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MEDIA RELEASE

- **NEW TRAINING PROGRAMME TO RAISE PROFESSIONAL STANDARDS OF THE CORPORATE SERVICE PROVIDER SECTOR**
- **ACRA ISSUES REGISTRAR'S INTERPRETATION OF SPECIFIC LEGISLATIVE PROVISIONS FOR BUSINESS APPLICATION**

Singapore, 31 May 2016 – To further reduce the vulnerability of corporate service providers (CSP) to illicit activities such as money laundering and terrorism financing, CSPs will in the near future, have to undergo a new training programme.

2 This new initiative by the Accounting and Corporate Regulatory Authority (ACRA) comes just a year after new regulations were introduced to the CSP sector which required the registration of CSPs with ACRA as Registered Filing Agents and Qualified Individuals. This was announced by ACRA's Chief Executive Mr Kenneth Yap at the inaugural CSP Conference held at the Raffles City Convention Centre, this morning.

3 In his keynote address to over 400 CSPs, Mr Yap highlighted mounting global concern over possible abuse of financial systems and services for illicit purposes like tax evasion, money-laundering and terrorism financing. Mr Yap noted that CSPs, "who service a significant proportion of corporate clients here, are very much the first line of defence in the fight against such illicit movements of money". He added that "(c)ontinuing education is vital to upholding standards of the industry, providing practical knowledge to filing agents on how to discharge their professional duties, as well as apprising them of latest developments in the sector".

[More details on the new CSP Regime are at Annex A]

Registrar's Interpretations

4 Mr Yap also announced that ACRA will soon issue the first set of interpretations of specific legislative provisions known as Registrar's Interpretation ("RI"). The RIs provide ACRA's interpretation of how specific provisions are to be applied in practice. While not legally binding, they help to provide practical solutions

for non-contentious issues facing lawyers and corporate service providers without the need to clarify the law through litigation in court. One such interpretation relates to the amalgamation of foreign companies which ACRA has already facilitated on a case by case basis for three foreign companies that have since amalgamated successfully. This has not only minimised unnecessary disruption to the foreign companies' existing operations and business in Singapore, but has also resulted in substantial time and cost savings to these companies.

5 To ensure these RIs provide real practical benefits to the business community, ACRA has drawn on the invaluable expertise of Panel members of ACRA's Institute of Corporate Law (ICL) which was established in 2015.

[More details on the ICL are at Annex B]

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About ACRA

The Accounting and Corporate Regulatory Authority (ACRA) is the national regulator of business entities, public accountants and corporate service providers in Singapore. ACRA also facilitates the development of business entities and the public accountancy profession. As a regulator and facilitator, ACRA constantly strives to provide a responsive and trusted regulatory environment for businesses, public accountants and corporate service providers and make Singapore the best and trusted place for doing business. ACRA's role is to achieve synergies between the monitoring of corporate compliance with disclosure requirements and regulation of public accountants performing statutory audit. ACRA's goal is to make good corporate governance, quality corporate financial reporting and high quality audit the hallmarks of our financial and corporate sectors.

For more information, please visit ACRA's website at www.acra.gov.sg

ENHANCED REGULATORY FRAMEWORK FOR CORPORATE SERVICE PROVIDERS

The enhanced regulatory framework for corporate service providers (CSPs) established under the ACRA (Amendment) Act and its related regulations was implemented on 15 May 2015. The strengthened regime for CSPs will help to further boost Singapore's reputation as a trusted international financial and business centre with robust regulatory frameworks against money laundering and terrorism financing. It will also raise the professional standards of the CSP sector.

The requirements of the new regime are aligned with recommendations issued by the Financial Action Task Force, the global standard setter for anti-money laundering and counter terrorism financing. CSPs are individuals or business entities that provide services as a business to third parties such as acting as a formation agent of legal persons. The new CSP regime will mitigate the risks that the companies CSPs help to incorporate may be abused by criminals to set up complex or unusual business structures to conceal beneficial ownership, and reduce the transparency of transactions.

Under the enhanced regulatory framework, persons wishing to provide CSP services will need to register as Filing Agents (FA) and Qualified Individuals (QIs). The framework also imposes terms and conditions on FAs and QIs, and sets out the range of sanctions that ACRA may impose on errant FAs and QIs who breach these terms and conditions.

To aid CSPs in understanding these new legal requirements, ACRA, together with a Working Group comprising representatives from the Singapore Association of the Institute of Chartered Secretaries and Administrators, Institute of Singapore Chartered Accountants, The Law Society of Singapore, Association of International Accountants, and Institute of Company Accountants, have prepared a set of draft guidelines. ACRA also conducted a series of seminars from June to October 2014 to explain the policies in the new legislation and prepare CSPs for the new regime. Over 3400 CSPs have attended the seminars.

The ACRA (Amendment) Act which was passed by Parliament on 14 April 2014, will be supported by the ACRA (Filing Agents and Qualified Individuals) Regulations 2015 and the ACRA (Authorised Users of Electronic Transaction System) Regulations 2015.

For more information, please visit ACRA's website at https://www.acra.gov.sg/Corporate_Service_Providers/

Annex B

About ACRA's Institute of Corporate Law

The Institute of Corporate Law (ICL) was formed in 2015 and draws on the invaluable expertise of experienced professionals, academics and representatives from the private and public sectors who serve as members of the ICL Panel. The panel provides diverse perspectives on law reform proposals, helps identify issues of primary interest to the industry and provides feedback on non-legislative improvements to the administration of ACRA's business registry.

Since the launch of ICL, the members of the ICL Panel have met and discussed Registrar's Interpretations (RIs) and potential areas for law reform. RIs serve to provide clarity and reduce ambiguity in the practical application of legislation for the business community by providing ACRA's interpretation of how specific provisions are to be applied in practice. Member's views are sought and addressed in preparing and publishing RIs.

For more information, please visit ACRA's website at https://www.acra.gov.sg/About_Acra/Institute_of_Corporate_Law/

ICL Panel

Mr Adrian Chan (Chairman)
Head of Corporate Department & Senior Partner
Lee & Lee

Ms Kala Anadarajah
Executive Committee Partner
Head, Competition and Antitrust Trade; Lead Partner, Corporate Governance
Rajah & Tann LLP

Mr Willie Cheng
Chairman,
Singapore Institute of Directors

Associate Professor Michael Ewing-Chow
Deputy Editor-in-Chief, Singapore Year Book of International Law
Head, Trade and Investment Law and Policy, Centre for International Law
Faculty of Law, NUS

Mr Petrus Huang
Director, Corporate Finance Department
Head, Investment Funds
Co-head, Capital Markets
Drew & Napier LLC

Mr Low Kah Keong
Partner, Corporate/ Mergers & Acquisitions Practice
Head - Asset Management & Funds Practice;
Joint Head - Environmental & Green Economy Practice
WongPartnership LLP

Associate Professor Pearlie Koh
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School of Law, Singapore Management University

Thomas Koshy (Hon. Secretary, ICL)
Director, Institute of Corporate Law & Director, Civil Advisory Department
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