

Information Guide (“Guide”) on the Prevention of Money Laundering and Countering the Financing of Terrorism for Moneylenders



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1 This Guide seeks to improve the awareness and understanding on issues relating to money laundering (“ML”) and financing of terrorism (“FT”) and to inform moneylenders of the appropriate preventive measures to be adopted against such activities that might be conducted through your course of business. This Guide also highlights the key provisions, offences and obligations for compliance by moneylenders.

National Risk Assessment

2 On 10 January 2014, the Monetary Authority of Singapore (MAS) issued its inaugural national risk assessment report on money laundering and terrorism financing risks in Singapore. The report serves to help regulatory authorities maintain an effective risk-based regime in regard to anti-money laundering and counter financing of terrorism (“AML/CFT”), as well as to prioritise and allocate public sector resources efficiently. The report also serves to help private sector stakeholders better understand the money laundering and terrorism financing risks in their own and related industries, assess the adequacy of their AML/CFT controls, and strengthen them where necessary.

3 The section of the report pertaining to the moneylending regime can be found on page 71 of the [report](#)¹. As moneylenders, you are urged to read the report for a better appreciation of the AML/CFT gaps relevant to the moneylending industry, as well as the larger economic landscape of Singapore. This will better equip you to tailor your AML/CFT measures as necessary to counter such risks.

4 The cash-intensive nature of the money lending industry raises potential ML concerns. However, due to the usually low lending limits coupled with an average loan value of less than \$2,200, the industry has been identified as moderately attractive as a channel for ML. Additionally, the FT risk of foreign terrorist exploiting the services of moneylenders for their activities was identified to be low. This is because of the low incidences of lending to foreigners and the absence of overseas transactions.

Overview of Money Laundering (“ML”) and Terrorism Financing (“TF”)

5 ML is an illegal activity carried out by criminals to turn “dirty” money into what appears to be “clean” money. It involves converting cash or other property derived from illegal activities, into a form, which appears to have originated from legitimate sources². Additionally, continual terrorist attacks in countries and cities in many parts of the world have

¹ The full report can be accessed at https://rom.mlaw.gov.sg/files/SingaporeNRARReport2013_24032015.pdf

² To illustrate, while the loan money issued by a moneylender is “clean” money, the money used to repay the moneylender may be “dirty” money.

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increased the focus of governments worldwide on countering the act of terrorism and the financing of terrorism.

6 The Financial Action Task Force (“FATF”) is an independent inter-governmental body established in 1989 to develop and promote national and international policies to fight money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction. The FATF published a revised FATF Recommendations in February 2012 to combat money laundering, terrorist financing and financing of proliferation of weapons of mass destruction. As a member of the FATF, Singapore has an obligation to develop and implement policies based on these recommendations.

7 FATF’s recommendations are applicable to the moneylending sector. The other professional sectors that need to comply include the financial sector as well as the designated non-financial business and professions (“DNFBP”) such as the public accountants, real estate agents, casinos, company service providers, developers, lawyers as well as the non-profit organisations such as the charities. They have been identified as important gatekeepers to counter the threat of money laundering and terrorist financing.

What is ML?

8 ML is a process intended to turn “dirty” money (which are normally proceeds from a criminal activity) into what appears to be “clean” money. It is done so with the intention to hide their illegal origins. With such an act, criminals can get to enjoy the proceeds without the fear of detection or prosecution, as there will not be any recognisable audit trail to trace back to the criminals/criminal activities.

9 If money laundering activities are left undetected, it will lead to the following consequences:

- a. There will be difficulty in taking prosecution action against key culprits as criminals are able to remove or distance themselves from the criminal activities that generated the proceeds;
- b. Criminals will get to enjoy the proceeds of crime as such crime proceeds do not get confiscated even if the criminal is caught;
- c. Criminals can fund further criminal activities by reinvesting the proceeds of previous crimes.

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What is TF?

