



# Mutual Evaluation Second Follow-Up Report

Anti-Money Laundering and Combating the  
Financing of Terrorism

# SINGAPORE

25 February 2011

Following the adoption of its second Mutual Evaluation (MER) in October 2008, and in accordance with the normal FATF follow-up procedures, Singapore was required to provide information on the measures it has taken to address the deficiencies identified in the MER. Since October 2008, Singapore has been taking action to enhance its AML/CFT regime in line with the recommendations in the MER. The FATF recognizes that Singapore has made significant progress and that Singapore should henceforward report on a biennial basis on the actions it will take in the AML/CFT area.

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## MUTUAL EVALUATION OF SINGAPORE: SECOND FOLLOW-UP REPORT

### Application to move from regular follow-up to biennial updates

*Note by the Secretariat*

#### **Key decision:**

Does the Plenary agree that Singapore has taken sufficient action to be moved from regular follow-up to biennial updates, and that the Singapore should be asked provide a biennial update to the Plenary in two years time (February 2013)?

#### **I. Introduction**

1. The second mutual evaluation report (MER) of Singapore was adopted on 29 February 2008. At the same time, Singapore was placed in a regular follow-up process<sup>1</sup>. Singapore reported back to the FATF in February 2010 (first follow-up report). Singapore indicated that it would report to the Plenary again in February 2011 concerning the additional steps taken to address the deficiencies identified in the report, and would apply to move from regular follow-up to biennial updates.

2. This paper is based on the procedure for removal from the regular follow-up, as agreed by the FATF Plenary in October 2008<sup>2</sup>. The paper contains: a detailed description and analysis of the actions taken by Singapore in respect of the core and key Recommendations rated partially compliant (PC) or non-compliant (NC) in the mutual evaluation; a description and analysis of the other Recommendations rated PC or NC; and, for information, a set of laws and other materials relevant to its AML/CFT regime (Annex 1). The procedure requires that a country — ~~has~~ taken sufficient action to be considered for removal from the process – to have taken sufficient action in the opinion of the Plenary, it is necessary that the country has an effective AML/CFT system in force, under which the country has implemented the core<sup>3</sup> and key<sup>4</sup> Recommendations at a level essentially equivalent to a C [compliant] or LC [largely compliant], taking into consideration that there would be no re-rating”.

<sup>1</sup> For details regarding the follow-up process, please refer to the Financial Action Task Force (FATF) mutual evaluation procedures dealing with the follow-up process (paragraph 35 and following).

<sup>2</sup> Third Round of Anti-Money Laundering (AML)/Counter-Terrorist Financing (CFT) Evaluations Processes and Procedures, paragraphs 39c and 40.

<sup>3</sup> The core Recommendations as defined in the FATF procedures are R1, R5, R10, R13, SRII and SRIV.

<sup>4</sup> The key Recommendations are R3, R4, R26, R23, R35, R36, R40, SRI, SRIII, and SRV. Such Recommendations are carefully reviewed when considering removal from the follow-up process.

3. Singapore was rated PC or NC on the following six Recommendations:

<i>Core Recommendations rated NC or PC</i>
R1 (PC)
<i>Key Recommendations rated NC or PC</i>
None
<i>Other Recommendations rated PC</i>
R16, R33, R34
<i>Other Recommendations rated NC</i>
R12, R24

4. As prescribed by the Mutual Evaluation procedures, Singapore provided the Secretariat with a full report on its progress. The Secretariat has drafted a detailed analysis of the progress made for Recommendation 1 (rated PC), as well as an analysis of all the other Recommendations rated PC or NC. A draft analysis was provided to Singapore (with a list of additional questions) for its review, and comments from Singapore have been taken into account in the final draft. During the process, Singapore has provided the Secretariat with all information requested.

5. As a general note on all applications for removal from regular follow-up: the procedure is described as a *paper based desk review*, and by its nature is less detailed and thorough than a mutual evaluation report. The analysis focuses on the Recommendations that were rated PC/NC, which means that only a part of the AML/CFT system is reviewed. Such analysis essentially consists of looking into the main laws, regulations and other material to verify the technical compliance of domestic legislation with the FATF standards. In assessing whether sufficient progress had been made, effectiveness is taken into account to the extent possible in a paper based desk review and primarily through a consideration of data provided by the country. It is also important to note that these conclusions do not prejudice the results of future assessments, as they are based on information which was not verified through an on-site process and was not, in every case, as comprehensive as would exist during a mutual evaluation.

## II. Main conclusion and recommendations to the Plenary

### *Core Recommendations*

6. The most significant deficiency identified in the MER in relation to R1 (Criminalisation of money laundering) was lack of effectiveness. Although a paper based desk review is not an optimal way to assess effectiveness, Singapore has provided sufficient information indicating that the effectiveness of implementation of the money laundering (ML) offence has improved since the mutual evaluation. In particular, the average annual number of ML convictions is now five times greater than it was at the time of the on-site visit and, of these, the number of convictions for both third party ML and the laundering of the proceeds of foreign predicate offences have also increased substantially. Singapore has enhanced its focus on pursuing ML related to foreign predicate offences generally by implementing a policy whereby, whenever a request for international co-operation is received, the case is reviewed to determine whether there is a possibility that the money generated from the crime was laundered in Singapore and, if so, a ML case is opened in Singapore. This review is conducted regardless of whether the foreign request relates to ML or not. Singapore has also provided statistics that show a trend of heavier sanctions for ML being applied since the time of the on-site visit. Additionally, Singapore has increased its list of predicate offences.

7. Singapore has also amended sections 46 and 47 of the *Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act* (CDSA), which is the primary legislation criminalising ML, to remove both of the technical deficiencies identified in the MER.

8. Overall, Singapore has brought the level of compliance with R1 up to a level which is, at a minimum, essentially equivalent to an LC.

### **Key Recommendations**

9. No key Recommendations were rated NC or PC.

### **Other Recommendations**

10. As for the overall set of other Recommendations that were rated PC/NC, Singapore has taken steps to improve its compliance on R12, R16, R24, R33 and R34. However, none of these Recommendations is yet at a level equivalent to a rating of LC.

### **Conclusion**

11. The mutual evaluation follow-up procedures indicate that, for a country to have taken sufficient action to be considered for removal from the process, it must have an effective AML/CFT system in force, under which it has implemented all core and key Recommendations at a level essentially equivalent to C or LC, taking into account that there would be no re-rating. The Plenary does, however, retain some limited flexibility with regard to the key Recommendations if substantial progress has also been made on the overall set of Recommendations that have been rated PC or NC.

12. Recommendation 1 is the only core Recommendation rated PC. Overall, Singapore has taken sufficient action to bring its compliance on R1 to a level which is, at a minimum, essentially equivalent to LC.

13. No key Recommendations were rated PC or NC.

14. Singapore has also taken some steps to enhance implementation of the other five Recommendations rated PC or NC (R12, 16, 24, 33 and 34), albeit not yet to a level essentially equivalent to a rating of LC or C.

15. Consequently, it is recommended that this would be an appropriate circumstance for the Plenary to remove Singapore from the regular follow-up process, with a view to having it present its first biennial update in February 2013.

## **III. Overview of the Singapore's progress**

### **Overview of the main changes since the adoption of the MER**

16. Since the adoption of the MER, Singapore has focussed on amending its legislation to correct deficiencies in the ML offence (R1) and the tipping off provisions (R14). Annex 1 (see sub-annexes B and C) provides a detailed overview of all amendments to the legal system that have been made by Singapore in order to address the identified shortcomings. Additionally, Singapore has been working to enhance AML/CFT measures in the designated non-financial businesses and professions (DNFBP) sectors, including the newly established casino sector which was not yet operational at the time of the on-site visit.

### *The legal and regulatory framework*

17. The cornerstone of Singapore's AML/CFT regime is the CDSA (last amended in February 2010) and the *Terrorism (Suppression of Financing) Act* (TSOFA) which criminalise ML and FT respectively, and set out related suspicious transaction reporting (STR) requirements.

18. The Monetary Authority of Singapore (MAS) is both the central bank and integrated regulator, exercising AML/CFT supervision over the entire financial sector. Authorised pursuant to section 27B of the *Monetary Authority of Singapore Act* to issue directions or regulations in the area of AML/CFT, the MAS has issued a series of enforceable *MAS Notices* which elaborate comprehensive AML/CFT preventative measures in the financial sector.

19. The following supervisory entities for DNFBPs have also issued binding AML/CFT requirements for the entities within their respective jurisdictions: the Casino Regulatory Authority (CRA) for casinos, and the Council of the Law Society of Singapore for lawyers. Additionally, work is underway to establish AML/CFT regulatory regimes applicable to company service providers and the real estate sector.

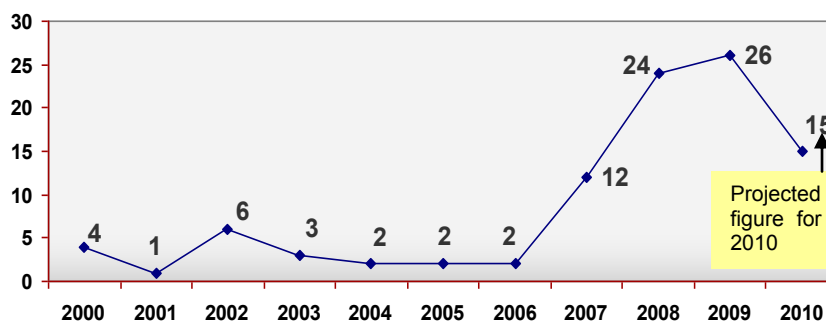
## IV. Review of the measures taken in relation to the Core Recommendations

### **Recommendation 1 – rating PC**

***R1 (Deficiency 1): Effectiveness: The money laundering offence is not effectively implemented as is shown by: the low number of ML prosecutions and convictions, given the size of Singapore's financial sector and the level of ML risk. Also there is a focus on pursuing domestic predicate offence cases, with ML as an ancillary crime, rather than ML as a separate offence, which results in few third party ML cases being pursued and insufficient attention being paid to ML involving the proceeds of foreign predicate offences.***

20. ***The average annual number of ML convictions has increased:*** From 2000 to 2007, the average annual number of ML convictions was four. Following the on-site visit in 2007, the average annual number of ML convictions has increased significantly to an average of 21 ML convictions per year (see Chart 1 below).

**Chart 1. No. of money laundering convictions**



21. In 2008 and 2009, Singapore had an average of 25 money laundering (ML) convictions. This increase was largely contributed by the emergence of syndicated scams (lottery, kidnapping and court official impersonation scams) in the later part of 2007. The authorities report that the successful crackdown

on ML arising from overseas syndicated scams in 2008 and 2009, led to a decline in such ML convictions in 2010.

22. ***The number of convictions for third party ML has increased:*** At the time of the on-site visit, most of the ML convictions were for self-laundering and only 2 convictions for third party ML had been obtained. Since then, the number of persons convicted for third party ML has increased to an average of 14 per year for the years 2008 to 2010 (see Table 1 below).

**Table 1. No. of ML prosecutions/convictions (by persons) and breakdown by self or third party laundering**

	2007 Time of the on-site visit	2008	2009	2010 Jan - Sept
No. of ML prosecutions	17	23	26	9
No. of ML convictions	12	24	26	14
<b>Method</b>				
Self Laundering convictions	10	5	12*	8**
Third Party convictions	2	19	16*	7**

\*Two persons were charged with both self laundering and third-party laundering.

\*\* One person was charged with both self laundering and third-party laundering.

23. ***The number of convictions for ML involving foreign predicate offences has increased:*** At the time of the on-site visit, there were very few convictions for laundering the proceeds of foreign predicate crimes (only 1 in 2007). Since then, the authorities have pursued such cases more rigorously. In particular, Singapore has been focusing on ML arising from overseas syndicated scams. These efforts have resulted in a significant increase in number of ML convictions involving foreign predicate offences: 15 in 2008, 13 in 2009, and 5 in 2010 (January to September) (see Table 2 below).

**Table 2. ML Convictions – Breakdown by predicate offence location**

	2007	2008	2009*	Jan - Sept 2010
<b>No. of convictions</b>	<b>12</b>	<b>24</b>	<b>26</b>	<b>14</b>
<b>Origin</b>				
Domestic predicate offence	11	9	13	9
Foreign predicate offence	1	15	13	5

24. ***The authorities have implemented policies to systematically focus on pursuing the laundering of proceeds of foreign predicate offences:*** Singapore's financial intelligence unit (FIU), the Suspicious Transaction Reporting Office (STRO), has intensified implementation of its policy to examine all information provided by its foreign counterparts with a view to determining whether there are indications that ML has been committed in Singapore. In other words, when STRO receives requests for assistance from foreign FIUs, it actively looks out for indications which may suggest that ML was committed in Singapore, and takes steps to pursue domestic ML investigations if such indications are found. Since the on-site visit, the instances whereby information exchanged with foreign authorities was useful for both domestic and foreign investigations/prosecutions have generally increased (see Table 3 below).

**Table 3: Results of Information shared with foreign FIU counterparts**

(cases)	2007	2008	2009	Jan - Sept 2010
<b>Outcome for foreign party</b>				
Resulted in intelligence for foreign party	11	14	91	112
Linked to foreign investigation	18	24	83	91
Linked to foreign prosecution	2	5	7	15
<b>Outcome for Singapore</b>				
Filed as domestic intelligence	160	194	167	196
Linked to domestic investigation	1	8	37	77
Linked to domestic prosecution	0	0	7	12

25. In addition, STRO proactively exchanges information with its foreign counterparts to establish the existence of any possible foreign predicate offences for cases involving suspicious inflows of funds into Singapore. The number of information exchanges between STRO and its foreign counterparts is shown in Table 4 below.

**Table 4. Information exchanges between STRO and foreign counterparts (includes requests for assistance made by STRO and spontaneous exchange of information with foreign counterparts)**

	2007	2008	2009	Jan - Sept 2010
<b>Number of instances whereby STRO spontaneously provided information or requested information from foreign counterparts</b>	103	129	92	153

26. *Heavier sanctions are being imposed in ML cases:* At the time of the on-site visit (2007), the majority (two-thirds) of ML cases (8 out of 12) resulted in sanctions of less than 12 months imprisonment, and none exceeded 24 months imprisonment. From 2008 to September 2010, the majority (about two-thirds) of ML cases (41 out of 64) resulted in sanctions of greater than 12 months imprisonment, and about 8% of cases (5 out of 64) resulted in sanctions of 48 months imprisonment or more (see Table 5 below). The authorities report that the sanctions meted out to convicted persons in these cases were commensurate with the severity of the offences and the facts of each case (e.g., the number of charges levied, their criminal antecedents and the monetary amounts involved).

**Table 5. Summary of sentences meted out for each ML conviction**

Sentences meted out for each ML conviction (No. of months of imprisonment)	2007 Time of on-site visit	2008	2009	2010 Jan-Sept
Sentence ≥ 48 mths	-	3**	1	1
36 mths ≤ sentence < 48 mths	-	1	8	-
24 mths ≤ sentence < 36 mths	-	1	8	3
12 mths ≤ sentence < 24 mths	4	8	4	3
Sentence < 12 mths	8*	11*	5	7
<b>Total convictions</b>	<b>12</b>	<b>24</b>	<b>26</b>	<b>14</b>

\* Includes 1 sentence taken into consideration

\*\* Includes 1 sentence of corrective training



27. ***The range of predicate offences has been increased:*** Ongoing steps to continue enhancing the effectiveness of the ML offence include regular reviews of the list of predicate offences, with a view to extending the crime of ML to a wider range of predicate offences. In January 2010, the following predicate offences were added:

- a) Prohibition against supply of health products that are adulterated, counterfeits, etcetera (section 16 of the *Health Products Act*);
- b) Organ trading by middlemen or syndicates (section 14(2A) of the *Human Organ Transplant Act*);
- c) Sale of adulterated medicinal products, or medicinal products not of nature or quality demanded by purchaser (section 35 (for contravention of sections 31 and 32) of the *Medicines Act*); and
- d) Transport of radioactive waste (section 14 of the *Radiation Protection Act*).

28. Additionally, in February 2010, Singapore amended the *Moneylenders Act* to enhance its ability to disrupt the activities of unlicensed money lending operations. In particular, section 14(3A)(b) criminalises the act of receiving, possessing, concealing or disposing of any funds or other property, or engaging in a banking transaction relating to any funds, on behalf of another person, knowing or having reasonable grounds to believe that the person is carrying on an unlicensed money lending business and either the funds are (or are intended to be) disbursed as a loan by that person, or the funds or property is repayment of a loan made by the person. The penalty for this offence is a fine of between 30 000-300 000 Singapore dollars (EUR 17 667-EUR 176 670) and imprisonment for up to seven years for repeat offenders.

