The customer appears to be in a hurry to complete the transaction.

**Red Flag Indicators: Suppliers**

**Transaction Patterns**

1. Transactions that are not consistent with the usual profile of a supplier:
2. Over or under-invoicing, structured, complex, or multiple invoice requests, and high-dollar shipments that are over or underinsured; or
3. Transactions which are excessive, given the amount or quality, or potential profit from the sale of precious metals and stones; or
4. Consignment size or type of precious stone, precious metals or precious product being shipped appears inconsistent with the capacity of the exporter or importer, i.e. the shipment does not make economic sense.
5. Use of third parties in transactions related to precious metals and precious stones, for example:
6. Funds paid to a third party who is not related to the supplier, without legitimate business purpose; or
7. Precious stones, precious metals or precious products delivered from a third party who is not related to the supplier, without legitimate business purpose.

**Supplier Behaviour**

1. The supplier is unable to provide information for due diligence and record keeping purposes.
2. The supplier is suspected to be using forged, fraudulent or false identity documents for due diligence and record keeping purposes.
3. The origins of the precious stone, precious metal or precious product appear to be fictitious.
4. The supplier is unusually concerned with the Regulated Dealer’s AML/CFT policies.
5. The supplier attempts to maintain a high degree of secrecy with respect to the transaction, for example –
   1. Request that normal business records not to be kept; or
   2. Unwillingness to identify Beneficial Owners or controlling interests, where this would be commercially expected; or
   3. Request for payments to be made through money services businesses or other non-bank financial institutions for no apparent legitimate business purposes.
6. (For diamonds only) Rough diamonds are not accompanied by a valid Kimberley Process (KP) certificate. For example:
   1. No KP certificate attached to the shipment of rough diamonds; or
   2. The KP certificate is or appears to be forged; or
   3. The KP certificate has a long validity period.
7. The supplier is traced to negative news or crime e.g. he is named in a news report on a crime committed, or detected when screened against UN Security Council Resolutions (UNSCRs).
8. The supplier appears to be related to a country or entity that is associated with money laundering or terrorism activities or a person that has been designated as terrorists.
9. The supplier transports precious stones or metals through a country that is associated with money laundering or terrorism activities for no apparent economic reason.
10. The supplier appears to be in a hurry to complete the transaction.

# **Annex E Sample CDD Form**

|  |  |
| --- | --- |
| **Customer Due Diligence (CDD)**  **FORM A – Customer’s Particulars** | |
| Name of regulated dealer: | Date: |
| Name of employee: | Signature of employee: |

|  |  |  |
| --- | --- | --- |
| **A1. Customer’s Particulars (For Individuals)** | | |
|  | Transaction number: |  |
|  | Date/Time of transaction: |  |
|  | Transaction value: |  |
|  | Description of PSPM: |  |
|  | Full name (including any alias): |  |
|  | Date of birth: |  |
|  | Residential address: |  |
|  | Contact No: |  |
|  | Nationality: |  |
|  | Type of identification document: | **NRIC**  **Passport**  **Others:** |
|  | Identification number: |  |
|  | Date of identification expiry (if applicable): |  |
|  | Occupation: |  |
|  | Name of the beneficial owner: |  |
|  | Is the customer authorised to act on behalf of the BO? |  |
|  | Other information obtained on the beneficial owner ((similar to above i.e. (5) to (13)): |  |
| **A2. Customer’s Particulars (For Entities)** | | |
|  | Transaction number: |  |
|  | Date/Time of transaction: |  |
|  | Transaction value: |  |
|  | Description of PSPM: |  |
|  | Full name of entity: |  |
|  | Date of incorporation or registration: |  |
|  | Country of incorporation or registration: |  |
|  | UEN/Incorporation no./Registration no.: |  |
|  | Date of identification expiry (if applicable): |  |
|  | Main business activity: |  |
|  | Type of legal entity: | **Sole proprietorship**  **Partnership**  **Limited partnership**  **Limited liability partnership**  **Company**  **Corporation**  **Others:** |
|  | Proof of legal entity’s existence e.g. certificate of good standing from ACRA: |  |
|  | Instrument under which entity is constituted e.g. articles of association or memorandum of association: |  |
|  | Registered office address: |  |
|  | Principal address of business (if different from registered office address): |  |
|  | Telephone number: |  |
|  | Email address: |  |
|  | Nature of business of the legal entity: |  |
|  | Name & identification information of senior management of the legal entity: |  |
|  | Name of beneficial owner: |  |
|  | Other information obtained on the beneficial owner ((similar to above i.e. (5) to (18)): |  |
| **A3. Customer’s Particulars (For Legal Arrangements)** | | |
|  | Transaction number: |  |
|  | Date/Time of transaction: |  |
|  | Transaction value: |  |
|  | Description of PSPM: |  |
|  | Full name of legal arrangement: |  |
|  | Type of legal arrangement: | **Trust**  **Not a trust** |
|  | Country in which the legal arrangement is constituted: |  |
|  | Proof of the legal arrangement’s existence: |  |
|  | Instrument under which the legal arrangement is constituted e.g. deed of trust: |  |
|  | Full name of settlor: |  |
|  | Type of identification document: | **NRIC**  **Passport**  **Others:** |
|  | Identification number: |  |
|  | Date of identification expiry (if applicable): |  |
|  | Full name of trustee(s): |  |
|  | Type of identification document: | **NRIC**  **Passport**  **Others:** |
|  | Identification number: |  |
|  | Date of identification expiry (if applicable): |  |
|  | Full name/class of beneficiaries: |  |
|  | Any other person exercising ultimate ownership/control over the legal arrangement: |  |
|  | Nature of business of the legal arrangement |  |