10 TF is the provision, collection, use, possession or dealing with property for terrorist purposes. The source of such funds used can be either legitimate or illegal. These funds may not always be in large amounts.

What legislation does ML fall under?

11 The **Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (“CDSA”)** is the primary legislation in Singapore to combat and criminalise money laundering, including assistance in and third-party laundering³ of proceeds derived from drug dealing and other serious crimes⁴. The CDSA provides for the tracing and confiscation of such proceeds and its benefits.

12 Section 39 of the CDSA makes it mandatory for a person to lodge a suspicious transaction report (“STR”) with the Suspicious Transaction Reporting Office (“STRO”) if in the course of his trade, profession, business or employment, he has reason to suspect that any property he is dealing with is linked to crime. Failure to do so is an offence punishable with a fine of up to \$250,000 and/or imprisonment of up to three years if the offender is an individual, and if the person is not an individual, a fine of up to \$500,000. Moneylenders and their staff are subject to this obligation.

12A Further, when a moneylender encounters a situation where (i) customer due diligence (“CDD”) is to be performed and (ii) an assessment is to be made on whether an STR should be lodged⁵, under the Moneylenders (Prevention of Money Laundering & Financing of Terrorism) Rules 2009 (“PMFTR”), the moneylender must document its considerations and decision for (ii). Failure to do so is an offence punishable with a fine of up to \$100,000.

³ Engaging a professional money launderer (“PML”) to launder proceeds of crime. The Financial Action Task Force (“FATF”) released a report on PMLs which can be accessed at:

<http://www.fatf-gafi.org/media/fatf/documents/Professional-Money-Laundering.pdf>

⁴ Please refer to the drug dealing and serious offences specified in the First and Second Schedule of the CDSA. See also Part VI for laundering-related offences.

⁵ The circumstances under which a moneylender must make such a decision include:

- a. Moneylender is unable to complete performing CDD measures required under the PMFTR for any reason.
- b. Borrower is unable/unwilling to provide any information requested by the moneylender, or decides not to proceed with the loan application when requested to provide information.
- c. Loan is granted / to be granted to a politically-exposed person (“PEP”) or to a person from a country/territory outside Singapore known to have inadequate AML/CFT measures.
- d. Loan is part of an unusual pattern of loans with no apparent economic/lawful purpose.

What legislation does TF fall under?

13 The **Terrorism (Suppression of Financing) Act (“TSoFA”)** was passed to give effect to the International Convention for the Suppression of the Financing of Terrorism which Singapore signed on 18 December 2001 and the United Nations Security Council Resolution 1373 (“UNSCR 1373”). The TSoFA criminalises terrorism financing, which includes the provision of and the dealing in properties and services for the purposes of succeeding terror activities⁶. Correspondingly, the transacting of properties and services with persons designated as terrorists under the TSoFA is prohibited. The TSoFA also imposes a duty to all to provide information pertaining to terrorism financing to the Police⁷.

14 Due to Singapore’s commitment in fighting terrorism, an Inter-Ministry Committee on Terrorist Designation (“IMC-TD”) was formed in 2012 to act as Singapore’s authority relating to the designation of terrorists. This Committee consists of members from the Ministry of Home Affairs (“MHA”), Ministry of Foreign Affairs, Monetary Authority of Singapore (“MAS”) and the Attorney General’s Chambers (“AGC”). The IMC-TD is the competent authority responsible for identifying persons or entities for designation as terrorists pursuant to United Nations Security Council Resolution UNSCR 1373 (2001) who meet the criteria for designation under UNSCR 1373. Please refer to MHA’s Inter-Ministerial Committee – Terrorist Designation website⁸. You may also wish to receive updates on new information published on this website by subscribing to the website’s Rich Site Summary (“RSS”) feed⁹. Moneylenders are also required to adhere strictly to the PMFTR, as anyone who is guilty of an offence under these rules will be subject to a maximum fine of \$100,000.