***R1 (Deficiency 2): An additional “purposive” mens rea requirement in CDSA Sec.46(2) and 47(2) in relation to the offence of “concealment or disguise”, and a missing alternative purpose element in relation to the offence of “conversion or transfer” are inconsistent with the Conventions and may hamper the government’s ability to prosecute third-party ML cases under those sections.***

29. In February 2010, Singapore amended sections 46(2) and 47(2) of the CDSA to remove the purposive element from the ML offence of “concealment or disguise”. This is consistent with the approach taken in the *United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances 1988* and the *2000 United Nations Convention against Transnational Organised Crime*.

30. Additionally, sections 46(2) and 47(2) were amended to remove the purposive element from the ML offence of “conversion or transfer”. This approach is consistent with and goes further than is required by the Conventions which permit the offence to be restricted by requiring proof of the following two purposive elements: that the offence was committed for the purpose of either concealing or disguising the illicit origin of the property, or that the offence was committed for the purpose of helping any person who is involved in the commission of the predicate offence to evade the legal consequences of his or her action. These amendments to the CDSA satisfactorily address the technical deficiencies identified in the MER in relation to R1.

### **Recommendation 1, overall conclusion**

31. Singapore has amended its legislation to resolve all of the technical deficiencies which were identified in the MER in relation to R1. Additionally, the following information provided by the authorities suggests that the effectiveness of implementation of the offence has significantly improved: (i) the average annual number of ML convictions has increased five-fold; (ii) the number of convictions for third party ML is seven times greater than it was at the time of the on-site visit; (iii) the number of convictions for

laundering the proceeds of foreign predicate offences has increased substantially; (iv) the authorities have enhanced the implementation of their policies to systematically focus on pursuing the laundering of proceeds of foreign predicate offences; (v) heavier sanctions are being imposed in ML cases; and (vi) the range of predicate offences is regularly reviewed, with a view to increasing the number of predicate offences where appropriate.

32. One of the limitations in this analysis is that a paper based desk review can never fully confirm the existence (or lack) of effectiveness. However, on the basis of the information and statistics provided by Singapore, it would appear that the authorities have taken concrete steps to enhance the effectiveness of implementation of the ML offence, and that these steps are generating positive results. Overall, Singapore has brought the level of compliance with R1 up to a level which is, at a minimum, essentially equivalent to an LC.

## V. Review of the measures taken in relation to the Key Recommendations

33. No key Recommendations were rated NC or PC.

## VI. Review of the measures taken in relation to other Recommendations rated NC or PC

### **Recommendation 12 (NC)**

***R12 (Deficiency 1): Real estate agents, dealers in precious metals and stones, accountants, and trust service providers (other than trust companies) and company service providers do not have any AML/CFT obligations pertaining to Recommendation 12.***

34. Physical casinos first opened in Singapore in 2010 (after the on-site visit). From the outset, Singapore has applied AML/CFT measures to the casino sector, including customer due diligence (CDD), record keeping, STR reporting and large cash transaction reporting requirements. Internet casinos are prohibited in Singapore.

35. The authorities are currently conducting a review of the real estate sector with a view to strengthening the regulatory framework and raising overall professional standards of real estate agents.

36. The central registration authority in Singapore for business entities, the Accounting and Corporate Regulatory Authority (ACRA), has obtained approval from its parent Ministry (the Ministry of Finance) to regulate company service providers who carry out transactions with it. ACRA is currently working with the Attorney-General's Chambers to finalise proposed rules for company service providers which is expected to include, amongst others, the requirement to identify beneficial owner of legal entities, and record keeping requirements.

37. Since the on-site, additional requirements of R12 have been extended to trust service providers who are lawyers providing such services. No steps have been taken to extend the requirements of Recommendation 12 to dealers in precious metals and stones, and accountants.

***R12 (Deficiency 2): Lawyers – The measures to implement Recommendation 5 suffer from the following deficiencies:***

- ***There is no specific requirement to conduct CDD when there is a suspicion of ML/FT or when there are doubts about the veracity or adequacy of previously obtained customer identification data.***

- *There is no specific requirement for lawyers to identify the beneficial owner for all customers or to determine if the customer is acting on behalf of another person.*
- *There is no specific requirement to understand the ownership and control structure of the customer.*
- *The requirement to understand the nature and purpose of the business relationship does not apply to all circumstances required by the FATF Recommendations.*
- *There is no general requirement for lawyers to conduct ongoing due diligence of the customer or ensure that information collected under the CDD process is kept up-to-date.*
- *Enhanced due diligence is not generally applied to all high risk customers.*
- *Certain specified categories of low risk customer are completely exempted from CDD requirements, rather than being made subject to simplified CDD measures.*
- *There is no requirement to ensure that the ML risks are effectively managed when CDD cannot be completed at the start of the business relationship.*
- *The prohibition on an account being opened or transaction performed if the required CDD information cannot be obtained is too narrow, and does not apply to all cases.*
- *There is no requirement to consider making an STR if CDD cannot be satisfactorily completed.*
- *Effectiveness cannot yet be assessed, as these requirements only recently came into force.*

38. The Council of the Law Society of Singapore (the Council) issued a revised *Council's Practice Direction No. 1 of 2008: Prevention of Money Laundering and the Funding of Terrorist Activities*<sup>5</sup> (the *Practice Direction*), to provide enhanced guidance to lawyers and law practices on the application of the ML/TF rules as stated in the *Legal Profession (Professional Conduct) (Amendment) Rules 2007* and to set out directions on AML/CFT procedures in general. These include, amongst others, the duty to report suspicious transactions, detailed CDD requirements, and clarifications on when and how the risk based approach can be applied in the context of know-your-customer procedures.

39. In particular, the *Practice Direction* sets out the following requirements relating to R5.

- a) Lawyers are required to conduct CDD and must take reasonable measures to identify the natural persons that own and control the client (*i.e.*, the beneficial owner) (paragraph 15) before accepting instructions to act in any matter. Additionally, they are specifically required to identify all beneficial owners of trusts (paragraph 34(c)), nominee or bearer shares (paragraph 36), and securities held or deposited (paragraph 75).
- b) Lawyers must establish the identity of the persons who have effective control or ownership of a legal person or arrangement if instructed by such an ownership and control structure (paragraph 34(d)).

<sup>5</sup> The enhanced Practice Direction superseded an original Law council Practice Direction which was issued in 2007.

- c) There is a general requirement to understand the nature and purpose of the business relationship (paragraph 58).
- d) There is a general requirement for lawyers to conduct ongoing due diligence of the customer or ensure that information collected under the CDD process is kept up-to-date.
- e) Lawyers are required to conduct enhanced due diligence for all higher risk clients, including non-resident clients, and legal persons or arrangements such as trusts that are vehicles for holding personal assets or companies that have nominee shareholders or shares in bearer form (paragraph 43).
- f) Certain specified categories of low risk customer are now subject to simplified CDD measures, rather than being exempted from CDD requirements (paragraph 28).
- g) Lawyers may establish business relations with client before completing the CDD process, only if that the ML risks are effectively managed (paragraph 38).
- h) Lawyers are prohibited from acting for clients where CDD measures cannot be completed as soon as reasonably practicable (paragraph 37).
- i) Where CDD is delayed, the lawyer is required to consider filing an STR (paragraph 38).

40. As noted in paragraph 656 of the MER, practice directions fall within the FATF definition of *other enforceable means*. Consequently, it remains a technical deficiency that the requirements to identify beneficial owners and conduct ongoing due diligence are contained in other enforceable means, rather than in law or regulation as is required by the *FATF Recommendations*. As noted at paragraphs 656 and 714 of the MER: practice directions are enforceable through a range of sanctions; the Law Society has adequate inspection and supervisory powers to enforce them; and any information obtained through such powers may be used as basis for disciplinary proceedings under the *Legal Profession Act* (*i.e.*, breaching a usage or rule of conduct made by the Council of the Law Society could amount to misconduct unbecoming a lawyer). Singapore has also provided a specific example of the action being taken against a law practice to enforce the AML/CFT requirements (see the discussion below of R24 for further details). The Singapore Law Society inspects law practices in Singapore for compliance with the Practice Direction. Inspections conducted over the last 2 years affirmed that Singapore-based law practices generally have established CDD processes to facilitate the identification of beneficial owners and, understanding the nature and purpose of business relationships. Law practices were also observed to apply a risk-based approach in determining whether simplified or enhanced due diligence is required.

***R12 (Deficiency 3): Lawyers – In relation to Recommendation 6, there is no requirement to conduct enhanced ongoing monitoring on relationships with clients who are PEPs. Also, effectiveness cannot yet be assessed, as these requirements only recently came into force.***

41. The *Practice Direction* requires lawyers to monitor the nature and purpose of the business relationship with politically exposed persons (PEPs) on an ongoing basis (paragraph 47). Through inspections, the Singapore Law Society has observed that some smaller law practices lack explicit and comprehensive rules with regard to high risk clients including PEPs. The Law Society has been working with these law practices to enhance their existing rules with regard to high risk clients. These rules will be reviewed again in subsequent inspection rounds to ensure improved compliance with the *Practice Direction*.

**R12 (Deficiency 4): Lawyers – The measures to implement Recommendation 9 suffer from the following deficiencies:**

- *There is no requirement to ensure that the intermediary/third party is regulated and supervised in accordance with the FATF Recommendations, or has measures in place to comply with Recommendations 5 and 10.*
- *There is no requirement to consider whether the intermediary/third party is located in a country that does not adequately apply the FATF Recommendations.*
- *There is no provision that explicitly states that the ultimate responsibility for customer identification and verification remains with the lawyer who is relying on the intermediary/third party.*
- *Effectiveness cannot yet be assessed, as these requirements only recently came into force.*

42. The *Practice Direction* sets out the following requirements relating to R9.

- a) Lawyers are required to ensure that the intermediary/third party is regulated and supervised in accordance with the *FATF Recommendations*, and has adequate measures in place to comply with those requirements (paragraph 19(a)).
- b) Lawyers are prohibited from relying on any third party/intermediary for which the Council has specifically precluded reliance (paragraph 19(b)).
- c) There is a provision that explicitly states that the ultimate responsibility for customer identification and verification remains with the lawyer who is relying on the intermediary/third party (paragraph 21).

43. Through its inspections, the Law Society noted that when full CDD has been completed or when payments are accepted from or made to third parties, source of funds are further verified by lawyers and further approval from management would be required when full CDD has been completed or when payments are accepted from or made to third parties. This is in line with the *Practice Direction* provision which states that the ultimate responsibility for customer identification and verification remains with the lawyer who is relying on the intermediary/third party.

**R12 (Deficiency 5): Lawyers – In relation to Recommendation 10, there is no requirement to maintain business correspondence, ensure that records are kept in such a manner as to permit the reconstruction of individual transaction, and ensure that all records can be made available on a timely basis. Also, effectiveness cannot yet be assessed, as these requirements only recently came into force.**

44. The inspection process has determined that most law practices have client record keeping practices. Additionally, through its regular AML seminars, the Law Society has sought to encourage law practices to set out more comprehensive procedures for record keeping in relation to AML obligations.

**R12 (Deficiency 6): Lawyers – In relation to Recommendation 11, there is no express requirement that all findings relating to unusual transactions be kept for 5 years. Also, effectiveness cannot yet be assessed, as these requirements only recently came into force.**

45. The *Practice Direction* requires lawyers to keep all findings relating to unusual transaction for 5 years (paragraphs 55, 76 and 84). Inspection of law practices conducted by the Singapore Law

Society determined that most law practices have implemented the practice of client record keeping. Such client record keeping extends to clients' transactions.

### **Recommendation 12, overall conclusion**

46. R12 covers the implementation of six Recommendations (R5, R6, R8, R9, R10 and R11), in Singapore for the following sectors: casinos, dealers in precious metals and stones, accountants, lawyers, trust and company service providers, and real estate agents. While there has not been significant progress in extending the requirements of R12 to the dealers in precious metals and stones, and accountants, the AML/CFT requirements applicable to lawyers, including those who provide trust services, have been significantly strengthened and now address the majority of deficiencies which were identified in the mutual evaluation report. The central registration authority in Singapore for business entities, ACRA, has also obtained approval from its parent Ministry to regulate company service providers who carry out transactions with it. The ACRA is currently working with the Attorney-General's Chambers to finalise proposed rules for company service providers which will include, amongst others, the requirement to identify beneficial owner of legal entities and record keeping requirements. Last but not least, AML/CFT requirements have been extended to physical casinos which have recently opened in the country. The casino sector did not yet exist in Singapore at the time of the on-site visit. and. Overall, Singapore has made good progress to improve its compliance with this Recommendation, although it has not yet brought the level of compliance with R12 up to a level equivalent to LC.

### **Recommendation 16 (PC)**

***R16 (Deficiency 1): The measures to implement Recommendation 13 suffer from the following deficiencies:***

- ***The reporting obligation is not implemented effectively (lack of understanding about the reporting obligation, and low numbers of reports being filed even though the requirements have been in place for four years).***
- ***The limitations identified under Recommendation 13 with respect to the reporting obligation also affect compliance with Recommendation 16.***

47. The obligation to report suspicious transactions applies to all persons and, therefore, to all DNFBPs (CDSA, section 39). In terms of effectiveness, the number of STRs filed by the DNFBP sectors are generally low, with not all sectors have yet filed an STR. The FIU, STRO is planning to engage these DNFBP sectors to conduct outreach and provide guidance on their reporting obligations. While statistics on STR reporting in the legal sector have improved, the Law Society notes that procedures for STR reporting could be improved in most law practices. To this end, the Singapore Law Society organises training sessions to assist practices to establish clear procedures for ongoing monitoring and suspicious transaction reporting. Concurrently, the Commercial Affairs Department continues to conduct outreach programmes to the legal sector to improve awareness of ML/TF trends and STR reporting obligations.

48. Additionally, Singapore has taken action to address one of the deficiencies identified in relation to R13 which also affect the rating for R16. In particular, as noted above, Singapore has resolved all of the technical deficiencies which had been identified in relation to the criminalisation of ML, which addresses any remaining concerns about the scope of the STR reporting obligation in relation to Recommendations 16 and 13. The remaining deficiency is that that certain clarifications of the law (reporting to STRO, attempted transaction) were covered in —*not enforceable means*”, but not in law or regulation. By amending the law to resolve the technical deficiencies identified in relation to the criminalisation of ML, Singapore has also resolved the issue of certain clarifications of the law (reporting

to STRO) being in other enforceable means, rather than in law or regulation (see paragraph 495–496 of the MER for further details). The requirement to report to STRO is now fully clarified within the law itself.

49. That leaves only one remaining aspect of that deficiency—that certain clarifications of the law relating to the obligation to report attempted transactions are contained in other enforceable means, rather than in law or regulation, as is required by the *FATF Recommendations* (see paragraph 500 and 502 of the MER). Section 39 of the CDSA requires a person to report any reasonable grounds to suspect that any property is the proceeds of crime. The law does not expressly mention attempted transactions. However, the Singapore authorities indicate that the reporting obligation applies even in cases of attempted transactions, since there is no requirement for a transaction involving the property to have occurred in order to trigger the reporting obligation. This view is clarified in the MAS Notices which expressly state that the reporting obligation applies to attempted transactions. However, as noted in the MER, the MAS Notices are other enforceable means, not law or regulation. The assessment team was of the view that clarification of this issue should be contained within law or regulation; however, this is not a major gap.

***R16 (Deficiency 2): The limitations identified under Recommendation 14 with respect to the tipping off provision also affect compliance with Recommendation 16.***

50. Amendments to section 48(2) of the CDSA took effect in February 2010 to enlarge the scope of the tipping off provision to criminalise the act of tipping off when the tipper knows or has reasonable grounds to suspect that an STR is being made under the CDSA. This addresses the concern which was identified in the MER (*i.e.*, that the provision originally only applied to instances where the STR had already been made).

***R16 (Deficiency 3): None of the DNFBP sectors (other than lawyers and part of the TCSPs, namely the trust companies) are subject to requirements relating to R.15 and 21.***

51. Singapore has extended the requirements of R15 to the casino sector. For a casino to be licensed to do business, its internal controls, amongst other things, must be approved by the Casino Regulatory Authority (*Casino Control Act*, section 138). Such internal controls must be designed to detect and deter ML/FT, including: CDD, record keeping and STR reporting requirements; the audit of the internal policies, procedures and controls; the compliance management arrangements; and the training and hiring of employees (*Casino Control Act Regulations*, section 17). Casinos are required to train their employees regularly in: *i*) the applicable AML/CFT laws and regulations; *ii*) implementing the casino's internal controls, including those relating to CDD, and the detection and reporting of STRs and significant cash transactions; *iii*) prevailing techniques, methods and trends of ML/FT; and *iv*) the roles and responsibilities of casino employees in preventing ML/FT (*Casino Control Act Regulations*, section 18). All internal control procedures must be communicated to all casino officers and employees (*Casino Control Act*, section 17(1)). Casinos are required to ensure that the compliance officer is at the management level, and has timely access to CDD information, transaction records and other relevant information (*Casino Control Act*, section 57).

