

Circular No. BD 04/2012

21 Sep 2012

To Chief Executive Officers of all Financial Institutions

Dear Sir / Madam

**SAFEGUARDING SINGAPORE'S FINANCIAL SYSTEM FROM THE  
LAUNDERING OF PROCEEDS OF TAX CRIMES**

Singapore is fully committed to safeguard its financial system from being used to harbour illegitimate assets, including proceeds from tax crimes. In September 2011, MAS reminded financial institutions ("FIs") to be vigilant against suspicious inflows, in anticipation of agreements between foreign jurisdictions to resolve tax issues.

2 MAS announced in October 2011<sup>1</sup> that Singapore intends to implement the new recommendation by the Financial Action Task Force ("FATF") that jurisdictions designate serious tax crimes as predicate offences for money laundering. Singapore will be updating the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act ("CDSA") by June 2013 to criminalise the laundering of proceeds from tax crimes committed with wilful intent. MAS expects FIs to comply with this additional measure once it comes into effect.

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<sup>1</sup> Keynote Speech - "A Competent, Trusted, and Clean Financial Centre" by MAS Managing Director Ravi Menon on 27 Oct 11.

**MONETARY AUTHORITY OF SINGAPORE**

3 FIs should therefore proceed to undertake a critical review of their existing client pool to affirm the bona fides of the assets. If there are reasons to suspect that the assets are proceeds from tax crimes, FIs should file suspicious transaction reports and where appropriate, discontinue the business relationship. MAS will not hesitate to take appropriate action against FIs that contravene the CDSA and other MAS requirements.

Yours faithfully

(sent via MASNET)

**LEE BOON NGIAP  
ASSISTANT MANAGING DIRECTOR  
BANKING & INSURANCE GROUP**