

FREQUENTLY ASKED QUESTIONS

General

1. Why is it necessary for developers to be subject to the new anti-money laundering and terrorism financing (AMLTF) requirements?

The Financial Action Task Force (FATF) sets the standards for measures to combat money laundering (ML) and terrorism financing (TF). The FATF's recommendations on AMLTF measures apply to financial institutions and nine designated non-financial businesses and professions (DNFBPs), the latter including the real estate sector. As key stakeholders in the real estate sector, developers are important gatekeepers to counter the threat of ML and TF.

2. What happens if the developer has submitted a licence application before the implementation date but the licence has not been issued. Will the developer be subject to the new AMLTF requirements when licence is issued? Will the new AMLTF requirements apply to existing licensed housing developers?

The new AMLTF requirements will apply to all licensed housing developers, including existing and newly licensed housing developers.

3. When will a developer's obligations to comply with the AMLTF requirements end?

Developers are required to comply with the AMLTF requirements so long as they are regulated under the Housing Developers (Control & Licensing) Act (HDCLA) and Sale of Commercial Properties Act (SCPA).

Developers are also required to comply with the other legislative requirements on AMLTF such as Terrorism (Suppression of Financing) Act 2002 ("TSOFA"), United Nations Act 2001 ("UN Act") and the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 ("CDSA").

4. What should a developer do if it suspects a purchaser is involved in money laundering or terrorism financing activities?

For suspicions of ML or TF, developers are required to submit a Suspicious Transaction Report (STR) to the Suspicious Transaction Reporting Office (STRO) of the Commercial Affairs Department and record the basis of the submission. Developers would have to seek their Management's approval to enter into the transaction if the purchaser is deemed as high-risk, based on developers' risk analysis of the purchaser.

Please note that under the existing provisions in TSOFA and UN Act, it is an offence to deal with a terrorist, terrorist entity or a designated person. Hence, developers must decline to enter into any transaction with the purchaser, terminate any transaction entered into with the purchaser, if a developer has reason to suspect that the purchaser, any beneficial owner of the purchaser or any person acting on behalf of the purchaser is a terrorist, terrorist entity or a designated person.