52. There is no explicit requirement for a casino to ensure that the audit function includes sample testing and is adequately resourced and independent, as is required by the *FATF Recommendations*. However, the authorities indicated that the casino operators have engaged internal auditors to independently test the casinos' compliance with the AML/CFT measures. Reports on the casinos' audit of their internal policies, procedures and controls are submitted to the CRA.

53. Concerning R21, the CRA has been disseminating to the casino operators the FATF statements advising of the list of jurisdictions with strategic deficiencies in their AML/CFT regimes and calling for

countermeasures to protect against the ML/TF risks emanating from certain specified jurisdictions. The casino operators have put in place risk-profiling processes to look out for, amongst others, the ML/FT risks associated with such jurisdictions. Any transactions assessed to be of higher risk will be flagged and monitored. However, it should be noted that there is no specific requirement in the law or regulations which require casinos to apply countermeasures, and pay special attention to jurisdictions not adequately applying the *FATF Recommendations*.

54. As noted above, the authorities are currently conducting a review of the real estate sector with a view to strengthening the regulatory framework and raising overall professional standards of real estate agents. Additionally, the ACRA is currently working with the Attorney-General's Chambers to finalise proposed AML/CFT rules for company service providers. It is not yet clear whether this action will result in the specific requirements of R15 and R21 being extended to real estate agents and company service providers.

55. Nonetheless, the primary role of real estate agents in Singapore is to market the property - assist the purchaser to find the right property at the right price, guide the client through the process, make sure all pre-purchase issues are properly covered and make recommendations on financing and legal representation. Once the option money of the purchase price is handed over and the purchase option is secured, a lawyer is appointed to assist the purchaser with the financial and legal aspects of the transaction. Accordingly, in practice, the “~~gate-keeping~~” function for real estate transactions is assumed by lawyers who are subjected to AML/CFT regulations—although, as noted in paragraph 640 of the MER, there is no legal prohibition for real estate agents to handle the financial aspects of a real estate transaction.

56. No steps have been taken to extend the requirements of R15 and R21 to dealers in precious metals and stones, and accountants.

***R16 (Deficiency 4): Lawyers – The measures to implement Recommendation 15 suffer from the following deficiencies:***

- ***There is no requirement to implement internal controls in relation to record retention, the detection of unusual and suspicious transactions or the reporting obligation.***
- ***There is no requirement to maintain an adequately resourced and independent audit function, appoint a compliance officer or establish screening procedures to ensure high standards when hiring employees.***
- ***There is no requirement to provide training that covers FT.***
- ***Effectiveness cannot yet be assessed, as these requirements only recently came into force (in mid-August 2007).***

57. The *Practice Direction* sets out the following requirements relating to R15.

- a) Lawyers are required to implement internal controls in relation to the requirements set out in the *Practice Direction*, including those relating to record retention, the detection of unusual and suspicious transactions, and the reporting obligation (paragraph 69).
- b) Lawyers are required to audit implementation of these internal controls to ensure that they are being carried out by staff and lawyers (paragraph 69). However, there is no specific requirement to appoint a compliance officer or establish screening procedures to ensure high standards when hiring employees.



- c) Although there are requirements to provide ongoing staff training related to AML (paragraph 72), there is no requirement to provide training related to CFT.

58. Monitoring of law practices conducted by the Singapore Law Society over the past two years determined that most law practices have file opening and closing procedures in place. The Law Society continues to distribute relevant AML materials/resources and offer AML seminars conducted by the Law Society, with a view to encouraging law practices to improve their understanding of the AML/CFT requirements set out in the *Practice Direction*, and enhance the implementation of those requirements.

***R16 (Deficiency 5): Lawyers – In relation to Recommendation 21, effectiveness cannot yet be assessed, as these requirements only recently came into force (in mid-August 2007).***

59. For the past two years, the Singapore Law Society has been monitoring for compliance with these requirements. The Law Society continues to encourage practices to improve their understanding of the *Practice Direction's* AML/CFT requirements and implementation through relevant AML materials/resources distributed as well as AML seminars conducted by the Law Society.

***R16 (Deficiency 6): Trust companies – The limitations identified under Recommendation 15 and 21 with respect to financial institutions also affect compliance with Recommendation 16.***

60. Trust service providers which are licensed trust companies are classified as *financial institutions*, and are fully compliant with R15 and R21 (see section 3.6 of the MER). As noted above, some (but not all) of the requirements of R15 have now been extended to lawyers, including those who provide trust services. In relation to R21, lawyers are now being supervised for compliance with these requirements.

### **Recommendation 16, overall conclusion**

61. Recommendation 16 covers the implementation of four Recommendations (R13, R14, R15 and R21), in Singapore for the following sectors: casinos, dealers in precious metals and stones, accountants, lawyers, trust and company service providers, and real estate agents. Although the casino sector did not yet exist in Singapore at the time of the on-site visit, physical casinos have recently opened in the country and some of the requirements of R16 have been extended to them. Any person carrying on any trust business or holding himself out as carrying on any trust business in Singapore must be licensed as a trust company which is subject to comprehensive AML/CFT requirements, including those relating to R13, R14, R15 and R21. The requirements applicable to lawyers (including when that act as trust service providers) relating to R15 have been strengthened and now address some of the deficiencies which were identified in the MER. However, the requirements of R15 and R21 have not yet been extended to dealers in precious metals and stones, accountants, real estate agents, and company service providers. For casinos, the specific requirements of R21 are not set out in law or regulation although, in practice, casinos appear to be implementing them to some extent. Singapore has amended almost all of the technical deficiencies in relation to R13, which is reflected in R16, although one minor issue remains. It also remains a concern that the levels of STR reporting in the DNFBP sector are very low. Consequently, Singapore has not yet brought the level of compliance with R16 up to a level equivalent to LC.

### **Recommendation 24 (NC)**

***R24 (Deficiency 1): No AML/CFT supervisory regime for real estate agents.***

62. No AML/CFT supervisory regime has yet been established for real estate agents. However, the authorities are currently conducting a review of the real estate sector with a view to strengthening the

regulatory framework and raising overall professional standards of real estate agents. The revised framework is expected to be finalised by 2011.

***R24 (Deficiency 2): No AML/CFT supervisory regime for dealers in precious metals and stones.***

63. No steps have been taken to establish a supervisory regime for dealers in precious metals and stones or extend comprehensive AML/CFT requirements to this sector.

***R24 (Deficiency 3): No AML/CFT supervisory regime for accountants.***

64. No steps have been taken to establish a supervisory regime for accountants or extend comprehensive AML/CFT requirements to this sector.

***R24 (Deficiency 4): No AML/CFT supervisory regime for trust and company service providers (other than trust companies).***

65. No steps have been taken to establish a supervisory regime for trust service providers other than trust companies and lawyers providing such services (*i.e.*, bare trustees, trustee-managers, trustees and administrators of business trusts), or extend comprehensive AML/CFT requirements to this sector.

66. The central registration authority in Singapore for business entities, the ACRA, has obtained approval from its parent Ministry (the Ministry of Finance) to regulate company service providers who carry out transactions with it. However, comprehensive AML/CFT requirements do not yet apply to this sector. The ACRA is currently working with the Attorney-General's Chambers to finalise proposed rules for company service providers which is expected to include, amongst others, the requirement to identify beneficial owner of legal entities and record keeping requirements. The proposed regulations will also make explicit that company service providers will continue to be subjected to suspicious transaction reporting requirements. The new regulations are expected to be finalised by 2011.

***R24 (Deficiency 5): No comprehensive AML/CFT monitoring for lawyers, and the effectiveness of the existing regime cannot yet be assessed.***

67. As noted above, for the past two years, the Singapore Law Society has been actively inspecting law practices in Singapore for compliance with their AML/CFT obligations. The authorities also provided examples of an actual case to demonstrate that Singapore is enforcing the AML/CFT requirements applicable to lawyers. In particular, a law practice's failure to comply with the Council's direction to carry out an AML inspection on the firm was highlighted in the AML Inspection report to the Council. The Council then referred the non-compliance for breach of Rule 111 (the "Rule") of the *Legal Profession (Professional Conduct) Rules* for investigation under Section 85(2) of the *Legal Profession Act*. The Disciplinary Tribunal having considered the information determined that cause of sufficient gravity exists for disciplinary action against the sole-proprietor and that the charge preferred against him by the Society had been made out. The matter would now be referred to the Court of Three Judges, the highest disciplinary body before which any disciplinary matter against a lawyer can be brought. The Court of Three Judges have the jurisdiction to: (i) strike off the lawyer; (ii) suspend the lawyer for a period of not more than 5 years; (iii) censure the lawyer; (iv) order a penalty of up to SGD100,000 and include a suspension or censure; (v) refer the matter back to a Disciplinary Tribunal; or (vi) dismiss the matter.

**Recommendation 24, overall conclusion**

68. Singapore established the Casino Regulatory Authority (CRA) under the Ministry of Home Affairs to provide regulatory oversight and supervision of casinos. One of its primary functions is to ensure

that the management and operation of the casinos are free from criminal influence or exploitation and to this end, also ensure that the casinos have effectively implemented the necessary AML/CFT measures. A supervisory authority has been designated for company service providers—the ACRA. The Singapore Law Society is monitoring lawyers and law practices for their compliance with AML/CFT requirements. Although a paper-based desk review is limited in its ability to assess effectiveness, the results of the monitoring process does suggest that lawyers are implementing these requirements, at least to some extent, and the Law Society is taking steps to encourage law practices to further enhance their implementation. No steps have yet been taken to establish a supervisory regime for accountants, or dealers in precious metals and stones, and comprehensive AML/CFT requirements have not been extended to these sectors. Consequently, Singapore has not yet brought the level of compliance with R24 up to a level equivalent to LC.

### **Recommendation 33 (PC)**

***R33 (Deficiency 1): While the investigative powers are generally sound and widely used, there are limited measures in place to ensure that there is adequate, accurate and timely information on the beneficial ownership and control of legal persons that can be obtained or accessed in a timely fashion by competent authorities.***

69. The central registration authority in Singapore for business entities, the ACRA, is currently working with the Attorney-General's Chambers to finalise proposed rules for company service providers. One of the proposed rules would require company service providers to identify the beneficial owner.

***R33 (Deficiency 2): Information on the company registrar pertains only to legal ownership/control (as opposed to beneficial ownership), is not verified and is not necessarily reliable.***

70. No specific action has been taken in relation to this deficiency.

***R33 (Deficiency 3): Foreign companies are not required to keep information on shareholders, nor changes to shareholdings, at their registered Singapore office unless one or more of the shareholders are Singapore residents.***

71. No specific action has been taken in relation to this deficiency.

***R33 (Deficiency 4): Limited liability partnerships are not required to collect shareholder information on partners who are bodies corporate.***

72. No specific action has been taken in relation to this deficiency.

### **Recommendation 33, overall conclusion**

73. Singapore is in the process of proposing rules that would require company service providers to identify beneficial owners. However, these rules are not yet in force and no other steps have been taken to address the deficiencies identified in relation to this Recommendation. Singapore has not yet brought the level of compliance with R33 up to a level equivalent to LC.

### **Recommendation 34 (PC)**

***R34 (Deficiency 1): While competent authorities have powers to access information on beneficial ownership in trusts, availability of that information is limited by the fact that only trusts administered by trustee companies and trust company service providers are obliged to maintain such information.***

74. In order to fulfil the requirements of R34 and ensure adequate transparency of trusts, Singapore relies on a mechanism of: *i)* requiring trust service providers to obtain, verify and retain records of the details of the trust or other similar arrangements; and *ii)* relying on the investigative and other powers of law enforcement, regulatory and supervisory authorities to obtain or have access to the information. As noted at paragraphs 779-780, the investigative powers of law enforcement, regulatory and supervisory authorities are sufficient to enable them to obtain or have access to beneficial ownership information, where such information is available.

75. Trust services in Singapore may be provided by: *(i)* licensed trust companies (LTC); *(ii)* trustee-managers, trustees and administrators of business trusts; and *(iii)* bare trustees (meaning a trustee with a nominal interest in the subject matter of a bare trust); *iv)* lawyers; and *v)* accountants.

76. Licensed trust companies are defined as *financial institutions*, are regulated and supervised by the Monetary Authority of Singapore (MAS) under the *Trust Companies Act*, and are required to collect and maintain beneficial ownership information (MAS Notice TCA-NO3). LTC are supervised adequately by the MAS for compliance with these requirements, and no effectiveness concerns were noted concerning their implementation of requirements to collect and maintain accurate beneficial ownership information (see sections 3.2 and 3.10 of the MER). These requirements apply to all persons seeking to offer trust administration services as part of their business.

77. In relation to trustee-managers, trustees and administrators of business trusts, business trusts (BTs) are business enterprises set up as trust structures as opposed to corporate structures, and are thus hybrid structures bearing elements of both companies and trusts. A BT differs from a company as it is not a legal entity but a legal arrangement, created by a trust deed under which a single trustee-manager has legal ownership of the assets of the business enterprise and operates the business for the benefit of the beneficiaries of the trust (the investors). Purchasers of units in business trusts, thus hold beneficial interest in assets of the business trust. As BTs are involved in the conduct of real economic activities, they are distinct from conventionally-understood trusts vehicles setup for investment and/or financial planning purposes. BTs are therefore not regulated under ambit of the *Trust Companies Act*, as the TCA focuses on the primary areas where trust business is conducted. Nonetheless, BTs that offer units to the retail public are required to be registered under the *Business Trusts Act* and are further subject to a governance framework which seeks to safeguard investors' rights by promoting transparency and establishing the duties and accountability of trustee-manager and directors. The *Business Trusts Act* requires trustee-managers to maintain a public register of unit holders which contains: *(i)* the names and addresses of each unit holder; *(ii)* the extent of holdings by each unitholder; *(iii)* the date on which the name of the unit holder was entered into the register; and *(iv)* the date on which each person ceased to be a unit holder (section 69). The trustee-manager must maintain the public register at his/her registered office or at the office of the person in Singapore who is doing the work of making up the register (section 70). The identity of the trustee-manager (name, contact details, board composition, audit committee composition, particulars of directors and substantial shareholders of the trustee-manager) of a BT must be lodged with a central register maintained by the MAS, and any changes to this information must be reported to the MAS within 14 days (section 5). Separately, persons with deemed/direct interest of 5% or more in the units of the registered BT listed on the Singapore Stock Exchange are considered to be substantial unit holders, and are required to notify the securities exchange and trustee-manager of acquisitions and changes in their interests within two business days (sections 37-38). Additionally, amendments to the *Securities and*

*Futures Act* which are targeted to come into effect at the end of 2011 will provide trustee-managers with the power to require unit holders to disclose information on the beneficial owners of the units concerned. It should be noted that, generally, the approach taken during the mutual evaluation process has been to consider business trusts as a type of collective portfolio management, rather than to consider unit trusts as express trusts falling within the scope of R34.<sup>6</sup>

78. Bare trustees are passive custodians of trust property who have limited involvement in the management and operation of the trust property or assets. Common examples of bare trusts in the Singapore context include the following two instances. First, associations, clubs and societies registered in Singapore are not allowed to hold property in their own names and, consequently, they typically engage in a bare trust arrangement through which an LTC is appointed to hold the assets, and a lawyer is engaged to process the transactions. As noted above, LTC are defined as *financial institutions*, regulated by the MAS, and are subject to requirements to collect beneficial ownership information, which are being effectively implemented. Second, bare trust arrangements may occur when a company offers benefits, such as cars and club memberships, to its employees. Under such arrangements, the employee may be the owner of the assets in name, but the employer company retains ownership powers and may sell, disperse or redistribute the assets as it so deems. In this latter type of bare trust, the company would have to be able to identify the settler and beneficiaries as part of its fiduciary obligations, but is not subject to the specific requirements of the *FATF Recommendations* relating to the collection and maintenance of beneficial ownership information. However, it should be noted that if the scope of a bare trust extends beyond that of a bare trustee's passive role to trust duties which are active in nature (*i.e.*, the activities falling under the definition of *trust business* under the *Trust Companies Act*), that trustee would be required to obtain a trust business license from the MAS (*Trust Companies Act*, section 3), and would then be subject to the same AML/CFT requirements as other LTC, including the requirement to collect and maintain accurate beneficial ownership information. Moreover, Singapore has confirmed through industry consultation that bare trustee arrangements remain infrequently used. If used, bare trusts tend to be offered by LTCs as a supplementary service to existing customers with whom they already have an existing trust arrangement. Given that such LTCs would have already conducted AML/CFT (*e.g.*, CDD) checks on such clients as part of their outstanding relationship, this is not a major gap.

