

21	<u>ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM (AML/CFT)</u>
21.1	Definition
21.1.1	Money Laundering (ML) is the process by which proceeds from a criminal activity are disguised to conceal their illicit origins, such as drug trafficking or other criminal activities to make it appear legitimate.
21.1.2	Terrorist Financing (TF) is simply defined as financial support, in any form, of terrorism or of those who encourage, plan, or engage in terrorism.
21.2	The link between ML and TF
21.2.1	ML and TF often display similar transactional features, mostly having to do with concealment and disguise. Though different, there is still a subtle relationship between ML and TF as the techniques used to launder money are essentially the same as those used to conceal the sources of, and uses for, TF.
21.2.2	While ML is the process of concealing proceeds of crime, TF conceals the usage of funds for terrorist purposes. However, a significant difference between ML and TF would be that funds involved in TF can originate from both legal and illegal sources. Such legitimate sources may include donations to charities, that may in turn be used to support terrorist activities or terrorist organisations.
21.3	AML/CFT Legislation in Singapore
21.3.1	The Corruption, Drug Trafficking and Other Serious Crimes Act (CDSA) and Terrorism (Suppression of Financing) Act (TSOFA) are the primary legislations enacted to combat ML and TF in Singapore.
21.3.2	The CDSA criminalises the laundering of proceeds derived from drug trafficking and other serious offences. Under the CDSA, it is mandatory for any person to lodge a STR if he knows or has reason to suspect that any property may be connected to a criminal activity. Failure to do so may constitute a criminal offence.
21.3.3	The TSOFA not only criminalises TF but also imposes a duty on everyone to provide information pertaining to TF to the police. Failure to do so may constitute a criminal offence. Under the TSOFA, any person shall lodge a Suspicious Transaction Report (STR) if he has possession, custody or control of any property belonging to any terrorist or terrorist entity or if he has information about any transaction or proposed transaction in respect of or any property belonging to any terrorist or terrorist entity.
21.4	Ways to counter Money Laundering (ML) and Terrorist Financing (TF)
21.4.1	Follow the above documented financial procedures for key processes, such as procurement and payment, revenue and receipts, and a system to ensure proper delegation of authority and appropriate limits of approval.

21.4.2	Segregation of duties and adequate checks and balances, especially over financial matters such as the collection of cheque (STTA does not accept cash unless due to valid reason), depositing, transfer of funds and the issuing of receipts.
21.4.3	<p>Know the Key Donors and Beneficiaries</p> <p>Resource permitting, STTA shall put in its best efforts to confirm the identity, credentials and good standing of the beneficiaries. Similarly, STTA shall confirm the identity of significant donors while respecting donor confidentiality.</p>
21.4.4	<p>Transactions Conducted via Regulated Financial Channels</p> <p>As far as possible, STTA shall ensure that transactions are conducted via regulated financial channels to minimise any potential terrorist abuse while the funds are in transit.</p> <p>STTA strive towards cashless and does not accept cash whenever possible, especially large amount exceeding \$1000. If cash is accepted due to valid reason, it shall ensure that the payer / donor provide his/her identity, contact details and where possible, to declare that the funds are not related to ML or TF.</p>
21.4.5	<p>Funds Applied in a Manner Consistent with the STTA's Mission and Objects</p> <p>STTA shall regularly review its expenditure to ensure that funds are channelled towards causes which are congruent with its missions and objects. STTA shall not accept donations which are directed for purposes that are not consistent with the its missions and objects.</p>
21.5	<p>Report Suspicious Transactions to Suspicious Transaction Reporting Office (STRO)</p> <p>STTA shall lodge a STR if there is a reasonable suspicion of ML or TF activity during the course of its administration or operations.</p>
21.5.1	<p>When should a STR be lodged?</p> <p>Under the CDSA, it is mandatory for any person to lodge a STR if he or she knows or has reason to suspect that any property may be connected to a criminal activity. Failure to do so may constitute a criminal offence.</p>
21.5.2	<p>Who can lodge a STR?</p> <p>Everyone can lodge a STR if, in the course of the person's business or employment, as well as the charity administration or operations, he or she has:</p> <ol style="list-style-type: none"> a. Reason to suspect that any property represents the proceeds of, or is connected to a criminal activity; or

	<p>b. Possession, custody or control of property or information about any transaction (or proposed transaction) relating to any property belonging to terrorism or terrorist entity. The identities of the STR lodger(s) are kept confidential.</p>
21.5.3	<p>Information required:</p> <p>A detailed account of the relevant facts and nature of the transaction, together with copies of the relevant supporting documents, if available and your name, NRIC/passport number, contact number and address should be provided as well.</p>
21.5.4	<p>How to lodge a STR?</p> <p>Lodge Online: Guidance and publications from the Suspicious Transaction Reporting Office (STRO) can also be accessed from the STRO Online Notices and Reporting Platform (SONAR). Visit http://www.police.gov.sg/sonar for more information.</p> <p>Email to: STRO@spf.gov.sg</p>