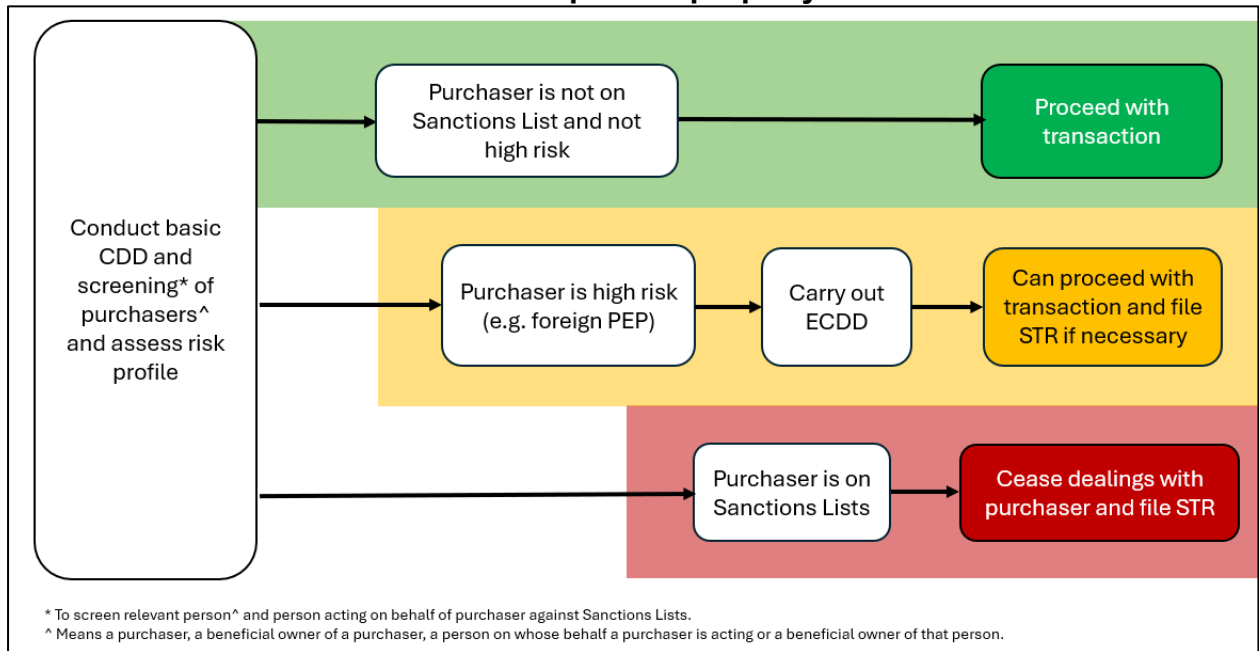


Detailed guidance on customer due diligence process

Refer to the following flow chart, common scenarios and corresponding actions table and useful pointers to guide the performance of customer due diligence checks (CDD).

1. Flow chart for CDD/ECDD checks prior to property transaction



2. CDD/ ECDD scenarios and corresponding actions

Examples of Scenarios	Actions taken	Follow-up action
<p>(1a) Purchaser is a Singaporean couple who are HDB upgraders.</p> <p>(1b) Purchaser is a domestic PEP.</p>	<p>Obtain verifying information and screen the purchasers to confirm there are no matches with Sanctions List and adverse news.</p>	<p>If no matches with Sanctions Lists and adverse news, developer may proceed with transaction.</p> <p>If there are matches with Sanctions Lists, developer should cease dealings and file STR.</p> <p>If there are adverse news, developer should conduct a risk assessment on whether they should proceed.</p>
<p>(2a) Purchaser is a national from a relevant country, who is higher risk.</p> <p>(2b) Purchaser is a foreign PEP.</p>	<ul style="list-style-type: none"> • Obtain verifying information and screen the purchaser to confirm no matches with Sanctions Lists and adverse news. • Carry out ECDD, including checks on SOW/SOF (e.g. obtaining income records and proof of employment). • SOW/SOF checks should be risk-proportionate, as guided under 7.3.3 of the Guidelines. 	<p>If no matches with Sanctions Lists and adverse news, developer may proceed with transaction.</p> <p>If there are matches with Sanctions Lists, developer should cease dealings and file STR.</p> <p>If there are adverse news, developer should conduct a risk assessment on whether they should proceed.</p> <p>File STR if there is suspicion of illicit activity.</p>
<p>(3) Purchaser's name matches an individual in the Sanctions Lists.</p>	<p>Obtain verifying information and screen the purchaser to confirm if it is a true match (e.g. name and ID match).</p>	<p>If there are matches with Sanctions Lists, developer should cease dealings and file STR.</p>

3. Useful pointers for CDD checks:

Pointer	Key message
(A) Relying on third parties to carry out CDD checks	<p>Developers may engage an AML/CP&TF-regulated third-party entity to perform CDD checks at the point of sale</p> <p>The third party must be an AML/CP&TF-regulated entity and the engagement and reliance must meet the requirements set out in the regulations. For avoidance of doubt, developers are responsible for CDD/ECDD compliance and obligations.</p>
(B) Risk-proportionate approach to SOW/SOF corroboration	<p>Developers should take targeted and risk-proportionate measures when establishing and corroborating a purchaser's SOW and SOF, rather than adopting a one-size-fits-all approach.</p> <p>Where information is already obtained from reliable sources such as audited accounts, bank statements or salary slips from established companies, there is no need to triangulate against multiple sources or corroborate every piece of information gathered.</p>
(C) Prohibition on transactions	<p>Except where a purchaser is found to be on the Sanctions Lists, there is no prohibition for developers to proceed with a transaction once the required CDD or ECDD measures have been completed.</p> <p>Where a developer knows or has any reason to suspect illicit activities or funds, developers should file a Suspicious Transaction Report with the Suspicious Transaction Reporting Office.</p>

Developers should refer to the *Guidelines for Developers on the Prevention of Money Laundering, Proliferation Financing and Terrorism Financing* for more details on the above pointers.