

**KEY POLICIES IN THE ACRA (SERVICE PROVIDERS) REGULATIONS**

1. ACRA (Service Providers) Regulations (“Regulations”) will be introduced, together with the proposed amendments to the ACRA Act, to provide further details on the enhanced framework for corporate service providers (CSPs).

2. The new Regulations will set out:

(a) the categories of people who may apply to be “qualified individuals”:

- advocates and solicitors;
- public accountants registered under the Accountants Act (Cap. 2);
- members of the Institute of Singapore Chartered Accountants;
- members of the Association of International Accountants (Singapore Branch);
- members of the Institute of Company Accountants, Singapore;
- members of the Singapore Association of the Institute of Chartered Secretaries and Administrators;
- corporate secretarial agents, which mean individuals who are carrying on the business of providing corporate secretarial services for one or more companies and who have been company secretaries for at least 3 years in the preceding 5 years; and
- any other person who, in the opinion of the Chief Executive is a fit and proper person to be a qualified individual.

(b) the fit and proper considerations for applications to be filing agents and qualified individuals:

- whether the applicants’ previous conduct as registered filing agents or registered qualified individuals had been satisfactory; and
- for applicants to be filing agents, whether the previous conduct of their directors or persons directly or indirectly taking part in or concerned in the management of a registered filing agent had been satisfactory.

(c) the fees that will be applicable under the enhanced regulatory framework;

(d) the terms and conditions that a registered filing agent or qualified individual has to comply with upon successful registration, which include the following:

- (i) A registered filing agent will be required to apply customer due diligence measures when he establishes a business relationship with the customer,

suspects that there is money laundering or terrorism financing, or where he doubts the veracity of identification or verification of documents. He will also be required to apply customer due diligence measures at other appropriate times to existing customers on a risk-sensitive basis. Customer due diligence measures include:

- identifying the customer and verifying the customer's identity based on reliable and independent documents, data or information;
  - identifying the beneficial owner and taking reasonable measures, on a risk-sensitive basis to verify his identity, where there is a beneficial owner who is not the customer; and
  - obtaining information on the purpose and intended nature of the business relationship.
- (ii) A registered filing agent will also be required to apply enhanced customer due diligence measures if he proposes to have a business relationship with a politically exposed person<sup>1</sup>, which includes inquiring into the background and purpose of the proposed business relationship, and obtaining senior management's approval for establishing the proposed business relationship with that person.
- (iii) A registered filing agent will also be required to apply enhanced customer due diligence measures in other situations not involving a politically exposed person, for example:
- for all complex or unusually large transactions, or unusual patterns of transactions that have no apparent or visible economic or lawful purpose;
  - when he proposes to have a business relationship with any person from foreign countries that have deficient anti-money laundering or anti-financing of terrorism measures; and
  - for such other categories of customers or such other transactions which he considers may present a high risk of money laundering or the financing of terrorism.

Enhanced customer due diligence measures mean inquiring into the background and purpose of the relevant transactions or business relationship, and keeping a record in writing of the registered filing agent's findings.

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<sup>1</sup> "Politically exposed person" means an individual who is or has been entrusted with any prominent public function in Singapore or a foreign country, or an individual who is or has been entrusted with any prominent public function by an international organisation, and includes an immediate family member or close associate of such an individual.

- (iv) If a registered filing agent is unable to apply customer due diligence measures, he must not deal with the customer and he must also consider whether he is required to make a disclosure order under the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act and Terrorism (Suppression of Financing) Act.
- (v) In addition, a registered filing agent is required to establish and maintain appropriate internal policies, procedures and controls relating to, for example, customer due diligence measures, monitoring, record keeping and reporting, and hiring and training of employees, in order to prevent activities related to money laundering and financing of terrorism. These internal policies, procedures and controls must be regularly and independently audited. The filing agent is also required to establish and maintain appropriate internal policies, procedures and controls to ensure proper oversight over his employees and the registered qualified individuals engaged, appointed or employed by him.
- (vi) A registered qualified individual will be required to ensure that documents used in filing transactions are complete and in proper form and contain accurate information, and that these relate to and are authorised by the registered filing agent's customer. He will also be required to exercise supervision over employees of the registered filing agent whom he appoints for the purpose of carrying out filing transactions.