Which are the United Nations Security Council Resolutions (“UNSCRs”) in relation to terrorism and what are our obligations in relation to them? What happens if we do not fulfil them?

15 Singapore is committed to implementing the United Nations Security Council Resolutions (“UNSCRs”). Among other measures, the UNSCRs may impose targeted financial

⁶ Sections 3 to 6 of the TSoFA expressly prohibit the following:

- a. Provision and collection of property for terrorist acts;
- b. Provision of property or services for terrorist purposes;
- c. Use or possession of property for terrorist purposes; and
- d. Dealing with property of terrorists or terrorist entity.

⁷ This obligation is laid out under sections 8 and 10 of the TSoFA.

⁸ [https://www.mha.gov.sg/inter-ministry-committee-terrorist-designation-\(imc-td\)](https://www.mha.gov.sg/inter-ministry-committee-terrorist-designation-(imc-td))

⁹ Such RSS feeds will send you alerts whenever updates had been made to the contents of the website.

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sanctions against specific individuals and entities identified by the UN Security Council (or relevant UN Committees) as contributing to a particular threat to, or breach of, international peace and security.

16 There are a number of UNSCRs relating to terrorism. For example, UNSCR 1267/1989 and UNSCR 1988 set out measures on designated individuals and entities associated with Al-Qaida and the Taliban respectively.

17 Under the TSoFA, a terrorist is defined widely as any person who commits, or attempts to commit, any terrorist act or participates in or facilitates the commission of any terrorist act. It also includes any person set out in the First Schedule of TSoFA. All individuals and entities designated as belonging to or associated with the Al-Qaida and Taliban designated by the respective UNSCRs Sanctions Committees are included as part of the First Schedule to TSoFA and listed online at the following URL:

- a. <https://www.mas.gov.sg/regulation/anti-money-laundering/targeted-financial-sanctions/lists-of-designated-individuals-and-entities>

18 Under the TSoFA, an individual who contravenes sections 3 to 6 will be liable, upon conviction, to a maximum fine of \$500,000 or to imprisonment for a term not exceeding 10 years or to both. Where the convicted offender is not an individual, the maximum liable fine is either \$1 million or twice (2×) the value of the property or financial services/transaction in respect of which the offence was committed.

18A In addition, every person in Singapore and every citizen of Singapore outside of Singapore who has possession of or information relating to any property belonging to any terrorist or terrorist entity is required to inform the Police immediately¹⁰. Any person who contravenes this requirement will be liable, on conviction, to:

- a. (For an individual) A fine not exceeding \$250,000 or to imprisonment for a term not exceeding 5 years or to both, in the case where there was possession of the property in question or where the information came to the attention of the individual in the course of the person’s trade (such as in the case of moneylending).
- b. (For an individual) A fine not exceeding \$50,000 or to imprisonment for a term not exceeding 5 years or to both if (a) does not apply.
- c. (For non-individual) A fine not exceeding \$1 million or twice (2×) the value of the property in question, whichever is higher.

¹⁰ See section 8(1) of the TSoFA.

Are there any other UNSCRs that we have to take note of? What are our obligations in relation to them?

19 There are also UNSCRs issued to address proliferation risks of weapons of mass destruction. More specifically, the “UN Lists”, excluding those on the Al-Qaida and Taliban, published on MAS’s website list the designated individuals and entities that pose proliferation risks by jurisdiction¹¹.

20 Under these regulations, all natural and legal persons in Singapore:

- a. Are required to comply with targeted financial sanctions (freezing) requirements against such UN-designated individuals and entities; and
- b. Should ensure that they do not deal with designated individuals and entities (as defined in the respective UN Regulations) before engaging in any business or commercial activity. Screening the names of their customers against the names (and aliases) of designated individuals and entities would help natural and legal persons meet these obligations.

21 Amongst other provisions, the UN Regulations prohibit:

- a. The provision of funds, other financial assets or economic resources and services for the benefit of designate individuals and entities; and
- b. Dealing with property of designated in individuals and entities.

