



MEDIA RELEASE

NEW MANDATORY TRAINING AND PROFICIENCY TEST TO STRENGTHEN CORPORATE SERVICE PROVIDERS' RESILIENCE AGAINST MONEY LAUNDERING AND TERRORIST FINANCING

Singapore, 11 May 2018 – A new mandatory training and proficiency test will soon be introduced for the corporate service providers (CSP) sector to help boost professional standards of the CSP industry and Singapore's reputation as a trusted international financial and business hub. From 15 November 2018, CSPs seeking to be registered as Filing Agents (RFAs) with the Accounting and Corporate Regulatory Authority (ACRA) will need to undergo the training and a proficiency test before being allowed to register or renew their registrations.

2 CSPs provide services such as companies set-up, corporate secretarial services and statutory filing of documents with ACRA. In 2015, regulations [including anti-money laundering (AML) and counter financing of terrorism (CFT)] were introduced to require CSPs to register with ACRA. The new training programme is part of on-going efforts to strengthen the CSP sector's resilience to illicit activities such as money laundering and terrorism financing.

3 This initiative was announced by the Chief Executive of ACRA, Mr Ong Khiaw Hong at the third annual CSP Conference held at the Raffles City Convention Centre this morning. In his keynote address to over 400 CSPs, Mr Ong noted the key role that CSPs play in helping to combat illicit corporate activities. He said that CSPs should "remain mindful of the growing complexity and cross-border nature of such illicit activities" and urged them to "stay up to date with AML and CFT measures and implement them correctly".

4 To ensure that the training programme is relevant for industry needs and incorporates good industry practices, ACRA worked with the Chartered Secretaries Institute of Singapore (CSIS) and Institute of Singapore Chartered Accountants (ISCA) to develop the training programme. New applicants seeking to be a RFA, as well as existing RFAs have to complete the mandatory training and take the online proficiency test administered by ACRA. The majority of existing RFAs registered with ACRA will have until April 2019 to complete the training and take the test as they will only renew their registration with ACRA in April 2019. More details are provided at Annex A.

5 At the conference, ACRA also shared findings from its latest round of compliance reviews of RFAs. There was a marked improvement with close to 75% of RFAs achieving a “Compliant” rating for AML/CFT requirements compared to 50% two years ago. Another 15% achieved a satisfactory rating with room for improvement. A small segment of the CSP sector however was still found to be non-compliant with significant breaches detected. To deter such breaches and enhance market transparency, Mr Ong announced in his speech that ACRA will be publishing the names of RFAs that have been suspended or had their registration cancelled due to severe breaches of AML/CFT regulations. This will take effect for RFAs found to have committed serious breaches arising from inspections conducted from 1 June 2018 onwards. The information will be made publicly available on the ACRA website and BizFile+ portal.

6 Commenting on the new regulatory measures, Ms Grace Tan, Chief Executive of CSIS which organises the annual CSP Conference said, “With the crucial role they play servicing corporate clients, the CSP sector must ensure appropriate internal policies, procedures and controls are in place to mitigate the risks of money laundering and terrorism financing. CSIS is confident that the mandatory training will help raise the professional standing of the CSP sector.”

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About ACRA

The Accounting and Corporate Regulatory Authority (ACRA) is the national regulator of business entities, public accountants and corporate service providers in Singapore. We promote a trusted and vibrant environment for businesses to thrive and flourish, and contribute towards making Singapore the best place for business.

For more information, please visit: www.acra.gov.sg.

Annex A

New Mandatory Training Programme and Proficiency Test for Registered Filing Agents

	Requirements for registration	Requirements to continue registration
Existing RFAs whose renewal are due on/after 15 Nov 2018	Attend prescribed course and pass test before registration as a pre-condition	Attend prescribed course and pass test at least once in every two years as a pre-condition of renewal
New RFA applicants seeking registration from 15 Nov 2018	Attend prescribed course and pass test before registration as a pre-condition	Attend prescribed course and pass test at least once in every two years as a pre-condition of renewal

The course is designed to enhance RFAs' knowledge and understanding of:

- AML/CFT legislation and obligations for RFAs;
- the AML/CFT environment in Singapore and international money-laundering and terrorist and proliferation financing trends and typologies
- money-laundering and terrorist and proliferation financing risks associated with RFAs;
- how to carry out risk assessments, and conduct various types of customer due diligence, including enquiries into beneficial ownership; and
- record-keeping requirements

Sanctions imposed on CSPs

The following are the types of sanctions that can be imposed on CSPs for breaches/non-compliance:

- cancel the registration of an RFA
- suspend the registration of an RFA for a period not exceeding 12 months
- restrict the RFA's use of BizFile+
- the imposition of financial penalty
- issuance of a censure

ACRA will publish the names of RFAs whose registration have been suspended or cancelled due to severe breaches of AML/CFT regulations arising from inspection conducted by ACRA from 1 June 2018. The information will be made available on ACRA website and BizFile+ portal.

The cancellation of registration carries with it a two-year moratorium period. A RFA whose registration has been cancelled will not be able to register as an RFA for two years.