79. Singapore notes that it has adopted a risk based approach whereby its trust laws and regulations focus on the primary area of trust business conduct. Singapore's industry consultations and review of the sector indicate that high net worth individuals tend to engage the professional services of lawyers and LTCs to setup and/or administer their trust arrangements, as these channels provide the greatest degree of legitimacy and security for their assets. While personal trust arrangements that do not rely on lawyers or LTCs may exist, these are typically simple arrangements and constitute a very narrow segment. The trustees of such simple arrangements are still subject to the obligations of the *Trustees Act* concerning the general duties of trustees as well as requirements to identify the settlors and beneficiaries of the trust, as part of their fiduciary obligations. There is no prohibition against individuals bearing sufficient technical proficiency to attempt trust creation or trust administration activities. However, any individual who seeks to render such services would be strictly limited to the conduct of trust activities in his/her own private capacity, on a non-commercial basis. If such activities are carried out for profit, the *Trust Companies Act* requires any person carrying out trust business, or holding himself out as carrying on any trust business in Singapore - which includes the provision of trust creation and trust administration services - to first obtain a trust business license from the MAS, and subsequently apply CDD measures as per the Monetary Authority of Singapore's *Anti-Money Laundering and Countering the Financing of Terrorists Notice for*

<sup>6</sup> Business trusts are a form of collective investment constituted under a trust structure (as opposed to a corporate structure), through which assets of the business enterprise are held in trust by a trustee-manager, who manages the business for the benefit of the investors, who beneficially own the assets through the holding of units in the business trust.

*trust companies* (TCA-N03). It should also be noted that where trusts undertake financial transactions through channels operated by regulated financial institutions in Singapore, the financial institution in question is required to collect and maintain beneficial ownership information on the settlers, trustees and beneficiaries, further to their CDD obligations.

80. At the time of the on-site visit, the main issue related to the fact that lawyers who provided trust services were not required to collect and maintain beneficial ownership information which meant that such information was not always available to the authorities upon the proper exercise of their powers.

81. Since the on-site visit, the Council of the Law Society of Singapore has issued *Practice Direction No. 1 of 2008* which requires lawyers to take reasonable measures to identify all beneficial owners of a trust for whom they are acting or doing business (paragraph 34(c)). In such cases, the competent authorities could exercise their powers to obtain such beneficial ownership information in the context of a criminal investigation. The Law Society supervises lawyers for compliance with AML/CFT requirements and has adequate inspection and supervisory powers to do so. As noted above in the discussion of R12, over the past two years, the Singapore Law Society has been inspecting law practices in Singapore for compliance with the *Practice Direction*. The results of these inspections confirm that Singapore-based law practices generally have established CDD processes to facilitate the identification of beneficial owners and, understanding the nature and purpose of business relationships.

82. Another issue is in relation to accountants. Public accountants seeking to offer trust administration services as part of their business are required to be licensed under the *Trust Companies Act*. However, public accountants may be exempted from trust business licensing provided that they are: (i) registered under the *Accountants Act*; and (ii) they proffer trust-related services within a limited range of activities as specified within the *Trust Companies (Exemptions) Regulations*. Such services are restricted to: services related to the formation of a trust; arrangements for any person to act as trustee of a trust; the provision of procedural and non-discretionary administration services (*i.e.*, services that would not involve advising on the trust or making significant decisions affecting the trust); and professional accounting advice to a trust. Public accountants seeking to administer trust services beyond the scope of these designated activities are required to apply for a trust business license and also comply with the *Anti-Money Laundering and Countering the Financing of Terrorists Notice for trust companies* (TCA-N03). Although the activities that public accountants can undertake without being licensed and subject to AML/CFT requirements is restricted, the *FATF Recommendations* do require persons conducting such activities to be covered. Public accountants are regulated under the *Accountants Act* and regulations. The Institute of Certified Public Accountants of Singapore (ICPAS) has also issued certain provisions on KYC and documentation pursuant to the *Revised Statement of Auditing Practice (SAP 19) on Guidance to Auditors on Money Laundering and Terrorist Financing*, and there is monitoring for compliance with this guidance (MER, paragraph 715). In practice, most auditors and industry practitioners are members of the ICPAS, although such membership is not mandatory. Other persons calling themselves “accountants” and performing general accounting activities are not regulated in Singapore (MER, paragraph 644). SAP 19 provides broad general guidance on KYC issues, focusing on the auditing context, but it is not entirely clear that that the KYC aspects are intended to apply to other services being provided by public accountants, such as advising on setting up a trust. Moreover, SAP 19 does not have the status of other “enforceable means” in a non-auditing context (MER, paragraphs 653-654). Consequently, this remains a gap.

### **Recommendation 34, overall conclusion**

83. The main deficiency noted at the time of the on-site visit was related to the fact that lawyers who provided trust services were not required to collect and maintain beneficial ownership information which meant that such information was not always available to the authorities upon the proper exercise of their

powers. Singapore has substantially addressed that deficiency by imposing an obligation on lawyers to collect and maintain beneficial ownership information, and supervising them for that requirement. Although a paper-based desk review is limited in its ability to assess effectiveness, the results of inspections by the Singapore Law Society indicate that lawyers are implementing the requirements to collect and maintain accurate beneficial ownership information. Nevertheless, there remains a gap in relation to public accountants who are exempt from the trust licensing requirements and related AML/CFT obligations when they performing services related to the formation of a trust or making arrangements for any person to act as trustee of a trust. There also remain gaps in the narrow segments of bare trusts and personal trust arrangements which do not rely on lawyers or LTCs. Overall, Singapore has addressed a main deficiency by extending AML/CFT requirements to lawyers; however, in light of the remaining gaps, it has not yet taken sufficient action to bring the level of compliance with R34 up to a level which is essentially equivalent to an LC.

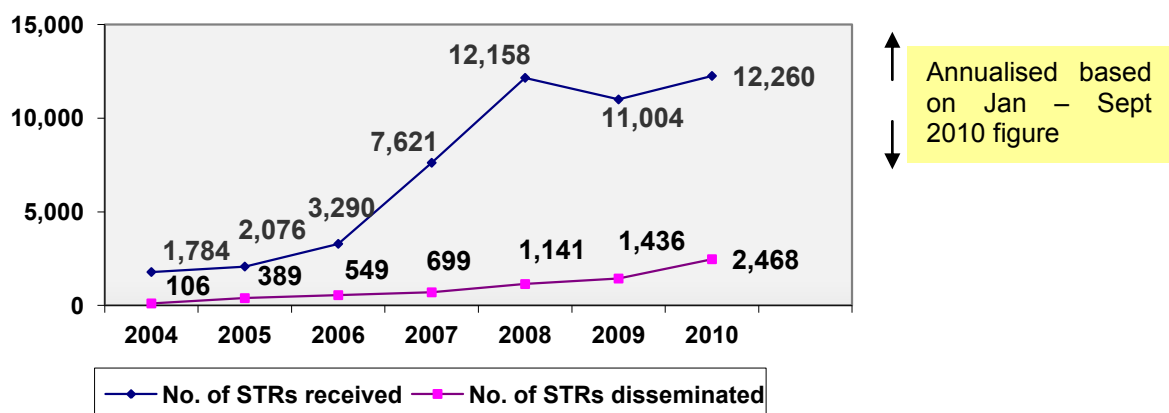
### **Other enhancements to the AML/CFT regime**

84. **Recommendations 5 and 9:** The *MAS Notices* to Financial Institutions on the Prevention of Money Laundering and Terrorist Financing were amended in December 2009 to state explicitly that simplified CDD shall not be performed where the bank suspects that money laundering or terrorist financing is involved, and that financial institutions shall immediately obtain all CDD information in the event of reliance on a third party.

85. **Recommendation 6:** Following its ratification of the *United Nations Convention Against Corruption* at the end of 2009, Singapore amended the *MAS Notices* to extend the definition of PEPs to domestic PEPs.

86. **Recommendation 13 and Special Recommendation IV:** The authorities report that Singapore's STR reporting regime has continued to strengthen over the years with proactive engagement of the industry/community, which has helped built a strong culture of suspicious transaction reporting. The FIU (STRO) also works closely with local law enforcement agencies to ensure the referral of suspicious transaction reports (STRs) for assessment and follow-up where necessary. The number of STRs received and disseminated have increased significantly since the on-site visit in 2007 (see Chart 2 below).

**Chart 2. No. of STRs received/disseminated**



87. **Industry and community outreach are being undertaken with a view to prevent and deter persons from committing ML offences:** Since the on-site visit, the authorities have been actively undertaking

outreach programmes targeted at enforcement, regulatory and prosecution agencies to raise awareness of ML/FT. Outreach efforts have also been focused on the private sector to warn of the serious consequences of committing an ML/FT offence, to inculcate the importance of reporting suspicious transactions and provide guidance on ML/TF risk indicators. There has been a sustained increase in the number of such outreach sessions over the years (see Table 6 below). As well, the authorities have proactively engaged the news media to publicise cases and prosecution of offenders, both to create awareness among the public and to send a deterrent message against being involved. Educational messages to prevent and deter the commission of ML/FT offences are also weaved into a wide array of public education activities (*e.g.*, crime prevention exhibitions, road shows etc.) organised under Singapore's Community Safety and Security Programme by the Singapore Police Force. These activities provide a platform for the community and grassroots to work with the Police to identify and tackle safety and security issues.

**Table 6. ML Outreach and Publicity programs conducted by Singapore's Commercial Affairs Department, Singapore Police Force to raise AML/CFT awareness and enhance quality/quantity of suspicious transaction reports (STRs)**

Sector	2004	2005	2006	2007	2008	2009	Jan - Sept 2010	Total
Government agencies	0	1	3	11	11	9	21	56
Private sectors	8	6	17	25	22	29	17	124
<b>Total</b>	<b>8</b>	<b>7</b>	<b>20</b>	<b>36</b>	<b>33</b>	<b>38</b>	<b>38</b>	<b>180</b>



## ANNEX 1

### FATF Plenary February 2011

#### Singapore's 2<sup>nd</sup> Follow Up Report

#### Background

1. Singapore's FATF Mutual Evaluation Report was adopted by the FATF Plenary in February 2008. Singapore received 43 out of 49 Compliant and Largely Compliant ratings. Six Recommendations were rated Partially Compliant or Non Compliant.

2. Under the direction of Singapore's high-level Steering Committee<sup>7</sup> on anti money laundering and countering of terrorism financing (AML/CFT) issues, Singapore has considered the Assessors' recommendations and enhanced our AML/CFT regime accordingly since the adoption of the report. The enhancements made complemented Singapore's strong preventative regime which focuses on keeping crime rate low by proactively detecting, deterring and blocking criminals from abusing our financial system. A summary of the key recommendations proposed and Singapore's actions to address the deficiencies can be found in [Annex A](#).

3. In February 2010, the FATF considered Singapore's first progress report and had recommended that Singapore seek removal from regular follow-up during this 2<sup>nd</sup> follow-up report.

#### Singapore's National Crime Prevention Strategy

4. Singapore adopts a holistic and multi-pronged strategy towards combating all crimes, including money laundering and financing of terrorism. This strategy is centred on having a sound and comprehensive legal, institutional, policy and supervisory framework, regular industry outreaches, sustained preventive education to the public; and proactive international cooperation. This 'eco-system' of mutually-reinforcing regulatory and enforcement measures contributes to the zero tolerance for corruption and strong compliance culture resulting in low domestic crime rate<sup>8</sup> in Singapore. This national strategy is built on three key prongs of proactive prevention, effective detection and strong deterrence and implemented through close coordination within the government and regular consultation with the private sector so as to systematically identify and mitigate Singapore's overall vulnerabilities to ML/TF risks.

5. Our success in curbing the emergence of syndicated scams in Singapore in recent years is testimony to the effectiveness of our holistic approach. Upon detection of this crime trend, Singapore proactively dealt with the problem by educating the general public to increase awareness of such scams, facilitating greater cooperation amongst enforcement agencies to target the perpetrators, and meting out stiff deterrent sentences on those involved in the scams and in laundering the monies.

#### (I) Progress Made in Improving Effectiveness in Criminalising ML: R1

##### *Legal framework*

6. As part of our holistic AML/CFT strategy, Singapore regularly reviews our AML/CFT laws to ensure that they are effective and continue to meet international standards.

<sup>7</sup> The Steering Committee (SC) comprises the Permanent Secretaries of the Ministries of Home Affairs and Finance and the Managing Director of the Monetary Authority of Singapore. The SC meets regularly to discuss and review money laundering and terrorism financing trends so as to provide direction to enhance Singapore's framework for combating money laundering and terrorist financing

<sup>8</sup> Singapore's overall crime rate in 2009 was 665 crime cases per 100,000 population.

7. The Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (CDSA) is the primary legislation in Singapore that criminalises the laundering of criminal benefits and provides for the investigation and confiscation of such benefits. In February 2010, Singapore addressed all the technical deficiencies identified under R1 at our last mutual evaluation when sections 46 and 47 of the CDSA (see revised text at [Annex B](#)) were amended to:

- Remove from the offence of concealing, disguising, converting or transferring the proceeds of crime of another person, the requirement that the act is done for the purpose of assisting the other person to avoid prosecution for a drug trafficking or serious offence, or the making or enforcement of a confiscation order. These amendments have made it clear that an offence is committed so long as a person does so knowing or having reasonable grounds to believe that the property represents another person's proceeds of crime.
- Remove from the offence of acquiring any property representing another person's proceeds of crime the requirement that the acquisition should be made for no or inadequate consideration. These amendments have made it clear that an offence is committed even if a person acquires the property at fair value, if he does so knowing or having reasonable grounds to believe that the property represents the proceeds of crime of another person.

8. In February 2010, Singapore amended the Moneylenders Act to enhance our ability to combat loansharks, including targeting abettors who help to launder the illicit proceeds of loansharks. Specifically, section 14(3A)(b) targets the act of receiving, possessing, concealing or disposing of any funds or other property, or engaging in a banking transaction relating to any funds, on behalf of another person (see text at [Annex C](#)). Such conduct attracts a fine of between S\$30,000 - S\$300,000 and imprisonment terms of up to 7 years for repeated offenders. The amendments to the Moneylenders Act, which *inter alia* aimed to disrupt the activities that sustain unlicensed moneylending operations, are part of our efforts to decisively contain any crimes, including money laundering, before they pose a serious threat to Singapore's safety and security.

9. Singapore also regularly reviews the list of offences in the Second Schedule of the CDSA with a view to extending the crime of money laundering to a wider range of predicate offences. The last review was conducted in January 2010<sup>9</sup>, while a new round of review is currently ongoing.

10. From 2008 to September 2010, more than one-third (26 out of 64) of persons convicted for money laundering were sentenced to a minimum of 24 months' imprisonment (see summary at Table 1 below and details at [Annex D](#)). The sanctions meted out to convicted persons were commensurate with the severity of their offences and facts of their case, such as the number of charges levied, their criminal antecedents and the monetary amounts involved.

**Table 1. Summary of sentences meted out for each ML conviction**

Sentences meted out for each ML conviction (No. of months of imprisonment)	2007	2008	2009	Jan-Sept 2010
Sentence ≥ 48 mths	-	3**	1	1
36 mths ≤ sentence < 48 mths	-	1	8	-
24 mths ≤ sentence < 36 mths	-	1	8	3
12 mths ≤ sentence < 24 mths	4	8	4	3
Sentence < 12 mths	8*	11*	5	7
<b>Total convictions</b>	<b>12</b>	<b>24</b>	<b>26</b>	<b>14</b>

<sup>9</sup> The predicate offences added to the Second Schedule in Jan 2010 were:

- Section 16 of Health Products Act - Prohibition against supply of health products that are adulterated, counterfeits, etc.
- Section 14(2A) of Human Organ Transplant Act - Organ trading by middlemen or syndicates;
- Section 35 (for contravention of section 31 and 32) of Medicines Act - Sale of adulterated medicinal products; Sale of medicinal products not of nature or quality demanded by purchaser; and
- Section 14 of Radiation Protection Act - Transport of radioactive waste.

\* Includes 1 sentence taken into consideration

\*\* Includes 1 sentence of corrective training

*Prevention & Deterrence - Industry and community outreach*

11. A cornerstone of Singapore's AML/CFT approach is our focus on prevention and deterrence of ML/TF through proactive engagement of the community and industry. Such engagements include:

- Outreach programmes to the industry to warn of the serious consequences of an ML/TF offence, to inculcate the importance of reporting suspicious transactions and provide guidance on ML/TF risk indicators. Outreach efforts are also targeted at enforcement, regulatory and prosecution agencies to raise awareness of ML/TF. There has been a sustained increase in the number of such outreach sessions over the years (see Table 2 below).
- Proactive engagement of the news media to publicise cases and prosecution of offenders, both to create awareness among the public and to send a deterrent message against being involved
- Educational messages to prevent and deter the commission of ML/TF offences are also weaved into a wide array of public education activities (e.g. crime prevention exhibitions, road shows etc.) organised under Singapore's Community Safety and Security Programme by the Singapore Police Force. These activities provide a platform for the community and grassroots to work with the Police to identify and tackle safety and security issues.