22 Under the United Nations Act¹², a person who commits any offence under the UN Regulations will be liable on conviction, in the case of an individual, to a fine of up to \$500,000 or to imprisonment for a term of up to 10 years or to both; or in any other case, to a fine of up to \$1 million.

How can I be kept updated on changes made to the Lists of Designated Individuals and Entities?

23 MAS published a webpage titled “Targeted Financial Sanctions¹³”. This page highlights the targeted financial sanctions against specific individuals and entities identified by the UN

¹¹ The links to these two lists of such individuals and entities are presented below:

- a. <https://www.un.org/securitycouncil/sanctions/1718/materials>
- b. <https://www.un.org/securitycouncil/content/2231/list>

¹² Please refer to the United Nations Act and the United Nations Regulations for details at Singapore Statutes Online at <https://sso.agc.gov.sg/Act/UNA2001>.

¹³ This webpage can be found at: <https://www.mas.gov.sg/regulation/anti-money-laundering/targeted-financial-sanctions>

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Security Council (or relevant UN Committees) as contributing to a particular threat to, or breach of, international peace and security.

24 Moneylenders are required to comply with the sanctions requirements. In order to ensure that no one deals with designated individuals and entities defined under the United Nations Act, and the TSoFA, all persons should screen their clients against the lists found on this webpage titled “Lists of Designated Individuals and Entities¹⁴” before engaging in any business or commercial activity with them.

25 Moneylenders are strongly encouraged to subscribe to updates on this webpage in order to receive alerts on updates made to the said lists.

Who can I approach for help on the UN Regulations and my obligations?

26 All persons should seek independent legal counsel if you have any doubts about the interpretation and applicability of the UN Regulations or of your obligations. Further enquiries can be sent to the Registry of Moneylenders (“ROM”).

What is the role of the Suspicious Transaction Reporting Office (“STRO”)?

27 STRO¹⁵ is Singapore’s Financial Intelligence Unit. It was formed in 2000 under the Commercial Affairs Department (“CAD”) of the Singapore Police Force (“SPF”). It is Singapore’s central agency for receiving, analysing and disseminating reports of suspicious transactions, known as Suspicious Transaction Reports (“STRs”). STRO will turn raw data in STRs into financial intelligence that can be used to detect money laundering, terrorism financing and other criminal offences. Where possible offences are detected, STRO disseminates the financial intelligence to relevant enforcement and regulatory agencies.

What is a Suspicious Transaction Report (“STR”)?

28 An STR is made when a person suspects that any property is directly or indirectly connected to a criminal conduct, and the knowledge or suspicion arose during the course of the moneylender’s business. While the “transaction” usually refers to a financial transaction,

¹⁴ This webpage can be found at: <http://www.mas.gov.sg/Regulations-and-Financial-Stability/Anti-Money-Laundering-Countering-The-Financing-Of-Terrorism-And-Targeted-Financial-Sanctions/Targeted-Financial-Sanctions/Lists-of-Designated-Individuals-and-Entities.aspx>

¹⁵ More information on STRO can be found at: <https://www.police.gov.sg/Advisories/Crime/Commercial-Crimes/Suspicious-Transaction-Reporting-Office>.

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it can also extend to other activities, which can be used to facilitate illicit activities. In the context of a moneylender, an example encounter would be a borrower whose profile does not seem to require a moneylending loan but turns up for sizeable loans repeatedly and repaying the loans way before the tenure is up. More examples on what are potentially suspicious transactions can be found at **Annex A** of this Guide. When a moneylender encounters a situation described in these examples or a similar scenario, it should consider making an STR.

What is the purpose of lodging an STR?

29 Information from each STR will be analysed to detect money laundering, terrorism financing or other criminal activities by the STRO and ROM.

How to lodge an STR?