|  |  |
| --- | --- |
| **Customer Due Diligence (CDD)**  **FORM B – Check customer’s name against lists on:**   * Terrorist designation * Sanctions lists on designated individuals and entities * FATF public list of high-risk and other monitored jurisdictions   \*Note: This form should not be shown to the customer. | |
| Name of regulated dealer: | Date: |
| Name of employee: | Signature of employee: |

|  |  |  |
| --- | --- | --- |
| **B1. Check Against Lists on Terrorist Designation and Designated Individuals and Entities** | | |
| 1. | Ministry of Home Affairs (“MHA”)’s website on the Inter-Ministry Committee on Terrorist Designation (“IMC-TD”) on terrorist designation (persons and entities designated as terrorists):  <https://www.mha.gov.sg/inter-ministry-committee-terrorist-designation-(imc-td)> | **Any match?**  **Yes/  No**  \*Important:  If yes, to stop transaction and lodge a police report. |
| 2. | Monetary Authority of Singapore (“MAS”)’s website on targeted financial sanctions under the United Nations Regulations (“UN Regulations”) for the lists of designated individuals and entities:  <https://www.mas.gov.sg/regulation/anti-money-laundering/targeted-financial-sanctions/lists-of-designated-individuals-and-entities> | **Any match?**  **Yes/  No**  \*Important:  If yes, to stop transaction and lodge a police report. |
| **B2. Politically Exposed Person (PEP)** | | |
| 1. | Is the customer a Politically Exposed Person (PEP)? | **Yes/  No**  \*Important:  If yes; to proceed with ECDD. |
| **B3. Check against FATF Public List of High-Risk and Other Monitored Jurisdictions** | | |
| 1. | FATF public list on high-risk and other monitored jurisdictions:  [www.fatf-gafi.org/countries/#high-risk](http://www.fatf-gafi.org/countries/#high-risk) | **Any match?**  **Yes/  No**  \*Important:  If yes, to proceed with ECDD. |
| **B4. Higher-Risk Customer Based on Risk Assessment Conducted by Regulated Dealer** | | |
| 1. | Does the customer fit the profile of a higher-risk customer based on their own risk assessment conducted by regulated dealer? | **Yes/  No**  \*Important:  If yes; to proceed with ECDD. |

# **Annex F Sample ECDD Form**

|  |  |
| --- | --- |
| **Enhanced Customer Due Diligence (ECDD)**  \*Note: This form should not be shown to the customer.  Where ECDD is conducted, to attach completed (1) CDD Form A, (2) CDD Form B and (3) ECDD Form, together with copies of all supporting documents. | |
| Name of regulated dealer: | Date: |
| Name of employee: | Signature of employee: |

|  |  |  |
| --- | --- | --- |
|  | **Income Level, Source of Wealth and Source of Funds** | |
| 1. | Establish the following (by reasonable means e.g. internet scanning and careful enquiries with the customer):   * 1. income level;   2. source of wealth (i.e. source of overall assets); and   3. source of funds (i.e. source of the funds used to pay for the transaction) | **Income level:**  **Source of wealth:**  **Source of funds:**  **Source of information:**  \*Important:  To consider terminating the transaction if unable to establish source of income and lodge STR. |
|  | **Prior Approval from an Employee of Senior Managerial/Executive Position** | |
| 1. | Obtain prior approval from an employee holding a senior managerial or executive position before establishing/continuing dealings with a higher-risk customer. | **Approve**  **Not approve**  \*Important: To terminate the transaction if approval is not given. |
| **Signature of employee of senior managerial/executive position:** |
| **Name:** |
| **Designation:** |
| **Date:** |
|  | **Enhanced On-Going Monitoring** (To be carried out at later date(s), determined by the regulated dealer) | |
| 1. | Conduct enhanced ongoing monitoring on the transactions performed by that higher-risk customer i.e. consider regularly checking against all sections of CDD and ECDD. | **Date of recheck:** |
| **Remarks:** |
| **Signature:** |
| **Name of employee:** |
| **Designation:** |
| **Date:** |

1. Good to know the number and percentage of transactions so that the regulated dealer is aware of the spread of customer background. [↑](#footnote-ref-1)
2. The assessment of what represents low, medium and high is based on the regulated dealer’s understanding of its own business process. The same risk may be low for one regulated dealer, but be high for another regulated dealer. [↑](#footnote-ref-2)
3. Regulated dealers should check against the FATF public lists of high-risk and other monitored jurisdictions at <http://www.fatf-gafi.org/topics/high-riskandnon-cooperativejurisdictions/> [↑](#footnote-ref-3)