Form B: Customer Due Diligence Form (Natural Person) (Rule 6)

Please note that this **Form B** should be completed if the following situations apply: 1. The client is a new client and is a natural person; or 2. The client is an existing client who has not been in contact with the law practice within the last five (5) years.

SECTION A: DETAILS OF CLIENT

Name:	
Alias (if any):	
Passport / NRIC No.:	
Residential address:	
Date of Birth:	
Nationality:	
Occupation:	
Contact number:	
Email:	

SECTION B: VERIFICATION OF IDENTITY

1. Please tick the applicable boxes of which identification documents have been obtained from the client.[1] (where these are copies, originals have been sighted)
   - ☐ Passport/NRIC/FIN No.
   - ☐ Proof of address
   - ☐ Other documents, data or information (To provide description):

   ____

2. State the purpose and intended nature of the business relationship with the client, and include supporting documents, if any:

   ____

SECTION C: PERSON ACTING ON BEHALF OF THE CLIENT (Rule 7)

1. Is any other person(s) purporting to act on behalf of the client?[2] ☐ Yes ☐ No
2. Is the client acting on behalf of another person?[3] ☐ Yes ☐ No

If yes is selected for questions 1 and/or 2 above, please complete **Annex 1: Individual Identification Form** for each person acting on behalf of the client and/or each client acting on behalf of another individual (as applicable). Please also respond to the questions below.

3. Have reasonable measures to verify the identity of the individual using objectively reliable and independent source documents, data or information been taken?[4] ☐ Yes ☐ No

[1] If you are unable to meet the client in person, please consider obtaining and relying on a certified true copy of the identity document(s). For more information, please refer to Annex E of PD 3.2.1.
[2] Rule 7(1)(a)
[3] Rule 7(1)(b)
[4] Rule 7(2)(a)

Please state the measures taken:

____

4. Please tick the applicable boxes of which appropriate documentary evidence has been used to verify that the individual is authorised to act on behalf of the client or that the client is authorised to act on behalf of the individual.[5]

☐ Proof of authorisation
☐ Other documents, data or information (To provide description):

____

SECTION D: POLITICALLY-EXPOSED INDIVIDUAL[6] (Rules 6(1)(c) and 13)

1. Is the client a foreign politically-exposed individual, or a family member or close associate of any such individual? ☐ Yes ☐ No

If yes, please perform Enhanced CDD at **Section G** below.[7]

2. Is the client a domestic politically-exposed individual?[8] ☐ Yes ☐ No
3. Is the client an individual who has been entrusted with a prominent function in an international organisation?[9] ☐ Yes ☐ No

If yes to questions 1 to 3 above, describe the nature of the prominent public function the person is or has been entrusted with as a foreign or domestic politically-exposed individual/or the nature of the prominent function the person has been entrusted with in an international organisation:

____

4. Is your client a family member of a politically-exposed individual?[10] ☐ Yes ☐ No

If yes, describe the nature of the person's relationship with the politically-exposed individual:

____

5. Is your client a close associate[11] of a politically-exposed individual?[12] ☐ Yes ☐ No

If yes, describe the nature of the person's relationship with the politically-exposed individual:

____

6. You assess the business relationship with the client to be a higher risk business relationship.[13] ☐ Yes ☐ No

➔ If your answer is yes to 6 **and** 2, 3, 4 or 5**,** please perform ECDD at **Section G** below.[14]

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[5] If the instructions are received from an individual whom you know to be a member of the entity's senior management or in-house counsel, you are not required to conduct the CDD measures under Rule 7 of the Rules.
[6] Refer to the Rule 2 for the definition of "politically-exposed individual' and see Rule 6(1)(c)
[7] Rule 13(1)(b)
[8] Rule 13(1)(c)(ii)(A)
[9] Rule 13(1)(c)(ii)(B)
[10] Rule 13(1)(c)(ii)(C)
[11] Pursuant to rule 2 of the Rules, a 'close associate', in relation to a politically-exposed individual, means an individual who is known to be closely connected to the politically-exposed individual, either socially or professionally, such as, but not limited to:
(a) a partner of the politically-exposed individual;
(b) an employee or employer of the politically-exposed individual;
(c) a person accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the politically-exposed individual; or
(d) a person whose directions, instructions or wishes the politically-exposed individual is accustomed or under an obligation, whether formal or informal, to act in accordance with.
[12] Rule 13(1)(c)(ii)(C)
[13] Rule 13(1)(c)(i)
[14] Rule 13(1)(c)