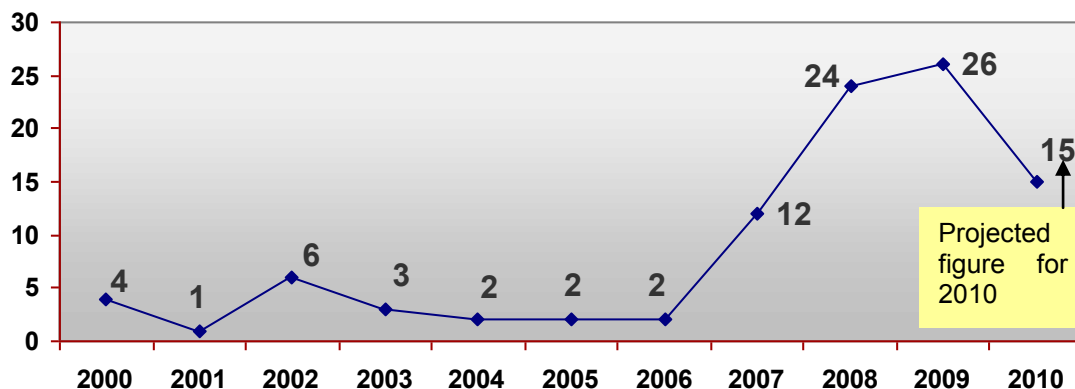
**Table 2. ML Outreach and Publicity programs conducted by Singapore's Commercial Affairs Department, Singapore Police Force to raise AML/CFT awareness and enhance quality/quantity of suspicious transaction reports (STRs)**

Sector	2004	2005	2006	2007	2008	2009	Jan - Sept 2010	Total
Government agencies	0	1	3	11	11	9	21	56
Private sectors	8	6	17	25	22	29	17	124
<b>Total</b>	<b>8</b>	<b>7</b>	<b>20</b>	<b>36</b>	<b>33</b>	<b>38</b>	<b>38</b>	<b>180</b>

*Enforcement*

12. Singapore actively and rigorously investigates any leads to uncover possible ML/TF offences and will not hesitate to prosecute offenders where an offence has been established. This applies to both self-laundering and third party laundering. The number money laundering convictions has generally increased over the years (see Chart 1).

**Chart 1. No. of money laundering convictions**



13. In 2008 and 2009, Singapore had an average of 25 money laundering (ML) convictions. This increase (as compared to an average of 4 per year from 2000 to 2007) was largely contributed by the emergence of syndicated scams (lottery, kidnapping and court official impersonation scams) in the later part of 2007. The number of persons convicted for third party laundering also increased to an average of 18 in 2008 and 2009 (see Table 3 below). As mentioned earlier, Singapore’s strategy in dealing with such scams holistically through robust enforcement action, public education and deterrent sentences proved very effective. Consequently, the number of victims who fell prey to such scams in 2010 has fallen, with a corresponding reduction in the number of ML.

**Table 3. No. of ML prosecutions/convictions (by persons) and breakdown by self or third party laundering**

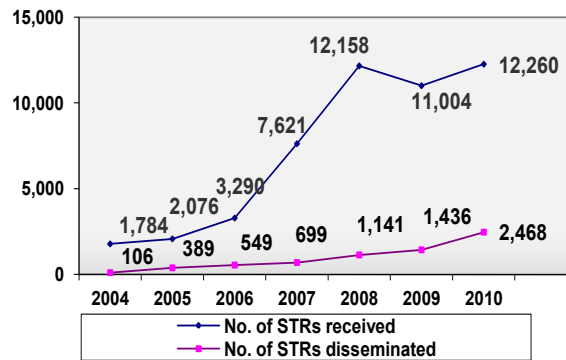
	2007	2008	2009	Jan - Sept 2010
No. of ML prosecutions	17	23	26	9
No. of ML convictions	12	24	26	14
<b>Method</b>				
Self Laundering convictions	10	5	12*	8**
Third Party convictions	2	19	16*	7**

\*Two persons were charged with both self laundering and third-party laundering.

\*\* One person was charged with both self laundering and third-party laundering.

14. Singapore’s suspicious transaction reporting regime has continued to strengthen over the years with our proactive engagement of the industry/community, which has helped built a strong culture of suspicious transaction reporting. The Suspicious Transaction Reporting Office (STRO), Singapore’s financial intelligence unit (FIU), also works closely with local law enforcement agencies to ensure the efficient referral of suspicious transaction reports (STRs) for assessment and follow-up where necessary. The numbers of such reports received and disseminated have increased significantly over the years (see Chart 2 that follows).

Chart 2. No. of STRs received/disseminated



↑  
Annualised based  
on Jan – Sept  
2010 figure  
↓

### International Co-operation

15. International cooperation is another key prong of Singapore's total AML/CFT strategy. Singapore is a firm proponent of international cooperation to combat transnational crime, as it not only facilitates detection of crimes, but also sends a strong deterrent message to criminals that they will not be able to enjoy the fruits of their crime even if their illicit proceeds are sent overseas.

16. Singapore received 46 mutual legal assistance (MLA) requests from 2007 to Sep 2010. The fact that Singapore rejected only three requests affirms the strong emphasis we place on international cooperation. For the requests that we were unable to provide assistance, reasons for rejection include not being able to locate the witness/es in Singapore and the bank account/s involved having already been closed.

17. Where there are suspicious ML cases with a foreign dimension, Singapore pursues them rigorously. This is evident from our efforts in cracking down on ML arising from overseas syndicated scams in 2008 and 2009, as can be seen from the resulting increase in the number of ML convictions arising from foreign predicate offences (see Table 4 below). As explained earlier, we had been successful in curbing these syndicated scams, leading to a decline in such ML convictions in 2010 (about 19 – annualised based on Jan – Sept 2010 figure).

**Table 4. ML Convictions – Breakdown by predicate offence location**

	2007	2008	2009*	Jan - Sept 2010
<b>No. of convictions</b>	<b>12</b>	<b>24</b>	<b>26</b>	<b>14</b>
<b>Origin</b>				
Domestic predicate offence	11	9	13	9
Foreign predicate offence	1	15	13	5

18. In addition, STRO proactively exchanges information with its foreign counterparts to establish the existence of any possible foreign predicate offences for cases involving suspicious inflows of funds into Singapore. The number of information exchanges between STRO and its foreign counterparts is shown in Table 5 below.

**Table 5. Information exchanges between STRO and foreign counterparts (includes requests for assistance made by STRO and spontaneous exchange of information with foreign counterparts)**

	2007	2008	2009	Jan - Sept 2010
<b>Number of instances whereby STRO spontaneously provided information or requested information from foreign counterparts</b>	103	129	92	153

19. Whenever STRO receives requests for assistance from foreign FIUs, it actively looks out for indications which may suggest that ML was committed in Singapore. It is STRO's policy to examine all information provided by its foreign counterparts and to pursue domestic ML investigations if there is indeed ML committed in Singapore. Over the last three years, the instances whereby information exchanged with foreign authorities were useful for domestic and foreign investigations/prosecutions have generally increased. From January to September 2010, 91 such exchanges were useful for foreign investigations while 77 were useful for domestic investigations (see Table 6 below).

**Table 6: Results of Information shared with foreign FIU counterparts**

(cases)	2007	2008	2009	Jan - Sept 2010
<b>Outcome for foreign party</b>				
Resulted in intelligence for foreign party	11	14	91	112
Linked to foreign investigation	18	24	83	91
Linked to foreign prosecution	2	5	7	15
<b>Outcome for Singapore</b>				
Filed as domestic intelligence	160	194	167	196
Linked to domestic investigation	1	8	37	77
Linked to domestic prosecution	0	0	7	12

20. Singapore remains vigilant against any ML arising from foreign predicate offences. Where the predicate offence is committed overseas and the criminal proceeds are laundered through Singapore, whether Singapore can successfully prosecute the offender will depend on the information provided by the relevant foreign enforcement agency and whether the perpetrator is in Singapore. Given that money launderers in such cases are usually based overseas and are themselves the subjects of foreign investigations, it is often infeasible or impractical to extradite the subject to be charged in Singapore for ML. There have also been cases where the foreign authorities had entered into plea bargains with the perpetrators, resulting in Singapore being unable to pursue the case.

**(II) Progress Made in Enhancing AML/CFT Regulation of Designated Non-Financial Businesses and Professions: R12, 16 and 24**

21. Significant progress has been made in enhancing the AML/CFT regulation of DNFBP sectors in Singapore since the on-site visit in 2007. In addition to the enactment of the Casino Control Act (CCA - see copy attached at [Annex E](#)) to mandate AML/CFT measures for Singapore's two newly opened casinos, AML/CFT coverage in other DNFBP sectors have also been enhanced.

**Casino**

22. Singapore's two casinos opened in Feb and Apr 2010 respectively. In recognition of the susceptibility of this sector to money laundering risks and in line with our holistic preventative strategy, Singapore took steps to establish the Casino Regulatory Authority (CRA) under the Ministry of Home Affairs to provide regulatory oversight and supervision of the casinos in 2008 – two years before the casinos opened.

23. One of the CRA's primary functions is to ensure that the management and operation of the casinos are free from criminal influence or exploitation in line with our crime prevention strategy. To this end, the CRA also ensures that the casinos have effectively implemented the necessary AML/CFT measures.

24. The Casino Control (Prevention of Money Laundering and Terrorism Financing) Regulations (CCR) 2009 (see copy enclosed at [Annex F](#)) was enacted under the CCA in October 2009 to mandate AML/CFT measures for casinos. Singapore's AML/CFT measures for casinos are benchmarked against the standards set by FATF as well as established and reputable overseas gaming jurisdictions, such as Nevada and New Jersey in the United States, and Victoria and New South Wales in Australia. Our strong pre-emptive approach has been successful in keeping ML/TF at bay from our casinos - no ML/TF cases have been detected in the two casinos thus far.

*Customer Due Diligence (CDD) Measures*

25. Casino operators are also required to put in place customer due diligence (CDD) measures, such as the identification of patrons and verification of identity when patrons open an account with the casino operator. Once the account is opened, the casino operator is required to conduct on-going monitoring on these accounts. In situations where politically-exposed persons (or PEPs) may be involved or in other situations where there is a higher risk of ML/TF, the casino operator is required to take enhanced measures. With our ratification of the United Nations Convention against Corruption (UNCAC) in Nov 2009, Singapore amended the CCR in February 2010 to further require casino operators to conduct enhanced CDD checks on both foreign and domestic PEPs. Any casino operator which fails to perform the CDD measures shall be liable to disciplinary actions under Section 54 of the CCA. These disciplinary actions can include (a) the cancellation/suspension of a casino licence, (b) the issuing of a letter of censure; (c) the variation of the terms of a casino licence; (d) the imposition of a financial penalty not exceeding S\$1 million for each ground of disciplinary action.

*Special attention for higher risk jurisdictions*

26. CRA has been disseminating to the casino operators FATF statements, which advise of the list of jurisdictions with strategic deficiencies in their AML/CTF regimes and call for countermeasures to protect against the ML/TF risks emanating from certain specified jurisdictions. The casino operators have put in place risk-profiling processes to look out for, amongst others, the ML/TF risks associated with such jurisdictions. Any transactions assessed to be of higher risk will be flagged and monitored.

*Record Keeping*

27. The CCA mandates that casino operators are to keep records for each deposit of funds of S\$5,000 or more. Such records must be sufficient to permit the reconstruction of individual transactions so as to provide, if necessary, evidence for prosecution of criminal activity. Other record keeping requirements under the CCA include:

- Maintaining the accounting records as correctly recorded, and explaining the transactions and financial position of the operations of the casino.
- Ensuring that all records relating to the operations of the casino are retained for at least 5 years after the completion of the transactions.

*Suspicious Transactions Reporting*

28. Casino operators and their employees are also obliged under section 39 of the CDSA to lodge suspicious transaction reports if they know or have reasonable grounds to suspect that the funds may represent criminal proceeds, or were used or are intended to be used in connection with stipulated offences in the CDSA. Any contravention of this requirement attracts a penalty of S\$20,000. The protection for a STR maker under section 39(6) CDSA (i.e. there is no breach of any legal restriction on the disclosure of information if the disclosure is made in good faith) and prohibitions against tipping-off under section 48 CDSA are equally applicable to the casino operators and their employees. CAD has conducted outreach to both casinos both before and after their opening to share on the importance of filing STRs and the reporting requirements.

*Mandatory cash transaction reporting*

29. One of the key AML/CFT measures is the mandatory reporting of cash transactions, whereby casino operators are required to file a cash transaction report (CTR) within 15 days for:

- A single cash transaction involving either cash in or cash out of S\$10,000 or more; or
- Multiple cash transactions resulting in either cash in or cash out of an aggregate amount of S\$10,000 or more, which the casino operator knows are entered into by or on behalf of a patron.

*Prohibited transactions*

30. Under the CCR, the casino operator is prohibited, when there is no apparent gaming activity, to enter into any transaction involving the conversion of money from one form to another, including:

- Receipt of cash for transmittal of all or part of that sum through telegraphic transfer for or on behalf of a patron;
- Cash payments to a patron of funds received through telegraphic transfers; and
- Cashing of cheques or other negotiable instruments.

31. In addition, casino operators are to determine the purpose and ownership of each cash transfer within 7 days upon the receipt of such cash transfer; if they are unable to identify the purpose and/or ownership of such cash, the casino operators are prohibited from retaining the cash.

*Internal policies and training*

32. The casino operators are required to develop, implement as well as communicate to its employees and officers internal policies, procedures and controls to detect and prevent ML/TF. These programmes should cover:

- Regulatory requirements on CDD measures;
- Regulatory requirements on record keeping;
- Detection of unusual or suspicious applications or transactions, and the reporting obligation;
- Audit of the internal policies, procedures and controls;
- Compliance management arrangements; and
- Hiring and training of employees.

33. The CRA has, pursuant to section 57 of the CCA, directed each casino operator to put in place a compliance management framework. Compliance officers are to be designated at a senior level and would have the authority to access and review all documents and other information relevant to its compliance checks. They must also be able to act independently and report to senior management above their next reporting level. The casino operators have also engaged internal auditors to independently test the casinos' compliance with the AML/CFT measures. Reports on the casinos' audit of their internal policies, procedures and controls are submitted to the CRA.

34. The CCR requires each casino operator to take all necessary steps to ensure that its employees are regularly trained on laws, prevailing techniques, methods and trends relating to ML/TF as well as their roles and responsibilities in preventing ML/TF. Since their opening in 2010, both casinos have regularly conducted such training for their employees, while CAD has also been sharing with the casinos on potential ML/TF threats and vulnerabilities.

35. Under the CCA, special employees<sup>10</sup> of the casinos must be licensed by CRA. Each casino operator has put in place procedures for screening such potential employees and is required to support and submit on behalf of the

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<sup>10</sup> A special employee means a person who —

(a) is employed or working in a casino in a managerial capacity or who is authorised to make decisions, involving the exercise of his discretion, that regulate the operations of a casino; or

(b) is employed or working in a casino in any capacity relating to any of the following activities:

- (i) the conduct of gaming;
- (ii) the movement of money or chips about the casino premises;
- (iii) the exchange of money or chips to patrons of the casino;
- (iv) the counting of money or chips on the casino premises;
- (v) the security and surveillance of the casino;
- (vi) the operation, maintenance, construction or repair of gaming equipment;
- (vii) the supervision of any of the above activities;



applicant each licence application, including issuing a certificate to certify the competence of the applicant. In considering each application, the CRA is then required to investigate and assess each applicant's integrity, responsibility, personal background and financial stability, his/her general reputation having regard to character, honesty and integrity as well as his/her suitability to perform the type of work.

### Lawyers

36. The Legal Profession (Professional Conduct) (Amendment) Rules 2007 (the LP Amendment Rules) sets out client due diligence requirements, suspicious transaction reporting requirements and record retention requirements, with a view towards preventing the inadvertent participation of lawyers in ML or TF activities. The Council of the Law Society of Singapore (the Council) has the power to carry out inspections of law practices to determine their compliance with the Rules.

37. Following the ME on-site visit in 2007, the Council issued a revised "Council's Practice Direction No. 1 of 2008: Prevention of Money Laundering and the Funding of Terrorist Activities"<sup>11</sup>, to provide enhanced guidance to lawyers and law practices on the application of the ML/TF rules as stated in the LP Amendment Rules and to set out directions on AML/CFT procedures in general. The enhanced Practice Direction addressed the concerns raised by the Assessors during the on-site visit.

