

Parliament

Enhanced laws to better tackle money laundering proposed

Sharing of data between govt agencies would enable cases to be investigated much faster

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To better tackle money laundering offences here, enhanced laws have been proposed to allow government agencies to share data like tax returns and business information with one another.

This would enable the authorities to investigate such cases much faster.

The Anti-Money Laundering and Other Matters Bill was read for the first time in Parliament on July 2.

The Bill proposes amending existing laws to allow the Inland Revenue Authority of Singapore and Singapore Customs to share tax and trade data with the Suspicious Transaction Reporting Office (STRO).

The STRO is Singapore's financial intelligence unit and is under the Commercial Affairs Department of the Singapore Police Force.

It receives suspicious transaction reports and other reports which are then analysed to detect money laundering and other serious crimes.

The STRO also shares financial intelligence with relevant agencies when offences are detected.

The Bill proposes allowing regulators to have wider access to information collected by the STRO.

This means that when property agents and corporate service providers file suspicious transaction reports with the STRO, the Council for Estate Agencies (CEA) and Accounting and Corporate Regulatory Authority (Acra) can access these reports.

Property agents and corporate service providers came under scrutiny over their alleged roles in

the \$3 billion money laundering case involving 10 foreigners, dubbed the "Fujian gang".

The 10 were sentenced to between 13 and 17 months' jail on charges related to money laundering, fraud and forgery.

The Straits Times reported in August 2023 that the CEA was investigating agents who may have facilitated property transactions relating to the case.

In November 2023, Acra set up a specialised unit to improve the surveillance of those involved in incorporating companies.

It said it cancelled the registrations of 17 errant corporate service providers between 2021 and 2023.

At least two of them, Wang Junjie and Jackson Lim Wei, were linked to the \$3 billion case.

The Bill will also look to simplify how prosecutors can prove their cases regarding offences that happened overseas, especially when it can be challenging to get evidence from abroad.

Currently, the prosecution needs to show the laundered money in Singapore is directly linked to specific crimes, and must show the complete trail of the funds from the point the crime was committed.

The Ministry of Home Affairs (MHA) said it is challenging to obtain such evidence from foreign victims and the authorities.

This is especially so when the laundered funds go through multiple jurisdictions before entering Singapore.

The amendments propose that the prosecution will need to prove only that the money launderer knew or believed he was dealing with criminal proceeds.

This will facilitate the prosecution of money mules, said MHA.

Another proposed amendment is recognising that some foreign environmental crimes could be linked to money laundering.

Law enforcement here is currently able to investigate money laundering offences relating to crimes outside of Singapore only if the crime is also a serious offence under Singapore's laws.

But because environmental offences like illegal mining, waste trafficking and logging are not recognised as serious offences here, the Singapore authorities are limited in their powers to investigate.

The amendments will allow them to investigate such cases, which are typically flagged by the authorities from other jurisdictions.

Another set of amendments proposed by the Bill relate to improving processes to deal with seized properties.

When seized properties are no longer needed for investigations or court proceedings, law enforcement must have the consent from all parties involved if they want to obtain a court order to sell the property.

If there is no agreement, law enforcement will have to continue to maintain the property, incurring significant costs.

In the \$3 billion case, at least \$650,000 has been spent to maintain the seized assets. They included properties, vehicles and luxury goods such as handbags, watches and alcohol.

The proposed amendments will allow the court to order the sale of such assets even if all parties do not consent to it.

But the sale would have to be in the interest of justice, or if the value of the asset is likely to depreciate, or undue costs are involved in maintenance.

In cases where suspects have absconded, the amendments propose that the court must not dispose of the suspect's properties if there are ongoing investigations.

And the suspect must personally present himself to law enforcement for investigations before he can make a claim to the seized properties.

MHA said this will prevent an absconded person from claiming the seized properties even though he evades investigations by staying outside Singapore.

The Bill also proposes addressing the role of casino operators regarding money laundering.

Casino operators are currently required to perform checks on patrons for single cash transactions involving \$10,000 or more, or when they receive \$5,000 or more in a single transaction to be deposited.

The Bill proposes lowering the quantum to \$4,000, and empowering the Gambling Regulatory Authority of Singapore to issue further regulations to casino operators.