SECTION E: RISK ASSESSMENT

To adequately analyse the risks of ML/TF/PF, please consider the client risk, country risk and transaction risk, specifically, whether:

		Yes	No
1.	Is there any name match against the Client against: a. FATF's High-Risk Jurisdictions subject to a Call for Action ("**Black List**")[1]; or	☐ Yes	☐ No
	b. Jurisdictions under Increased Monitoring ("**Grey List**")[2]? https://www.fatf-gafi.org/en/countries/black-and-grey-lists.html	☐ Yes	☐ No
2.	Is the client from or in any foreign country or territory which is known to have inadequate measures against ML, FT or PF, as determined by the legal practitioner or law practice, or as notified generally by the Law Society or Director of Legal Services?[3]	☐ Yes	☐ No
3.	Is there any name match against the Ministry of Home Affairs ("**MHA**") website on the Inter-Ministry Committee on Terrorist Designation ("**IMC-TD**") on terrorist designation (persons and entities designated as terrorists)? https://www.mha.gov.sg/what-we-do/managing-security-threats/countering-the-financing-of-terrorism	☐ Yes	☐ No
4.	Is there any name match against lists on Monetary Authority of Singapore ("**MAS**") website on Targeted Financial Sanctions under the United Nations Regulations ("**UN Regulations**") for the lists of designated individuals and entities? https://www.mas.gov.sg/regulation/anti-money-laundering/targeted-financial-sanctions/lists-of-designated-individuals-and-entities	☐ Yes	☐ No
5.	Are any ML/TF/PF high risk factors and/or Ministry of Law's material red flags present in this matter? (See Annexes B4, B5 and F of PD 3.2.1)[4]	☐ Yes	☐ No

> Each law practice should also maintain its own policy outlining the indicators that constitute a 'red flag'. Practitioners are advised to refer to their respective firm's policy when completing this question.

[1] Rule 12(4)(a)
[2] Rule 12(4)(c)
[3] Rule 12(4)(b)
[4] Refer to Annexes B4, B5 and F of PD 3.2.1 for details.
Examples of client risk factors may include, but are not limited to the following:
(a) significant discrepancies in client's representation against independently sourced documents, such as corporate documents on shareholdings/ directorship.
(b) incongruent description of the nature of business stated in company's business licence/profile or website vis-à-vis client's representation.
(c) client who refuses to provide requested information.
(d) transactions that appear to be beyond the means of the client based on stated or known occupation or income, experience in the industry or known share capital or period of incorporation.
Some examples of High Risk factors for ML/ FT in respect of the business relationship with the client may include, but are not limited to, the following:
(a) instructions to a legal practitioner or law practice at a distance from the client or transaction without legitimate or economic reason.
(b) use of client account without underlying legal services provided.
(c) payments are made by the client in actual cash (in the form of notes and coins).
(d) disproportionate amount of private funding for the purchase of real estate/property which is inconsistent with the socio-economic profile of the client.
(e) large cash payments made for purchase of interest in land whose value is far less, or the method of funding is unusual such as funding from a third party, or there is an absence of any logical explanation from the parties why the property is owned by multiple owners or by nominee companies.
(f) unusually high levels of assets or unusually large transactions in relation to what might reasonably be expected of clients with a similar profile.
(g) unusually large upfront payments (including cash, casher's orders, bank transfers) which are not consistent with expected or known client profile.
Some examples of high risk factors for PF may include, but are not limited to the following:
(a) client activity does not match business profile, or end-user information does not match end-user's business profile.
(b) transaction involves possible shell companies (e.g. companies do not have a high level of capitalisation or displays other shell company indicators).