38. The LP Amendment Rules and the Law Council PD apply to Singapore lawyers and law practices; and pursuant to the Attorney-General's exercise of his power under Section 130N of the Legal Profession Act, also apply to: joint law ventures ("JLVs"), formal law alliances ("FLAs"), foreign law firms and representative offices; foreign lawyers working in a Singapore law firm, JLV, FLA or foreign law firm; and Singapore lawyers in foreign practice in a JLV, FLA or foreign law firm.

#### *Duty to Report Suspicious Transactions*

39. Lawyers must understand their statutory duty to report suspicious money laundering transactions under section 39 of the CDSA and Rule 11G of the LP Amendment Rules. Rule 11G states that a lawyer or a law practice which knows or has reasonable grounds to suspect any matters referred to in section 39(1) of the CDSA shall disclose the matter to CAD or an authorised officer under the CDSA by way of a suspicious transaction report. Section 39(6)(b) of the CDSA affords a lawyer protection from criminal and civil liability for breach if any restriction on disclosure of information if suspicions are reported even if the precise underlying criminal activity is not known and regardless of whether an illegal activity had in fact occurred. Section 39(4) of the CDSA states that when a lawyer submits a suspicious transaction report, he is not required to provide any information which is protected by solicitor and client privilege.

#### *Customer Due Diligence (CDD) Measures*

40. Rule 11D(1) of the LP Amendment Rules provides that every lawyer and law practice shall implement reasonable measures to ascertain the identity of a client before accepting instructions to act in any matter. This includes verifying the identity of the client by establishing who the client is by way of reliable independent source documents, data or identification evidence. Where instructions are given by an agent or third party, the identity of the principal client must be similarly established. Where instructions are given to act for a trust, such CDD measures will include establishing identity of beneficial owners of the trust by way of reliable independent source documents, data or identification evidence. Where instructions are given by a legal structure, the CDD measures would include establishing the identity of the persons who have effective control or ownership of a legal person/arrangement.

41. A law practise may rely on third party or intermediary to carry out a client identity check if the law practice is satisfied that the third party or intermediary is subject to and supervised for compliance with anti-money laundering and prevention of terrorist financing consistent with the recommendations set by FATF and has not be specifically precluded by the Law Council from relying upon, The information or document that the law practise would be required or would want to obtain from the third party or the intermediary must be relayed without any delay before acting in the matter. Notwithstanding the reliance upon a third party or intermediary, the law practice shall remain responsible for compliance with PD including carrying out on-going monitoring of clients as required by the PD.

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(viii) any other activity relating to the operations of the casino that is specified by the Authority for the purposes of this definition by notice in writing given to the casino operator.

<sup>11</sup> The enhanced Practice Direction superseded an original Law council Practice Dircetion which was issued in 2007.

42. Lawyers and law practices are required to ensure that an agent giving instructions has the required authority to do so and in the absence of evidence of such authority, should confirm instructions with the client. In determining the principal and agent relationship, a lawyer or law practice must establish the agent's identity, that the agent in fact represents the principal client, that the agent has specific authority to relay instructions to the lawyer on behalf of the client and establish the nature of the relationship between the agent and the principal client.

*Risk Based Approach to Knowing Your Client*

43. A law practice may perform simplified "know your client" checks as it considers adequate to effectively identify and verify the identity of any client, a natural person appointed to act on the client's behalf or a natural person who has a controlling interest in or that exercises effective control over a client. The factors set out by the PD that lawyers or law practices must consider to make this decision includes the type of client and the type of business relationship or transaction the client intends to enter into in order to evaluate the risk of being used for money laundering or terrorist financing.

44. In making such an evaluation, the lawyer or law practice must take into account whether the clients are entities rather than individuals, whether they are clients that the law practice never meets, whether the clients of the law practise come from countries with high levels of corruption or where terrorist organisations are known to operate and whether the clients are politically exposed persons or unregulated persons.

45. A simplified know your client check may be sufficient where the client is a financial institution supervised by the MAS a wholly owned subsidiary of an entity listed in the stock exchange falling within rule 11D(4)(b), or otherwise subject to regulatory disclosure requirements. Also qualifying for simplified checks would be foreign government entities or foreign financial institutions or investment vehicles or partnerships that are subject to the requirements to combat money laundering and terrorist financing consistent with FATF recommendations. Finally, an individual or entity where reliable information on the identity of the client and its beneficial owners is publically available, these may also qualify for simplified checks.

46. Transactions involving payments made to or received by third parties, made in actual cash or transactions that involve a cross border element may increase the risk of facilitating money laundering or terrorist financing.

47. The PD also requires that every law practise must document in writing its decision to carry out simplified know your client checks and keep a record of the checks undertaken as required by the rules for at least 5 years after the end of the matter. This document needs to set out the details of the risk assessment made of the client and descriptions of the simplified know your client measures undertaken to identify the client. In addition, the lawyer or the law practice must continue to undertake on going monitoring if clients and their retainers so that the lawyer or law practice can identify and act on its suspicions.

48. To ensure compliance with the revised PD 1 of 2008 among law practices, the Singapore Law Society undertakes AML inspections of law practices yearly. Based on inspections undertaken over the last two years, it was noted that most law practices:

- have established CDD processes in place to facilitate the identification of beneficial owners and understanding the nature and purpose of business relationships.
- apply RBA in determining whether simplified or enhanced due diligence is required. Where firms RBA practices appeared inconsistent with requirements, the Law Society advised them to acquire further knowledge on the matter through relevant AML materials/resources distributed as well as AML seminars conducted by the Law Society
- had file opening and closing procedures though the Law Society noted room for improvement with regards to explicitly setting out procedures for record keeping in relation to AML obligations
- had adequate procedures for acceptance of client monies and kept client ledgers and reconciliation of client accounts. However, in relation to clients who were making payments on installment basis, some firms were observed to accept small amounts of cash from clients. In these cases, the Law Society has highlighted the need to ensure the practices do not create a channel for ML/TF.

- especially medium sized practices have enhanced CDD with regard to high risk clients (including PEPs) or when cash of more than \$100,000 is accepted.
- Source of funds was also verified and further approval from management was also required when full client due diligence had been completed or when payments were accepted from or made to third parties.

49. In general, the Law Society observed that most practices inspected were working towards being fully AML compliant. Where compliance were unsatisfactory, particularly in the area of on-going monitoring and suspicious transaction reporting, the Law Society has encouraged the affected practices to improve their understanding of the PD's AML/CFT requirements and implementation through relevant AML materials/resources distributed as well as AML seminars conducted by the Law Society. Similarly, the CAD continues to conduct outreach programmes to the legal sector to improve awareness of ML/TF trends and STR reporting obligations.

50. The Law Society has plans for review inspections of practices with poor AML/CFT practices in subsequent inspection rounds to ensure improved compliance with the PD.

### **Real Estate**

51. In Singapore, the primary role of real estate agents is to market the property - assist the purchaser to find the right property at the right price, guide the client through the process, make sure all pre-purchase issues are properly covered and make recommendations on financing and legal representation. Once the option money of the purchase price is handed over and the purchase option is secured, a lawyer is appointed to assist the purchaser with the financial and legal aspects of the transaction. Accordingly, the "gate-keeping" function for real estate transactions is assumed by lawyers who are subjected to AML/CFT regulations.

52. Nevertheless, as part of a wider review of the real estate sector, a new statutory board - the Council for Estate Agencies (CEA), was established in Oct 2010 under the Estate Agents Act 2010 with the purpose of strengthening regulatory oversight of the real estate sector. CEA's principal functions are to license estate agents (referring to the estate agencies) and register salespersons (referring to the property agents), promote the integrity and competence of estate agents and salespersons and engage in public education efforts to help consumers in property transactions. Accordingly, an enhanced regulatory framework which covers areas including qualifications and training requirements, a dispute resolution mechanism and an enforcement framework against agencies with errant agents was introduced by the CEA in Nov 2010.

53. Additionally, real estate agents are subject to suspicious transactions reporting requirements under section 39 of the CDSA if they know or have reasonable grounds to suspect that the funds of their clients may represent criminal proceeds, or were used or are intended to be used in connection with stipulated offences in the CDSA. Any contravention of this requirement attracts a penalty of S\$20,000.

### **Company Service Providers**

54. As noted by the assessors in the mutual evaluation report, company service providers are regulated in Singapore. The Accounting and Corporate Regulatory Authority (ACRA) is the central registration authority in Singapore for business entities. Since the on-site visit, ACRA has obtained in-principle approval from their parent Ministry, the Ministry Of Finance, to regulate company service providers (CSPs) which carry out transactions with ACRA.

55. ACRA is currently working with the Attorney-General's Chambers to finalise the proposed regulations for CSPs which will include, amongst others, the requirement to identify beneficial owner of legal entities and record keeping requirements. The proposed regulations will also make explicit that CSPs will continue to be subjected to suspicious transaction reporting requirements. The new regulations are expected to be finalised by 2011.

## **(III) Progress Made in Enhancing Transparency of Legal Persons and Arrangements: R33 and 34**

### **Companies**

56. With the regulation of CSPs and the requirement for CSPs to look through to beneficial owner, the transparency of legal persons will be greatly enhanced. Nevertheless, given the on-going discussion on R33 within FATF, the regulations will be reviewed against the new FATF requirements in due time.

## **Trusts**

57. Section 3 of the Singapore Trust Companies Act requires that any person carrying on any trust business or holding himself out as carrying on any trust business in Singapore must be licensed as a trust company. Licensing and customer due diligence requirements apply to any persons offering trust business in Singapore, regardless of whether such persons are of residential or non-residential status; or whether the assets settled in the trust are located within or outside Singapore. Licensing exemptions are available in limited and specific circumstances, but exempt entities are still required to comply with CDD requirements [MAS *Prevention of Money Laundering and Countering the Financing of Terrorism Notice to Trust companies – Para 2.1 on Definitions. See definition of ‘trust companies’*].

58. CDD requirements are mandated by the Monetary Authority of Singapore Anti-Money Laundering and Countering the Financing of Terrorists Notices, and apply to all licensed trust companies and regulated financial institutions. These CDD measures require the respective institutions to conduct comprehensive identification and verification checks on all trust relevant parties, which include settlors, trustees, beneficiaries and beneficial owners. Compliance with the Monetary Authority of Singapore’s Anti-Money Laundering and Countering the Financing of Terrorists Notices is supported by rigorous on-site and off-site supervision.

### **(IV) Additional Enhancements to AML/CFT Regime**

59. In addition to the enhancements highlighted in Sections (I) – (III), steps were taken to tighten some recommendations rated Compliant and Largely Compliant as part of a regular review of Singapore’s AML/CFT regime to ensure alignment with evolving standards and landscape. Suggestions of the FATF assessors were taken into account during the review exercise.

#### *AML/CFT Regulation of Financial Sector: R5, R6 and R9*

60. To avoid ambiguity, amendments were made to the Monetary Authority of Singapore (MAS) Notices to Financial Institutions (FIs) on the Prevention of Money Laundering and Terrorist Financing in December 2009 to state explicitly that simplified CDD shall not be performed where the bank suspects that ML or TF is involved and that the FIs shall immediately obtain all the CDD information in the event of reliance on a 3<sup>rd</sup> party.

61. Following Singapore’s ratification of the United Nations Convention Against Corruption in end 2009, clarifications were also made to the MAS Notices on Prevention of Money Laundering and Countering the Financing of Terrorism to extend the definition of Politically Exposed Persons (PEP) to include domestic PEPs. Accordingly, FIs were required to apply enhanced CDD to both foreign and domestic PEPs related accounts.

#### *Improving tipping off provisions*

62. Amendments to the CDSA took effect in February 2010 to enhance section 48(2) to enlarge the scope of the tipping off provision. This amendment has criminalised the act of tipping off a person when the tipper knows or has reasonable grounds to suspect that a STR is *being* made under the Act, as opposed to only when the disclosure has already been made.

### **Continued Commitment to Combat ML/TF**

63. Singapore is committed to maintaining a strong AML/CFT regime to remain resilient to financial and other crimes.

64. We believe in pro-active crime prevention and take a serious and whole-of-government approach to assess and mitigate threats with prompt and rigorous policy responses. Singapore will continue to review its AML/CFT regime on a regular basis to ensure continued effectiveness in an environment of increasing criminal sophistication. In this respect, we strongly support on-going discussions on the enhancement of the FATF 40 + 9 Standards to meet new challenges to effectively combat ML and TF.

## LIST OF ACRONYMS

### Laws and Regulations and Directives:

- **CA** Companies Act
- **CCA** Casino Control Act
- **CCR 2009** Casino Control (Prevention of Money Laundering and Terrorism Financing) Regulations
- **CDSA** Corruption, Drug Trafficking and other Serious Crimes (Confiscation of Benefits) Act
- **LP Amendment Rules** Legal Profession (Professional Conduct) (Amendment) Rules
- **MAS Notices Terrorism** MAS Notices on Prevention of Money Laundering and Countering the Financing of Terrorism
- **PD** Council's Practice Direction No. 1 of 2008: Prevention of Money Laundering and the Funding of Terrorist Activities

### Agencies:

- **ACRA** Accounting and Corporate Regulatory Authority
- **CEA** Council for Estate Agencies
- **CRA** Casino Regulatory Authority
- **MAS** Monetary Authority of Singapore
- **MHA** Ministry of Home Affairs
- **MOF** Ministry of Finance

**ANNEX A - SUMMARY OF DEFICIENCIES, RECOMMENDATIONS & ACTIONS TAKEN**

Recommendations	Recommended Action Plans	Summary of Actions Taken
<p>a. Recommendation 1 – Criminalising of Money Laundering</p>	<p><u>PC</u></p> <ul style="list-style-type: none"> <li>• Technical deficiencies: Amend the third-party ML offences, sections 46(2) and 47(2) of the CDSA, to remove the additional purpose elements for the offence of concealment or disguise, and provide for the additional alternative purpose element for the offence of conversion or transfer.</li> <li>• Demonstrate effective implementation of the ML offence; particularly in relation to third party money laundering activity, and the laundering of proceeds generated by foreign predicate offences.</li> </ul>	<ul style="list-style-type: none"> <li>- Sections 46 and 47 of the CDSA were amended to:               <ul style="list-style-type: none"> <li>• Remove from the offence of concealing, disguising, converting or transferring the proceeds of crime of another person, the requirement that the act is done for the purpose of assisting the other person to avoid prosecution for a drug trafficking or serious offence, or the making or enforcement of a confiscation order. These amendments have made it clear that an offence is committed so long as a person does so knowing or having reasonable grounds to believe that the property represents another person’s proceeds of crime.</li> <li>• Remove from the offence of acquiring any property representing another person’s proceeds of crime the requirement that the acquisition should be made for no or inadequate consideration. These amendments have made it clear that an offence is committed even if a person acquires the property at fair value, if he does so knowing or having reasonable grounds to believe that the property represents the proceeds of crime of another person.</li> </ul> </li> <li>- Effectiveness of Singapore’s holistic, preventative approach to implementing ML regime demonstrated by success in curbing the emergence of syndicated scams in Singapore in recent years. Upon detection of this crime trend, Singapore proactively dealt with the problem by educating the general public to increase awareness of such scams, facilitating greater cooperation amongst enforcement agencies to target the perpetrators, and meting out stiff deterrent sentences on those involved in the scams and in laundering the monies. Singapore’s strategy in dealing with such scams holistically through robust enforcement action, public education and deterrent sentences consequently resulted in the number of victims who fell prey to such scams in 2010 falling, with a corresponding reduction in the number of ML. A</li> </ul>

Recommendations	Recommended Action Plans	Summary of Actions Taken
		<p>summary of the key thrusts of our strategy is as follows:</p> <p><u>Prevention &amp; Deterrence - Industry and community outreach</u></p> <ul style="list-style-type: none"> <li>- Singapore engages the community and industry through preventive education messages such as: <ul style="list-style-type: none"> <li>▪ Outreach programmes conducted by CAD to the FIs and designated non-financial businesses and professions, education providers and regulators etc. Such outreach messages warn of the serious consequences faced if one commits a ML/TF offence. It also stresses the importance of reporting suspicious transactions and provides guidance on the ML/TF risk indicators to look out for.</li> <li>▪ Proactive engagement of the news media to publicise cases of offenders being prosecuted in Court.</li> <li>▪ Messages to deter the commission of ML/TF offences are also weaved into a wide array of activities (e.g. exhibitions, road shows etc.) organised under Singapore's Community Safety and Security Programme, which provides a platform for the community and grassroots to work with the Ministry of Home Affairs ("MHA") to identify and tackle safety and security issues in the neighbourhoods.</li> </ul> </li> </ul> <p><u>Enforcement</u></p> <ul style="list-style-type: none"> <li>- Singapore rigorously enforces its AML/CFT laws by actively investigating any leads to uncover possible ML/TF offences and, where an offence is established, ensuring that the perpetrators are prosecuted. This applies to both self-laundering and third party laundering. Accordingly, the number money laundering convictions has generally increased over the years (Refer to Table 3 of main paper)</li> </ul> <p>The Suspicious Transaction Reporting Office ("<b>STRO</b>"), Singapore's financial intelligence unit, works closely with local law enforcement agencies to ensure the efficient referral of suspicious transaction reports ("STRs") for assessment and follow-up where necessary. Chart 2 of the main paper depicts an effective STR regime.</p> <p><u>International Cooperation</u></p> <ul style="list-style-type: none"> <li>- International cooperation is another key prong of Singapore's total AML/CFT</li> </ul>

