

Bill to tackle money laundering, recovery of assets introduced

By Jessie Lim

ljessie@sph.com.sg

SINGAPORE has introduced a Bill to give more teeth to law enforcement agencies to prosecute money laundering suspects and to deal with properties linked to suspected criminal activities.

Tabled in Parliament on Tuesday (Jul 2), the proposed changes pave the way for certain seized assets to be sold, to reduce the cost of maintaining them.

The Bill also proposes to allow probes to extend to environmental crimes such as illegal mining, and to facilitate the prosecution of money mules who launder funds on behalf of someone.

In a statement on Tuesday, the Ministry for Home Affairs (MHA) said that the authorities incur significant costs in maintaining and managing some types of property under seizure or restraint, such as vehicles, vessels and livestock.

The value of such properties may depreciate over time, thus reducing their eventual realisable value. Tightening the law will reduce the cost of property maintenance and preserve the value of such properties, enhancing asset recovery and restitution to victims, MHA said.

Under the proposed Bill, a property can be sold if either all parties consent to the sale; or the value of the property is likely to depreciate;

or undue costs are involved in maintaining the property; or if the sale would be in the interest of justice. This is provided the property is no longer required for investigations or court proceedings.

The Bill also seeks to tighten processes in cases where properties are owned by a person who has absconded, to avoid a situation where the absconded person seeks to lay claim to the properties because investigations have been unable to proceed.

Under the proposed amendments, an absconded person must personally present himself to the law enforcement agencies to make a claim. The court must not dispose of these properties if it is satisfied that there are ongoing investigations against the absconded person, MHA said.

The Bill will also allow for anti-money laundering investigations to be conducted in relation to foreign environmental crimes.

Currently, Singapore's law enforcement agencies cannot investigate money laundering offences arising from offences committed elsewhere, unless the foreign offence is also a serious offence under Singapore's laws.

Environmental offences such as illegal mining, illegal waste trafficking, or illegal logging do not apply in Singapore, and are thus not recognised as serious offences here. The Bill proposes to change

the law to allow Singapore to investigate money laundering offences if it is suspected that the monies in the country are derived from such crimes committed overseas.

The draft amendments to the law will also facilitate the prosecution of money mules. It amends the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act such that prosecutors need not show a direct link between criminal conduct and the monies allegedly laundered in Singapore.

Prosecutors need only prove beyond reasonable doubt that the money launderer knew or had reasonable grounds to believe that he was dealing with criminal proceeds.

This comes as law enforcement agencies face challenges in gathering evidence to establish a complete money trail, especially when criminal proceeds flow through many jurisdictions before entering Singapore.

The Bill also proposes to beef up the ability of sectoral regulators such as the Council for Estate Agencies and the Accounting and Corporate Regulatory Authority to access Suspicious Transaction Reports filed by their regulated entities.

This lets the regulators take anti-money laundering and counter-terrorism financing supervisory and regulatory actions ear-

lier and more effectively.

Data will be shared between agencies so that the Suspicious Transaction Reporting Office (STRO) of the Commercial Affairs Department will have access to tax data from the Inland Revenue Authority of Singapore and trade data from Singapore Customs.

This will enable STRO to provide richer intelligence to law enforcement agencies and sectoral regulators, MHA said.

Under the new Bill, casino operators must also impose more stringent customer due diligence checks, in alignment with Financial Action Task Force standards.

Besides money laundering and terrorism financing risks, casino operators must consider proliferation financing risks during such checks. Proliferation financing refers to the provision of funds or financial services for the illicit development and supply of weapons of mass destruction and related materials.

The Bill also lowers the threshold at which customer due-diligence checks must be performed. Currently, casino operators must do so when they receive cash transactions or deposits of S\$5,000 or more in a single transaction. This will be lowered to S\$4,000 or more.

The second reading of the Bill is expected at the next Parliament sitting.