6. Do you have reason to believe that the client, any person acting on behalf of the client or any person on whose behalf the client is acting, or the transaction, presents a high risk of ML, FT or PF?[5] ☐ Yes ☐ No

   Please state the reason for this belief:

   ____

7. Based on your responses to questions above, please select the appropriate box below to indicate the assessed risk of ML, FT, or PF.

For guidance on Client Risk Analysis, please refer to section A of the Ministry of Law Guidance at Guidance-on-Analysis-of-Client-Risk-Material-Red-Flags-SOW-Ongoing-Monitoring-and-STR-Filing-Timeline.pdf and Section 2 of PD 3.2.1.

☐ Low Risk– Perform Simplified Customer Due Diligence Measures ("**SCDD**")[6]

☐ Moderate Risk– Perform General Customer Due Diligence Measures

If moderate risk is selected, please also refer to senior management. Senior management to determine the frequency of ongoing monitoring.

Frequency (eg, X months): ___________________________________

☐ High Risk– Perform **Section G: Enhanced Customer Due Diligence Measures** ("**ECDD**")[7]

Provide reasons below:

____

[5] Rule 12(4)(d)

[6] Pursuant to Rule 13A, SCDD measures may be performed instead in relation to the client, the person acting on behalf of the client or the person on whose behalf the client is acting, if **<u>all</u>** of the following conditions are met:
(a) the legal practitioner or law practice has, under rule 18(2)(a) and (b), assessed the risks of money laundering, the financing of terrorism and proliferation financing in relation to the client to be low;
(b) the SCDD measures are commensurate with the level of risk of the client engaging in money laundering, the financing of terrorism and proliferation financing as identified by the legal practitioner or law practice;
(c) none of the circumstances mentioned in rule 13 requiring ECDD measures exist.
Please refer to PD 3.2.1 for more information on SCDD.

[7] Pursuant to Rule 13(1), ECDD must be performed if:
(a) the risks of money laundering, the financing of terrorism and proliferation financing are raised under Rule 12(4);
(b) the client, or the beneficial owner of the client (being an entity or a legal arrangement), is a foreign politically-exposed individual, or a family member or close associate of any such individual; or
(c) both of the following apply:
  i. the legal practitioner or law practice assesses the business relationship with the client to be a higher risk business relationship; **<u>and</u>**
  ii. the client, or the beneficial owner of the client is:
    A. a domestic politically-exposed individual,
    B. an individual who has been entrusted with a prominent function in an international organisation; or
    C. a family member or close associate of a domestic politically-exposed individual or an individual who has been entrusted with a prominent function in an international organisation.

It is essential that robust ongoing monitoring and close oversight are maintained for clients classified as higher risk. For more information, please refer to Section C of the Ministry of Law Guidance at Guidance-on-Analysis-of-Client-Risk-Material-Red-Flags-SOW-Ongoing-Monitoring-and-STR-Filing-Timeline.pdf.

Please also ensure that commensurate risk mitigation measures are applied.

8. Has a Suspicious Transaction Report ("**STR**") been filed? ☐ Yes ☐ No

Please refer to Rules 5, 15, 16, and Section 70D of the LPA

If yes, please indicate the date the STR was filed:

____

Please refer to Section D of the Guidance on Analysis of Client Risk, Identification of Material Red Flags, Source of Wealth (SOW) Establishment, Ongoing Monitoring of Clients and their Transactions and Suspicious Transaction Report (STR) Filing Timeline issued by the Ministry of Law ("**Ministry of Law Guidance**") at Guidance-on-Analysis-of-Client-Risk-Material-Red-Flags-SOW-Ongoing-Monitoring-and-STR-Filing-Timeline.pdf which states:

*"**D. STR Filing Timeline***
STRs should be filed as soon as reasonably practicable upon the establishment of suspicion.
What is "as soon as reasonably practicable"?
• *"As soon as reasonably practicable" should be no longer than 5 business days.*
• *This will include some flexibility for exceptions e.g. prioritise STR filing for higher risk cases; and STRs for targeted financial sanctions/ sanctions cases are to be filed within one business day, if not immediately"*