30 STRs should be filed electronically using the STRO Online Notices And Reporting platform (“SONAR”)¹⁶. Information on obtaining a SONAR account and user guide can be found on the SPF’s website¹⁷.

31 STRs submitted to STRO should contain the following information:

- a. A detailed account of the relevant facts and nature of the transaction;
- b. Copies of the relevant documents, if available; and
- c. Your name, NRIC / passport number, contact number and address.

What should I do if I encounter a suspicious borrower or transaction?

32 Moneylenders should take the following steps when encountering a suspicious borrower or transaction:

- a. Not alert the borrower of the suspicion or intention to lodge a STR against him.
- b. Reject the loan and not enter into any transaction with the borrower.
- c. File an STR using the SONAR platform.
- d. Keep records relating to the suspicious transaction together with all internal findings, analysis and investigation carried out.

¹⁶ The link to access the SONAR platform is at <https://eservices.police.gov.sg/content/policehubhome/homepage/stro-corppass.html>

¹⁷ SONAR account information and user guide is at <https://www.police.gov.sg/sonar>

What do Moneylenders have to do to ensure that they have measures in place to detect and prevent money laundering and terrorist financing?

33 Under rule 8(1) of the PMFTR, every moneylender shall implement and maintain an adequately resourced and independent audit function that is able to regularly assess the effectiveness of its IPPC. Any moneylender that contravenes this rule shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000.

What are the consequences of not filing an STR?

34 An STR shall be filed when there are grounds to suspect that any property could be associated with criminal activities, and such suspicion arose in the course of employment/business. Otherwise, you run the risk of being prosecuted for failing to file an STR.

35 You could also be prosecuted for abetting the commission of more serious offences like money laundering or terrorism financing, for allowing yourself to be the conduit for the movement of criminal proceeds, if that you knew or ought to have known, that these were criminal proceeds.

Will the suspect in my STR be in any trouble with the authorities?

36 An STR is not an allegation of crime. It is also not an accusation that a person has committed a crime. It is essentially a suspicion that some property could be linked to criminal conduct. In many cases, there is nothing more than a suspicion, and there may well be no evidence of any criminal conduct.

37 STRO treats each STR as a piece of important information that could potentially lead to the detection of criminal conduct. Until then, it remains a piece of information. A suspect named in an STR will not automatically be “in trouble” with the authorities.

Will STRO arrest the suspect(s) featured in the STR?

38 There may be some apprehension on the part of the STR filer that his compliance with the statutory obligation to file an STR may result in an innocent person getting into some kind of trouble, including being arrested.

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39 STRO is unlikely to arrest a person based solely on information from an STR. STRO would have to verify that the information provided in the STR is accurate, check various domestic and (if necessary) international databases to see if any useful information can be obtained, and conduct further queries and analyses. If need be, STRO will launch a full investigation.

40 If an arrest is ultimately made, it would have been after a certain amount of work has been done, and supported by evidence collected independently rather than the plain information contained in the STR. Therefore, there ought not to be any fear that law enforcement action is taken solely on the basis of the STR, to the detriment of innocent parties.

Will my identity remain confidential?

41 There are safeguards in place to protect the identity of the STR filer. Under section 56 of the CDSA, STRO is required to preserve the secrecy of information obtained under the CDSA, including STR information. There are strict measures in place to protect the identity of the STR filer.

42 Additionally, under section 40A of the CDSA, no STR information shall be admitted in evidence in any civil or criminal proceedings. Moreover, no witness in such proceedings shall be obliged to disclose the identity of the STR filer. If a document, which is in evidence, were to contain any entry that could lead to the discovery of the identity of the STR filer, the court shall cause those entries to be obliterated to protect the identity of the STR filer.

Will I be required to testify in court?

43 If the concern with testifying in courts is that you would then be revealed as the STR filer, section 40A of the CDSA would provide ample assurance that the identity of the STR filer is protected. You may however, be required to testify in court as an ordinary witness (not as the STR filer) if there were certain facts that were specifically within your knowledge that is relevant to the trial.

