

PRESS RELEASE

**Strengthening Anti-Money Laundering and
Countering the Financing of Terrorism Regulation for
the Precious Stones and Metals Dealers Sector**

1. The Ministry of Law (MinLaw) announced today that it will put in place a new anti-money laundering and countering the financing of terrorism (AML/CFT) regulatory regime for precious stones and metals dealers (PSMDs) in Singapore. Under the new regime, PSMDs will be required to identify, assess and understand the money laundering and terrorism financing risks posed by its customers and transactions; and to put in place internal policies, procedures and controls to mitigate these risks amongst other requirements. They will also need to register with MinLaw, which will be the regulatory agency. The new regulatory regime for the PSMD sector will help strengthen Singapore's overall effort in countering money laundering and terrorism financing.
2. MinLaw will develop the new regulatory regime, in consultation with industry stakeholders, including the industry associations, manufacturers, wholesalers and retailers. MinLaw will assess the money laundering and terrorism financing risks faced by the sector and adopt a targeted, risk-based approach to address the risks while keeping regulatory costs reasonable. The new requirements will be aligned with recommendations issued by the Financial Action Task Force, the international standard-setting body for AML/CFT standards. In the coming months, MinLaw will conduct a public consultation on the proposed regulatory regime.
3. Money laundering enables criminals to commit crimes by obscuring the proceeds of their crimes, while terrorism financing supports terrorist organisations and activities. Singapore has a strong regulatory AML/CFT framework for prevention, supervision, enforcement, confiscation of the proceeds of crime, and targeted financial sanctions against terrorism and proliferation financing. Singapore also has a good framework for international coordination on AML/CFT and reasonable assessment and mitigation of risks. There is robust supervision of the financial sector, with regular engagements fostering a deep understanding of AML/CFT issues within the industry. Designated non-financial sectors, such as pawnbrokers, are also subject to a comprehensive range of AML/CFT measures.

4. Precious stones and metals are portable, valuable, and easily convertible to cash. This exposes the PSMD sector to inherent money laundering and terrorism financing risks. However, the sector is largely not regulated for AML/CFT purposes. Currently, all PSMDs need to comply with the requirements under the cash transaction reporting (CTR) regime¹ which includes conducting customer due diligence for cash transactions worth S\$20,000 or more. Unlike other sectors, the PSMD sector does not have to meet other AML/CFT obligations, such as conducting assessments of the money laundering and terrorism financing risks they face or introducing appropriate internal controls to address these risks.
5. The new AML/CFT regulatory regime will close this gap. It will manage the money laundering and terrorism financing risks in the sector, which is crucial to combating crime and improving security, not only domestically but also globally.

About the Financial Action Task Force

6. The Financial Action Task Force (FATF) is an inter-governmental body established in 1989 by the relevant Ministers of its member jurisdictions. The FATF sets standards and promotes effective implementation of legal, regulatory and operational measures for combating money laundering, terrorism financing and other related threats to the integrity of the international financial system. The FATF monitors the progress of its members in implementing necessary measures, reviews money laundering and terrorist financing techniques and counter-measures, and promotes the adoption and implementation of appropriate measures globally. Singapore has been a member of the FATF since 1992.

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¹ The legal requirements were enacted under Part VIB of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act and the Corruption, Drug Trafficking and Other Serious Crimes (Cash Transaction Reports) Regulations 2014.