9. In relation to a STR filed under Rule 5, please answer the following questions:

(a) Have you considered whether it is appropriate to (i) continue a business relationship with the client;[8] or (ii) establish a new business relationship with, or undertake a new matter for, the client?[9] ☐ Yes ☐ No

(b) Having considered in (a) above, I will be (i) continuing a business relationship with the client; or (ii) establishing a new business relationship with, or undertaking a new matter for, the client. ☐ Yes ☐ No

10. If yes, please substantiate the reasons for continuing or establishing the business relationship with, or undertaking the matter for, the client[10]:

____

11. If yes, please subject the business relationship or matter to commensurate risk mitigation measures, including enhanced ongoing monitoring and state the measures below[11]:

Risk mitigation measures: ____

Frequency of enhanced ongoing monitoring: _____________________________________

[8] Rule 5(1)(b)(i)
[9] Rule 5(1)(b)(ii)
[10] Rule 5(2)(a)
[11] Rule 5(2)(b)

SECTION F: RELIANCE ON THIRD PARTY TO CONDUCT CUSTOMER DUE DILIGENCE (Rule 17)

A legal practitioner or law practice may rely on a third party to perform customer due diligence measures only if all the specified conditions are met (Rule 17(4)). However, reliance on a third party is **not** permitted for the performance of ongoing CDD (Rule 9) on the business relationship between the client and the law practice or legal practitioner (Rule 17(1)).

Even if a legal practitioner or law practice relies on a third party to perform any customer due diligence measures (other than Rule 9), the legal practitioner or law practice remains responsible for the performance of those measures (Rule 17(2)).

Note: A law practice or legal practitioner should **not** rely unduly on CDD checks which third parties are assumed to conduct, but must instead carry out comprehensive/ in-depth and independent CDD measures, especially in the case of high-value transactions.

Name of third party:	
Country of Incorporation (if entity) / Residence (if individual):	
Incorporation number (if entity) / Identification number (if individual)	
Address:	
Third party is a:	☐ Legal Professional ☐ Auditor ☐ Financial Institution ☐ Others: ____________________________

Please ensure that the following is completed:

1. Are you satisfied that where necessary, you will be able to obtain from the third party, upon request and without delay, any document or information acquired by the third party as a result of the customer due diligence measures performed by the third party?[12] ☐ Yes ☐ No

Document the basis for your opinion in item 1:[13]

____

2. Are you satisfied that the third party is subject to and supervised for compliance with requirements for the prevention of ML, FT and PF, consistent with the standards set by the FATF; and has adequate measures in place for compliance with the aforementioned requirements?[14] ☐ Yes ☐ No

[12] Rule 17(4)(a)
[13] Rule 17(3)(a)
[14] Rule 17(3)(b)

Document the basis for your opinion in item 2:[15]

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3. Have you taken appropriate steps to identify, assess and understand the risks of ML, FT and PF in the countries, territories or jurisdictions that the third party operates in (if applicable).[16]	☐ Yes	☐ No
4. You have obtained from the third party without delay all documents and information acquired as a result of the customer due diligence measures performed by the third party.[17]	☐ Yes	☐ No

Please state the documents: [18]

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[15] Rule 17(3)(a)
[16] Rule 17(3)(c)
[17] Rule 17(3)(b)
[18] Rule 17(3)(b)

SECTION G: ENHANCED CUSTOMER DUE DILIGENCE MEASURES (Rule 13)

1. Has senior management approval been obtained before: ☐ Yes ☐ No
   a. in the case of a new client, establishing a business relationship with the client;[1] or
   b. in the case of an existing client, continuing a business relationship with the client.[2]
2. Provide information below on what reasonable measures have been taken to establish the source of wealth and source of funds of the following[3]:
   a. the client; and
   b. the beneficial owner of the client (if the client is an entity or a legal arrangement)

   ____

   ____

   Resource: For guidance on establishing Source of Wealth, please refer to Section B of the Ministry of Law Guidance at Guidance-on-Analysis-of-Client-Risk-Material-Red-Flags-SOW-Ongoing-Monitoring-and-STR-Filing-Timeline.pdf.