Can I be sued for filing an STR against a person, and STRO subsequently finds that the STR was a “false alarm”?

44 The key issue is whether you made the STR in good faith. Section 39(6) of the CDSA stipulates that disclosures made in good faith will not be treated as a breach of any restriction upon the disclosure imposed by law, contract or rules of professional conduct, and the maker

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shall not be liable for any loss arising out of the disclosure, or any act or omission in consequence of the disclosure.

Am I allowed to inform my customer that I filed an STR against him?

45 You should **NOT** inform your customer that you or anyone else has filed an STR against him. This may constitute to “tipping off”, which is an offence under section 48 of the CDSA. “Tipping off” is an act when a person knows or has reasonable grounds to suspect that an authorised officer is acting in connection with an investigation and discloses to any other person information that is likely to prejudice that investigation.

Are there any measures that Moneylenders can take to detect and prevent money laundering and terrorist financing?

46 Moneylenders shall develop and implement internal policies, procedures and controls (“IPPC”) to detect and prevent money laundering and terrorist financing, and to communicate these to his employees and officers. In developing these measures, moneylenders are required to comply with rules 5 to 9A of the PMFTR. Such internal IPPC must reflect the actual processes of the moneylender’s business operations and cover:

a. Customer Due Diligence (“CDD”) measures;

The activities would include customer screening against the UN Sanction Lists, face-to-face verification/interview, identifying and verifying the customer’s identity, understanding the purpose of the loan, and scrutinising transactions undertaken by the customer throughout the course of the business relation. It should be further noted that performance of CDD is not limited to only the borrower, but where applicable, must be performed on the agent of the borrower or the beneficiary of the loan amount. In the case where the borrower is not an individual, CDD must be performed on the individuals connected to the borrower, such as directors, partners, beneficial owners, etc.

b. Record keeping;

Record keeping should not be limited to requisite documents such as completed loan application forms. It should also include information that is obtained in the

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course of performing AML/CFT measures or information received through general conduct of business that relates to money laundering or terrorism financing, for e.g. written record of the moneylender’s findings and the basis of a decision to continue a business relationship with a PEP.

- c. Detection of unusual or suspicious applications or transactions, and the making of disclosures under section 39(1) of the CDSA;

A moneylender should use the risk indicators listed in Annex A as a guide.

- d. Audit of the internal policies, procedures and controls;

A moneylender can engage external auditors to review and audit the IPPC on a regular basis, if he does not have the means to maintain an independent audit function.

- e. Compliance management arrangements; and

A moneylender must appoint a suitably qualified manager or officer as the AML/CFT compliance officer who will see to the moneylender’s compliance with the AML/CFT obligations.

- f. Hiring and training of employees.

A moneylender should commit that no person will be hired/engaged in the moneylending business without the Registrar’s approval. The moneylender should also have a training plan for its staff and ensures that the trainer is proficient in AML/CFT measures and is familiar with the business’ IPPC. Such training may include enrolling of staff (or even the compliance manager/officer) in AML/CFT-related talks and seminars.

To ensure full compliance of the above, please refer to the PMFTR and The Schedule (on Customer Due Diligence).

How can I obtain more information on anti-money laundering and counter-terrorism financing?

47 Detailed information can be obtained from the SPF’s website.

- SPF’s website on AML/CFT
(<https://www.police.gov.sg/Advisories/Crime/Commercial-Crimes/AML-CFT>)