Recommendations	Recommended Action Plans	Summary of Actions Taken
		<p>strategy.</p> <ul style="list-style-type: none"> <li>- Singapore received 46 mutual legal assistance (MLA) requests from 2007 to Sep 2010. The fact that Singapore rejected only three requests affirms the strong emphasis we place on international cooperation. Where there are suspicious ML cases with a foreign dimension, Singapore pursues them rigorously. This is evident from our efforts in cracking down on ML arising from overseas syndicated scams in 2008 and 2009, as can be seen from the resulting increase in the number of ML convictions arising from foreign predicate offences</li> <li>- In addition, STRO proactively exchanges information with its foreign counterparts to establish the existence of any possible foreign predicate offences for cases involving suspicious inflows of funds into Singapore. Whenever STRO receives requests for assistance from foreign FIUs, it actively looks out for indications which may suggest that ML was committed in Singapore. It is STRO's policy to examine all information provided by its foreign counterparts and to pursue domestic ML investigations if there is indeed ML committed in Singapore. (Refer to Table 5 and 6 for detailed breakdown of STRs shared and outcome of these sharings).</li> </ul>
<p>b. Recommendations 12, 16 and 24 – Designated Non-Financial Businesses and Professions</p>	<p><u>NC/PC</u></p> <ul style="list-style-type: none"> <li>• Ensure adequate application of AML/CFT measures to new casinos</li> <li>• Effectiveness of new AML/CFT measures could not yet be assessed, as measures came into force recently</li> <li>• Adopt AML/CFT measures for real estate agents, dealers in precious metals and dealers in precious stones, accountants, and trust and company service providers (other than trust companies which are regulated as FIs).</li> </ul>	<p><u>Casinos</u></p> <ul style="list-style-type: none"> <li>- Singapore set up the Casino Regulatory Authority ("<b>CRA</b>") under MHA to provide regulatory oversight and supervision of the casinos. One of its primary functions is to ensure that the management and operation of the casinos are free from criminal influence or exploitation and to this end, also ensure that the casinos have effectively implemented the necessary AML/CFT measures.</li> <li>- The CCR was enacted under the CCA in October 2009 to mandate AML/CFT measures for casinos. These requirements include, for example, mandatory reporting for cash transactions of S\$10,000 or more, mandatory reporting of suspicious transactions, implementation of Know Your Customer and Customer Due Diligence ("CDD") measures and record-keeping for transactions of S\$5,000 and above.</li> </ul> <p><u>Lawyers</u></p> <ul style="list-style-type: none"> <li>- Following the ME on-site visit in 2007, the Council issued a revised "Council's Practice Direction No. 1 of 2008: Prevention of Money Laundering and the Funding</li> </ul>



Recommendations	Recommended Action Plans	Summary of Actions Taken
		<p>of Terrorist Activities”<sup>12</sup>, to provide enhanced guidance to lawyers and law practices on the application of the ML/TF rules as stated in the LP Amendment Rules and to set out directions on AML/CFT procedures in general. These include, amongst others, the duty to report suspicious transactions, detailed CDD requirements, when and how RBA can be applied in the context of KYC procedures.</p> <p><u>Real Estate</u></p> <ul style="list-style-type: none"> <li>- A new statutory board - the Council for Estate Agencies (CEA), was established in Oct 2010 under the Estate Agents Act 2010 with the purpose of strengthening regulatory oversight of the real estate sector. CEA's principal functions are to license estate agents (referring to the estate agencies) and register salespersons (referring to the property agents), promote the integrity and competence of estate agents and salespersons and engage in public education efforts to help consumers in property transactions. Accordingly, an enhanced regulatory framework which covers areas including qualifications and training requirements, a dispute resolution mechanism and an enforcement framework against agencies with errant agents was introduced by the CEA in Nov 2010.</li> <li>- Real estate agents are subject to suspicious transactions reporting requirements under section 39 of the CDSA if they know or have reasonable grounds to suspect that the funds of their clients may represent criminal proceeds, or were used or are intended to be used in connection with stipulated offences in the CDSA. Any contravention of this requirement attracts a penalty of S\$20,000.</li> </ul> <p><u>Company Service Providers</u></p> <ul style="list-style-type: none"> <li>- Accounting and Corporate Regulatory Authority (ACRA), the central registration authority in Singapore for business entities, is currently working with the Attorney-General's Chambers to finalise the proposed regulations for CSPs which will include, amongst others, the requirement to identify beneficial owner of legal entities and record keeping requirements. The proposed regulations will also make explicit that CSPs will continue to be subjected to suspicious transaction reporting requirements.</li> </ul>

<sup>12</sup> The enhanced Practice Direction superseded an original Law council Practice Dircetion which was issued in 2007.

Recommendations	Recommended Action Plans	Summary of Actions Taken
<p>c. Recommendations 33 and 34 – Transparency of legal persons and arrangements.</p>	<p><u>PC</u></p> <ul style="list-style-type: none"> <li>• Broaden the requirements on beneficial ownership so that information on ownership/control is readily available in a timely manner.</li> <li>• Broaden the requirements on beneficial ownership so that information on ownership/control for all trusts (not just those administered by trust companies) is readily available in a timely manner.</li> </ul>	<p><u>Companies</u></p> <ul style="list-style-type: none"> <li>- With the regulation of CSPs and the requirement for CSPs to look through to beneficial owner, the transparency of legal persons will be greatly enhanced. Nevertheless, given the on-going discussion on R33 within FATF, the regulations will be reviewed against the new FATF requirements in due time.</li> </ul> <p><u>Trusts</u></p> <ul style="list-style-type: none"> <li>- Section 3 of the Singapore Trust Companies Act requires that any person carrying on any trust business or holding himself out as carrying on any trust business in Singapore must be licensed as a trust company. Licensing and customer due diligence requirements apply to any persons offering trust business in Singapore, regardless of whether such persons are of residential or non-residential status; or whether the assets settled in the trust are located within or outside Singapore. Licensing exemptions are available in limited and specific circumstances, but exempt entities are still required to comply with CDD requirements.</li> <li>- CDD requirements are mandated by the Monetary Authority of Singapore Anti-Money Laundering and Countering the Financing of Terrorists Notices, and apply to all licensed trust companies and regulated financial institutions. These CDD measures require the respective institutions to conduct comprehensive identification and verification checks on all trust relevant parties, which include settlors, trustees, beneficiaries and beneficial owners.</li> </ul>

## ANNEX B - TEXT OF REVISED SECTION 46, 47 AND 48 CDSA

### **Acquiring, possessing, using, concealing or transferring benefits of drug trafficking**

**46.** —(1) Any person who —

(a) conceals or disguises any property which is, or in whole or in part, directly or indirectly, represents, his benefits of drug trafficking;

(b) converts or transfers that property or removes it from the jurisdiction; or

(c) acquires, possesses or uses that property,

shall be guilty of an offence.

(2) Any person who, knowing or having reasonable grounds to believe that any property is, or in whole or in part, directly or indirectly, represents, another person's benefits of drug trafficking —

(a) conceals or disguises that property; or

(b) converts or transfers that property or removes it from the jurisdiction,

shall be guilty of an offence.

(3) Any person who, knowing or having reasonable grounds to believe that any property is, or in whole or in part, directly or indirectly, represents, another person's benefits of drug trafficking, acquires that property or has possession of or uses such property, shall be guilty of an offence.

(4) In subsections (1) (a) and (2) (a), references to concealing or disguising any property include references to concealing or disguising its nature, source, location, disposition, movement or ownership or any rights with respect to it.

(5) For the purposes of subsection (3), consideration given for any property is inadequate if its value is significantly less than the market value of that property, and there shall not be treated as consideration the provision for any person of services or goods which are of assistance to him in drug trafficking.

(6) Any person who commits an offence under this section shall be liable on conviction —

(a) if the person is an individual, to a fine not exceeding \$500,000 or to imprisonment for a term not exceeding 7 years or to both; or

(b) if the person is not an individual, to a fine not exceeding \$1 million.

### **Acquiring, possessing, using, concealing or transferring benefits of criminal conduct**

**47.** — (1) Any person who —

(a) conceals or disguises any property which is, or in whole or in part, directly or indirectly, represents, his benefits from criminal conduct;

(b) converts or transfers that property or removes it from the jurisdiction; or

(c) acquires, possesses or uses that property,

shall be guilty of an offence.

(2) Any person who, knowing or having reasonable grounds to believe that any property is, or in whole or in part, directly or indirectly, represents, another person's benefits from criminal conduct —

(a) conceals or disguises that property; or

(b) converts or transfers that property or removes it from the jurisdiction,

shall be guilty of an offence.

(3) Any person who, knowing or having reasonable grounds to believe that any property is, or in whole or in part, directly or indirectly, represents, another person's benefits from criminal conduct, acquires that property or has possession of or uses such property, shall be guilty of an offence.

(4) In subsections (1) (a) and (2) (a), references to concealing or disguising any property include references to concealing or disguising its nature, source, location, disposition, movement or ownership or any rights with respect to it.

(5) For the purposes of subsection (3), consideration given for any property is inadequate if its value is significantly less than the market value of that property, and there shall not be treated as consideration the provision for any person of services or goods which are of assistance to him in criminal conduct.

(6) Any person who commits an offence under this section shall be liable on conviction —

(a) if the person is an individual, to a fine not exceeding \$500,000 or to imprisonment for a term not exceeding 7 years or to both; or

(b) if the person is not an individual, to a fine not exceeding \$1 million.

### **Tipping-off**

**48.** — (1) Any person who —

(a) knows or has reasonable grounds to suspect that an authorised officer is acting, or is proposing to act, in connection with an investigation which is being, or is about to be, conducted under or for the purposes of this Act or any subsidiary legislation made thereunder; and

(b) discloses to any other person information or any other matter which is likely to prejudice that investigation or proposed investigation,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$30,000 or to imprisonment for a term not exceeding 3 years or to both.

(2) Any person who —

(a) knows or has reasonable grounds to suspect that a disclosure has been or is being made to an authorised officer under this Act (referred to in this section as the disclosure); and

(b) discloses to any other person information or any other matter which is likely to prejudice any investigation which might be conducted following the disclosure,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$30,000 or to imprisonment for a term not exceeding 3 years or to both.

(3) Nothing in subsection (1) or (2) makes it an offence for an advocate and solicitor or his employee to disclose any information or other matter —

(a) to, or to a representative of, a client of his in connection with the giving of advice to the client in the course of and for the purpose of the professional employment, of the advocate and solicitor; or

(b) to any person —

(i) in contemplation of, or in connection with, legal proceedings; and

(ii) for the purpose of those proceedings.

(4) Subsection (3) does not apply in relation to any information or other matter which is disclosed with a view to furthering any illegal purpose.

(5) In proceedings against a person for an offence under subsection (1) or (2), it is a defence to prove that he did not know and had no reasonable ground to suspect that the disclosure was likely to be prejudicial in the way mentioned in subsection (1) or (2).

(6) No authorised officer or other person shall be guilty of an offence under this section in respect of anything done by him in the course of acting in connection with the enforcement, or intended enforcement, of any provision of this Act or of any other written law relating to drug trafficking or a serious offence.

## ANNEX C - EXTRACTS OF SECTION 14, UNLICENSED MONEYLENDERS ACT

### Unlicensed moneylending

14. —(1) Subject to subsection (1A), any person who contravenes, or who assists in the contravention of, section 5(1)<sup>13</sup> shall be guilty of an offence and —

(a) in the case where the person is a body corporate, shall on conviction be punished with a fine of not less than \$50,000 and not more than \$500,000; or

(b) in any other case —

(i) shall on conviction be punished with a fine of not less than \$30,000 and not more than \$300,000 and with imprisonment for a term not exceeding 4 years; and

(ii) in the case of a second or subsequent offence, shall on conviction be punished with a fine of not less than \$30,000 and not more than \$300,000 and with imprisonment for a term not exceeding 7 years.

(3A) Without prejudice to the generality of subsection (1), a person assists in a contravention of subsection (1) if —

(a) he collects or demands payment of a loan on behalf of a person whom he knows or has reasonable grounds to believe is carrying on a business in contravention of section 5(1);

**(b) he receives, possesses, conceals or disposes of any funds or other property, or engages in a banking transaction relating to any funds, on behalf of any person knowing or having reasonable grounds to believe that —**

**(i) the person is carrying on a business in contravention of section 5(1); and**

**(ii) either the funds are (or are intended to be) disbursed as a loan by that person, or the funds or property is repayment of a loan made by the person;**

(c) being the owner or person having management or control of any premises, he allows the premises to be used to carry on a business knowing or having reasonable grounds to believe that the carrying on of such business contravenes section 5(1);

(d) he lends or provides funds, or lends, sells or provides any pre-paid subscriber identification module (SIM) card or other property to a person, knowing or having reasonable grounds to believe that the funds or property will be used for the carrying on of a business in contravention of section 5(1);

(e) he keeps the records and accounts of a business knowing or having reasonable grounds to believe that the carrying on of such business contravenes section 5(1); or

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<sup>13</sup> **No moneylending except under licence, etc.**

5. —(1) No person shall carry on or hold himself out in any way as carrying on the business of moneylending in Singapore, whether as principal or as agent, unless —

(a) he is authorised to do so by a licence;

(b) he is an excluded moneylender; or

(c) he is an exempt moneylender.

(f) he promotes or advertises a business knowing or having reasonable grounds to believe that the carrying on of such business contravenes section 5(1).

**ANNEX D - DETAILS OF PUNISHMENTS METED OUT FOR ML CONVICTIONS**

Year	No. of Convictions	No	CDSA Charges Proceeded with or Taken into Consideration (TIC)	Sentencing (months of imprisonment)
1 <sup>st</sup> half 2010	10	1	1 count S47(3)	5
		2	3 counts S47(1)(b)	24
		3	2 counts of S44(1)(a)	14
		4	3 counts of S44(1)(a) 1 count of S47(1)(c)	27
		5	5 counts of S44(1)(a)	9
		6	1 count of S47(1)(a) 1 count of S47(1)(b)	12
		7	1 count of S44(1)(a)	12
		8	1 count of S47(1)(b)	6
		9	1 count of S47(1)(b)	TIC <sup>14</sup>
		10	1 count of S47(1)(b)	9
2009	26	1	2 counts of S44(1)(a)	12
		2	1 counts of S44(1)(a)	3
		3	1 count of S47(1)(b)	36
		4	4 count of S47(1)(b), 31 counts TIC	24
		5	1 count of S47(1)(a) 3 counts of S 47(1)(b)	24
		6	2 counts of S44(1)(a), 6 counts TIC	32
		7	2 counts of S44(1)(a) 1 count of S47(1)(b)	42
		8	1 count of S44(1)(a), 4 counts TIC 1 count of S47(1)(b), 3 counts TIC	30
		9	1 count of S47(1)(b), 3 counts TIC	6
		10	1 count of S47(1)(b)	36
		11	1 count of S47(3)	33

<sup>14</sup> Taken into Consideration (TIC) in the sentencing for one other offence. Total sentence imposed on the accused in this case was 30 months' imprisonment.



Year	No. of Convictions	No	CDSA Charges Proceeded with or Taken into Consideration (TIC)	Sentencing (months of imprisonment)
		12	3 counts of S47(1)(b), 6 counts TIC	36
		13	3 counts of S47(1)(b), 6 counts TIC	36
		14	1 count of S47(3)	5
		15	1 count of S44(1)(a)	36
		16	20 counts of S44(1)(a)	42
		17	4 counts of S44(1)(a), 7 counts TIC	36
		18	2 counts of S44(1)(a), 1 counts TIC	30
		19	1 count of S44(1)(a)	12
		20	2 counts of S44(1)(a)	30
		21	3 counts of S44(1)(a)	13
		22	2 counts of S44(1)(a), 1 count TIC	30
		23	2 counts of S47(1)(b), 4 count TIC	18
		24	2 counts of S47(1)(b) 1 count of S47(1)(c), TIC	9
		25	1 count of S47(1)(b)	10
		26	49 counts of S44(1)(a)	54
		2008	24	1
2	1 count of S47(2)(a)			TIC <sup>15</sup>
3	1 count of S44(1)(a)			12
4	1 count of S47(1)(b)			15
5	2 counts of S44(1)(a)			6
6	1 count of S44(1)(a)			9
7	1 count of S44(1)(a)			9
8	1 count of S44(1)(a)			9
9	1 count of S44(1)(a)			9
10	2 counts of S44(1)(a)			3
11	1 count of S44(1)(a)			17
12	1 count of S44(1)(a)			12
13	1 count of S44(1)(a)			12
14	1 count of S44(1)(a)			12
15	1 count of S44(1)(a)			18 (probation)

<sup>15</sup> Taken into Consideration (TIC) in the sentencing for three counts of other offences. Total sentence imposed on the accused in this case was 20 months imprisonment.