3. State the measures taken in respect of conducting enhanced ongoing monitoring of the business relationship with the client:[4]

   ____

4. State all other reasonable measures taken in respect of the matters specified in Rule 13(1)(a), (b) and (c):[5] (*Note: A statutory declaration from the client alone would not be considered reasonable measures for clients or transactions assessed to be of higher risk.)*

   ____

   ____

[1] Rule 13(2)(a)(i)
[2] Rule 13(2)(a)(ii)
[3] Rule 13(2)(b)
[4] Rule 13(2)(c)
[5] Rule 13(2)(d)

SECTION H: INABILITY TO COMPLETE CUSTOMER DUE DILIGENCE MEASURES (Rule 15)

1. I am unable to complete any CDD measures prescribed in relation to a client. ☐ Yes ☐ No

   If yes, please provide reason(s) below for the inability to complete customer due diligence measures[1][2]:

   ____

2. I have not commenced any new business relationship, and have terminated any existing business relationship, with the client.[3] ☐ Yes ☐ No
3. I have not undertaken any transaction for the client.[4] ☐ Yes ☐ No
4. I have considered whether to file a suspicious transaction report in relation to the client.[5][6] ☐ Yes ☐ No

   If no, provide the reasons as to why you have considered **not** to file a STR[7]:

   ____

SECTION I: APPROVALS

☐ I certify that the information above is correct and accurate to the best of my knowledge.

Approved by Legal Practitioner	(Optional) Reviewed by Compliance Officer (if any)
____________________________	____________________________
Name and Signature	Name and Signature
____________________________	____________________________
Date	Date

For High Risk Cases, approval to establish a business relationship/continue a business relationship from senior management[8] required and obtained from:

[1] Pursuant to Rule 15(2), the legal practitioner or law practice is unable to complete CDD measures, if the legal practitioner or law practice:
(a) is unable to obtain, or to verify, any information required as part of those customer due diligence measures; or
(b) does not receive a satisfactory response to any inquiry in relation to any information required as part of those CDD measures.
Pursuant to Rule 15(1), where the above applies, the legal practitioner or law practice must:
(a) **not** commence any new business relationship, and must terminate any existing business relationship, with the client;
(b) **not** undertake any transaction for the client; and
(c) consider whether to file a suspicious transaction report in relation to the client.
The legal practitioner/law practice must also adopt internal risk management policies and procedures concerning the conditions under which a legal practitioner who practises in the law practice, or the law practice, may establish a business relationship with the client before the completion of the relevant customer due diligence (Rule 11(3)).

[2] Pursuant to Rule 11(2), a legal practitioner or law practice may complete the performance, in relation to a client, of a relevant customer due diligence measure as soon as reasonably practicable after establishing a business relationship with the client if —
(a) completion of that measure after establishing the business relationship is necessary in order not to interrupt the normal conduct of business operations; and
(b) the risks of money laundering, the financing of terrorism and proliferation financing can be effectively managed.

[3] Rule 15(1)(a)

[4] Rule 15(1)(b)

[5] Rule 15(1)(c)

[6] For more information in relation to situations which require an STR to be filed, please refer to Section 5 of PD 3.2.1.

[7] Please note that pursuant to Rule 25, the legal practitioner or law practice must document the basis for the legal practitioner's or law practice's determination whether to file a STR with a Suspicious Transaction Reporting Officer, a police officer or a Commercial Affairs Officer. An STR can be made directly to the Suspicious Transaction Reporting Office ("**STRO**"), which is the central agency in Singapore for the receipt, analysis and dissemination of suspicious transaction reports, under the Commercial Affairs Department of the Singapore Police Force. A suspicious transaction report should be filed electronically using the STRO Online Notices and Reporting platform (SONAR) provided by STRO to file STRs.

[8] The firm should designate the positions or individuals who are "senior management" in their firm's policy.

Signed by	Signed by
______________________________	______________________________
Name and Signature	Name and Signature
______________________________	______________________________
Designation	Designation
______________________________	______________________________
Date	Date