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Annex A

The following are examples / indicators of a suspicious customer/borrower¹⁸ or transaction, which will guide you in determining if a situation is suspicious in order to guard against money laundering and terrorism financing, including through compliance with rule 7 of the PMFTR:

a. General

- Borrower admits or makes statements about involvement in criminal activities.
- Borrower does not want correspondence sent to home address.
- Borrower is accompanied and watched by another person / other people.
- Borrower shows uncommon curiosity about internal systems, controls and policies.
- Borrower presents confusing details about the loan or knows few details about its purpose.
- Borrower over justifies or explains the loan.
- Borrower took up loans that are not within the norm of the moneylending business, gives conflicting accounts as regards the purpose of the loan.
- Borrower’s reported/verifiable source of income appears to be unable to cope with the repayment terms
- Borrower requests a loan amount that does not commensurate with the purpose of loan.
- Borrower is unable to provide reliable and independent income documents and claims that he or she has other sources of income, which cannot be reasonably verified.
- Borrower resists being given any documents pertaining to the loan such as the Note of Contract, payment receipts and Statement of Account.
- Borrower insists on making repayments face-to-face and in cash only.
- Payments are consistently made by a third party not related to the borrower.
- Borrower had taken multiple loans from other moneylenders on the same day (e.g. based on MLCB credit report).
- Borrower's home or business telephone number has been disconnected / there is no such number when an attempt is made to contact borrower shortly after transaction was made.
- Borrower appears to be acting on behalf of a third party, but does not tell you.
- Borrower insists that a transaction be done quickly and that the identification and verification processes be done away with.
- The transaction does not appear to make sense or is out of keeping with usual or expected activity for the borrower.
- Borrower attempts to develop close rapport with staff yet appears to hide his true intentions.
- Borrower spells his or her name differently from one loan to another.

¹⁸ Reference to a borrower includes a prospective borrower or surety. A customer can be someone who is acting on behalf of the borrower, for example, a person making a payment on behalf of the borrower.

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- Borrower provides false information or information that you believe is untrue.
- Borrower is the subject of a money laundering or terrorist financing investigation.
- There is information, from a reliable source (that can include media or other open sources), that the borrower is suspected of being involved in illegal activity.
- There is adverse information concerning the borrower where he is listed on the UNSCR lists (terrorist, pirates, genocide), sanctions list or the customer appeared in media articles indicating his investigation, arrest, prosecution or conviction;
- Transaction involves a suspected shell entity (that is, a corporation that has no assets, operations or other reason to exist).

b. Knowledge of reporting or record keeping requirements

- Borrower attempts to convince employee not to complete any documentation or verification required for the transaction.
- Borrower makes inquiries that would indicate a desire to avoid reporting.
- Borrower has unusual knowledge of the law in relation to suspicious transaction reporting.
- Borrower seems unusually conversant with money laundering or terrorist activity financing issues.
- Borrower is quick to volunteer that repayment funds are “clean” or “not being laundered.”
- Borrower appears to be structuring amounts (loans or repayments) to avoid record keeping, client identification or reporting thresholds.

c. Identity documents

- Borrower provides doubtful or vague and unverifiable documents.
- Borrower does not resemble the photograph in his personal identification document
- Borrower produces seemingly false identification or identification that appears to be counterfeited, altered or inaccurate.
- Borrower refuses to produce personal identification documents.
- Borrower only submits copies of personal identification documents and is not able to produce the originals.
- Borrower expects the staff to establish identity using something other than his or her personal identification documents.
- All identification documents presented appear new or have recent issue dates.
- Borrower presents different identification documents at different times.
- Borrower’s residential address does not correspond with domicile or employment status.

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d. Cash transactions

- Borrower starts taking frequent loans in large amounts when this has not been a normal activity for the borrower in the past.
- Borrower takes on multiple loans and repay them before the due date, but is unable to provide a reasonable explanation on his source of funds.
- Borrower uses notes in denominations to make repayments that are unusual for the borrower (i.e. repayment in notes of SGD \$1,000 or \$10,000).
- Borrower presents notes that are packed or wrapped in a way that is uncommon for the borrower.
- Borrower presents significant excessive funds for repayment without bothering to count them, which suggests that the source is doubtful.
- Borrower applies for a loan of an amount that is unusual compared with amounts of past transactions.