

The new Corporate Service Providers Bill

The new Corporate Service Providers (CSP) Bill aims to enhance the regulatory framework for corporate service providers in Singapore, by ensuring that they maintain high standards of anti-money laundering, countering the financing of terrorism practices and proliferation of weapons of mass destruction (AML/ CFT/ PF).

AML/ CFT/ PF obligations on CSPs

- Compliance with requirements relating to AML/ CFT/ PF
- Conduct customer due diligence:
 - When carrying out Financial Action Task Force (FATF)-designated corporate services
 - Before filing with ACRA
- Arrange for nominee directors acting by way of business only if assessed to be fit and proper
- Breaches may result in penalties of up to \$100,000 per instance
- Senior Management will be held accountable for non-compliances



Who needs to register as a CSP

Business entities that provide corporate services by way of business must:

- Register with ACRA every two years
- Have at least one registered qualified individual (RQI)



Types of corporate services provided:

- Incorporation of business entities
- Acting or arranging for persons to act as nominee directors or shareholders
- Transacting with ACRA on behalf of other persons or as a secretary of a company by way of business
- Providing registered office or business address for business entities
- Carrying out transactions for customers concerning any of the following designated activities in relation to the provision of accounting services*:
 - (a) buying or selling of real estate;
 - (b) managing of client money, securities or other assets;
 - (c) management of bank, savings or securities accounts;
 - (d) organisation of contributions for the creation, operation or management of corporations;
 - (e) creation, operation or management of legal persons or legal arrangements, or buying and selling of business entities

A non-registration offence carries a fine of up to \$50,000 and/or imprisonment.

*Public Accounting Entities (PAE) that only carry out such transactions will be deemed as registered CSPs and need not register separately. PAEs would however be required to update ACRA of the RQI's particulars.