Year	No. of Convictions	No	CDSA Charges Proceeded with or Taken into Consideration (TIC)	Sentencing (months of imprisonment)
		16	1 count of S44(1)(a)	9
		17	1 count of S44(1)(a)	3
		18	1 count of S47(1)(b)	24
		19	3 counts of S47(1)(b), 11 counts TIC	36
		20	1 count of S44(1)(a)	18
		21	4 counts of S47(1)(a), 5 counts TIC 4 charges of S47(1)(b) , all TIC	10 years corrective training
		22	1 charge of S44(1)(a)	6
		23	4 counts of S44(1)(a), 1 count TIC	48
		24	4 counts of S44(1)(a), 1 count TIC	48
2007	12	1	1 count of S47(1)(b)	TIC <sup>16</sup>
		2	1 count of S47 (1)(a)	2
		3	2 counts of S47(2)(a)	4
		4	2 counts of S47(1)(a)	4
		5	2 counts of S47(1)(a)	12
		6	1 count of S44(1)(a)	3
		7	5 counts of S47(1)(a)	8
		8	7 counts of S47(1)(b)	8
		9	2 counts of S47(1)(b)	12
		10	1 count of S47(1)(b)	3
		11	1 count of S47(1)(b)	15
		12	1 count of S47(1)(b)	15

<sup>16</sup> Taken into Consideration (TIC) in the sentencing for 108 counts of predicate offences. Total sentence imposed on the accused in this case was 90 months imprisonment.

**CASINO CONTROL ACT  
(CHAPTER 33A)**

History	Act 10 of 2006	->	2007REVISED EDITION
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An Act to make provision for the operation and regulation of casinos and gaming in casinos; to establish the Casino Regulatory Authority of Singapore, to provide for its functions and powers and for matters connected therewith.

[1st June 2006 — Section 2 only]

[2nd April 2008 — Sections 3 and 4,

Sections 5 to 33 and 37 (in relation to any property, assets, interests, rights, privileges, liabilities or obligations transferred to the Authority under section 33), Parts III to XIII; and the Schedule]

**PART I**

PRELIMINARY

1 Short title and commencement

2 Interpretation

3 Meaning of “associate”

4 Minister may revoke order for designated site or cancel casino licence in public interest

**PART II**

CASINO REGULATORY AUTHORITY OF SINGAPORE

*DIVISION 1 — ESTABLISHMENT, INCORPORATION AND CONSTITUTION OF AUTHORITY*

5 Establishment and incorporation of Casino Regulatory Authority of Singapore

6 Common seal

7 Constitution of Authority

*DIVISION 2 — FUNCTIONS, DUTIES AND POWERS OF AUTHORITY*

8 Objects of Authority

9 Functions and duties of Authority

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11 Directions by Minister

12 Appointment of committees and delegation of powers

*DIVISION 3 — PROVISIONS RELATING TO STAFF AND INSPECTORS*

13 Appointment of Chief Executive and other employees, etc.

14 Functions of inspectors

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17 Seizure and forfeiture of equipment, etc.

*DIVISION 4 — FINANCIAL PROVISIONS*

18 Funds and property of Authority

19 Financial year

20 Moneys recovered or collected by Authority

21 Grants-in-aid

22 Power to borrow

23 Issue of shares, etc.

24 Bank account

25 Application of moneys

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29 Powers of auditor

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DIVISION 5 — GENERAL

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32 Symbol or representation of Authority

DIVISION 6 — TRANSFER OF PROPERTY, ASSETS, LIABILITIES AND EMPLOYEES

33 Transfer to Authority of property, assets and liabilities

34 Transfer of employees

35 Service rights, etc., of transferred employees to be preserved

36 Existing contracts

37 Pending proceedings

38 Continuation and completion of disciplinary proceedings

39 Misconduct or neglect of duty by employee before transfer

**PART III**

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### CONSTITUTION AND PROCEEDINGS OF AUTHORITY

### LEGISLATION HISTORY

#### **CASINO CONTROL ACT (CHAPTER 33A)**

An Act to make provision for the operation and regulation of casinos and gaming in casinos; to establish the Casino Regulatory Authority of Singapore, to provide for its functions and powers and for matters connected therewith.

[1st June 2006 — Section 2 only]

[2nd April 2008 — Sections 3 and 4,

**Sections 5 to 33 and 37 (in relation to any property, assets, interests, rights, privileges, liabilities or obligations transferred to the Authority under section 33), Parts III to XIII; and the Schedule]**

*Notes:*—Unless otherwise stated, the abbreviations used in the references to other Acts and statutory provisions are references to the following Acts and statutory provisions. The references are provided for convenience of users and are not part of the Act:

Vic. CCA 1991	:	Australian, Victoria, Casino Control Act 1991 (Act No. 47 of 1991)
Vic. Gam. RA 2003	:	Australian, Victoria, Gambling Regulation Act 2003 (Act No. 114 of 2003)
NSW CCA 1992	:	Australia, New South Wales, Casino Control Act 1992 (Act 15 of 1992)
SA Problem Gambling 2004	:	Australia, South Australia, Problem Gambling Family Protection Orders Act 2004 (Act No. 10 of 2004)
Nevada Revised Statutes	:	United States, Nevada, Nevada Gambling Control Act (Chapter 463)
Banking Act	:	Singapore, Banking Act (Chapter 19, 2003 Revised Edition)
Competition Act	:	Singapore, Competition Act 2004 (Act 46 of 2004)
EDA	:	Singapore, Entertainments Duty Act (Chapter 94, 1985 Revised Edition)
Land Acquisition Act	:	Singapore, Land Acquisition Act (Chapter 152, 1985 Revised Edition)
Maint. Parents Act	:	Singapore, Maintenance of Parents Act (Chapter 167B, 1996 Revised Edition)
Maint. Religious Harmony Act	:	Singapore, Maintenance of Religious Harmony Act (Cap. 167A, 2001 Revised Edition)
Misuse of Drugs Act	:	Singapore, Misuse of Drugs Act (Chapter 185, 2001 Revised Edition)
Telcom. Act	:	Singapore, Telecommunications Act (Cap. 323, 2000 Revised Edition)



PEM(DR)R : Singapore, Public Entertainments and Meetings (Demerit Points) Rules (Chapter 257, 2002 Revised Edition, R2)

## **PART I PRELIMINARY**

### **Short title and commencement**

1. This Act may be cited as the Casino Control Act and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

### **Interpretation**

2. —(1) In this Act, unless the context otherwise requires —

"appointed day" means —

(a) in relation to this Act, the date of commencement of this Act; and

(b) in relation to a particular provision of this Act, the date of commencement of that particular provision;

"authorised bank" means any bank authorised by the Authority for the purposes of this Act;

"authorised person" means any person authorised to perform any function or duty or to exercise any power under section 13 (6);

"Authority" means the Casino Regulatory Authority of Singapore established under section 5;

"casino" means any premises, or part of premises, within a designated site where persons may participate in one or more games approved by the Authority in any order published under section 100;

"casino employee" means an employee having functions in or in relation to a casino;

"casino licence" means a casino licence granted under section 49 that is in force;

"casino operator" means a person who is the holder of a casino licence;

"casino premises" means the casino premises referred to in section 51;

"Chairman" means the Chairman of the Authority and includes any temporary Chairman of the Authority;

"Chief Executive" means the Chief Executive of the Authority appointed under section 13 and includes any person acting in that capacity;

"chips" means any tokens used instead of money for the purpose of gaming;

"corporation" has the same meaning as in section 4 (1) of the Companies Act (Cap. 50);

"Council" means the National Council on Problem Gambling established under section 154;

"deposit account" means an account established under section 108 (2);

"designated site" means any parcel or parcels of land designated by the Minister under subsection (2) as a site on which a casino may be located;

"electronic monitoring system" means any electronic or computer or communications system or device that is so designed that it may be used, or adapted, to send or receive data from gaming equipment in relation to the security, accounting or operation of gaming equipment;

"employ" includes engage under a contract for services;

"excluded person" means a person barred from entering or remaining on any casino premises by —

(a) an exclusion order under section 120, 121 or 122; or

(b) a family exclusion order or exclusion order under Part X; or

(c) section 165A;

"game" means a game of chance or a game that is partly a game of chance and partly a game requiring skill;

"gaming equipment" means any device or thing (including chips) used, or capable of being used, for or in connection with gaming and includes —

(a) a gaming machine;

(b) linked jackpot equipment;

(c) an electronic monitoring system; and

(d) a part of, or a replacement part for, any such machine, equipment or system;

"gaming machine" means any device, whether wholly or partly mechanically or electronically operated, that is so designed that —

(a) it may be used for the purpose of playing a game of chance or a game of mixed chance and skill; and

(b) as a result of making a bet on the device, winnings may become payable,

and includes any machine declared by the Authority to be a gaming machine;

"Inland Revenue Authority of Singapore" means the Inland Revenue Authority of Singapore established under section 3 of the Inland Revenue Authority of Singapore Act (Cap. 138A);

"inspector" means an inspector appointed under section 13 (5);

"jackpot" means the combination of letters, numbers, symbols or representations required to be displayed on the reels or video screen of a gaming machine so that the winnings in accordance with the prize payout scale displayed on the machine are payable from money which accumulates as contributions are made to a special prize pool;

"junket" means an arrangement whereby a person or a group of persons is introduced to a casino operator by a junket promoter who receives a commission or other payment from the casino operator or the person for the time being in charge of the casino;

"junket player" means a person who participates in a junket, whether or not the person is also a premium player;

"junket promoter" means a person who organises or promotes a junket;

"linked jackpot arrangement" means an arrangement whereby 2 or more gaming machines are linked to a device that —

(a) records, from time to time, an amount which, in the event of a jackpot or other result being obtained on one of those machines, may be payable, or part of which may be payable, as winnings;

(b) for the purpose of recording the amount referred to in paragraph (a), receives data from each gaming machine to which the device is linked; and

(c) is not capable of affecting the outcome of a game on a gaming machine to which the device is linked;

"linked jackpot equipment" means any jackpot meter, payout display, linking equipment, computer equipment, programming or other device (other than a gaming machine) forming, or capable of forming, part of a linked jackpot arrangement;

"member" means a member of the Authority;

"Minister" , except in Parts IX and X, means the Minister for Home Affairs;

"operations" , in relation to a casino, means —

(a) the conduct of gaming in the casino;

(b) the management and supervision of the conduct of gaming in the casino;

(c) money counting in, and in relation to, the casino;

(d) accounting procedures in, and in relation to, the casino;

(e) the use of storage areas within the casino premises; and

(f) other matters affecting or arising out of activities in the casino;

"owner" , in relation to a designated site, means the person who is registered in the land-register under the Land Titles Act (Cap. 157) as the purchaser of a leasehold interest in the designated site;

"premium player" means a patron of a casino who maintains a deposit account with the casino operator with a credit balance of not less than \$100,000 before the commencement of play by him in the casino;

"record" includes any book, account, document, paper or other source of information compiled, recorded or stored in written form, or on microfilm, or by electronic process, or in any other matter or by any other means;

"share" includes stock except where a distinction between stock and shares is express or implied;

"special employee" means a person who —

(a) is employed or working in a casino in a managerial capacity or who is authorised to make decisions, involving the exercise of his discretion, that regulate the operations of a casino; or

(b) is employed or working in a casino in any capacity relating to any of the following activities:

(i) the conduct of gaming;

(ii) the movement of money or chips about the casino premises;

(iii) the exchange of money or chips to patrons of the casino;

(iv) the counting of money or chips on the casino premises;

(v) the security and surveillance of the casino;

(vi) the operation, maintenance, construction or repair of gaming equipment;

(vii) the supervision of any of the above activities;

(viii) any other activity relating to the operations of the casino that is specified by the Authority for the purposes of this definition by notice in writing given to the casino operator;

"special employee licence" means a special employee licence issued by the Authority under Part V;

"voting share" has the same meaning as in section 4 (1) of the Companies Act (Cap. 50).

(2) For the purposes of this Act, the Minister may, by order published in the *Gazette* —

(a) designate any parcel or parcels of land as a site on which a casino may be located for such period as may be specified in the order; and

(b) extend any period under paragraph (a) for such further period as may be specified in the order.

(3) In this Act —

- (a) a reference to a function includes a reference to a power, authority or duty; and  
 (b) a reference to the exercise of a function includes, in relation to a duty, a reference to the performance of the duty.  
 [Vic. CCA 1991, ss. 3, 37]

### Meaning of “associate”

3. —(1) For the purposes of this Act (other than Division 2 of Part IV), a person is an “associate” of a casino operator or an applicant for a casino licence if the person —

(a) holds or will hold any relevant financial interest, or is or will be entitled to exercise any relevant power (whether in right of the person or on behalf of any other person) in the casino business of the casino operator or applicant, and by virtue of that interest or power, is able or will be able to exercise a significant influence over or with respect to the management or operation of that casino business; or

(b) holds or will hold any relevant position, whether in right of the person or on behalf of any other person, in the casino business of the casino operator or applicant.

(2) In this section —

“relevant financial interest” , in relation to a business, means —

(a) any share in the capital of the business; or

(b) any entitlement to receive any income derived from the business;

“relevant position” , in relation to a business, means the position of director, manager or secretary, or other executive position, however that position is designated;

“relevant power” means any power, whether exercisable by voting or otherwise and whether exercisable alone or in association with others —

(a) to participate in any directorial, managerial or executive decision; or

(b) to elect or appoint any person to any relevant position.

[Vic. CCA 1991, s. 4]

### Minister may revoke order for designated site or cancel casino licence in public interest

4. —(1) Notwithstanding any other provision of this Act, if it appears to the Minister to be necessary in the public interest to do so, the Minister may, after consultation with the Authority —

(a) revoke any order made under section 2 (2); or

(b) cancel any casino licence,

and give such directions to the Authority or the casino operator concerned as are necessary to give effect to the revocation of the order or the cancellation of the casino licence, as the case may be.

(2) The Authority or casino operator, as the case may be, shall give effect to any direction given by the Minister under subsection (1).

(3) Where the Minister has revoked an order under subsection (1) (a), any casino licence granted for a casino on the site to which that order relates shall be deemed to be cancelled.

(4) The Minister shall pay such fair compensation as the Minister may determine for any damage caused to the casino operator concerned by reason of the revocation of the order or cancellation of the casino licence by the Minister under subsection (1).

(5) If the amount of compensation to be paid under subsection (4) is disputed by the casino operator, the dispute shall be referred to arbitration, and parties shall be deemed as having submitted the dispute to arbitration under the Arbitration Act (Cap. 10) to be decided in accordance with Singapore law.

(6) Any sum required by the Minister for paying compensation under subsection (4) shall be paid out of the Consolidated Fund.

(7) If any doubt arises as to whether any act done under this section was in the public interest, a certificate signed by the Minister shall be conclusive evidence of the matters stated therein.

(8) Any decision of the Minister under subsection (1) shall be final.

[Telcom. Act, s. 5]

## PART II

### CASINO REGULATORY AUTHORITY OF SINGAPORE

#### Division 1 — Establishment, incorporation and constitution of Authority

## **Establishment and incorporation of Casino Regulatory Authority of Singapore**

5. There is hereby established a body to be known as the Casino Regulatory Authority of Singapore which shall be a body corporate with perpetual succession and shall, by that name, be capable of —

- (a) suing and being sued;
- (b) acquiring, owning, holding and developing or disposing of property, both movable and immovable; and
- (c) doing and suffering such other acts or things as bodies corporate may lawfully do and suffer.

### **Common seal**

6. —(1) The Authority shall have a common seal and such seal may from time to time be broken, changed, altered or made anew as the Authority thinks fit.

- (2) All deeds and other documents requiring the seal of the Authority shall be sealed with the common seal of the Authority.
- (3) All instruments to which the common seal is affixed shall be signed by any 2 members generally or specially authorised by the Authority for the purpose or by one member and the Chief Executive.
- (4) All courts, judges and persons acting judicially shall take judicial notice of the common seal of the Authority affixed to any document and shall presume that it was duly affixed.

### **Constitution of Authority**

7. —(1) The Authority shall consist of the following members:

- (a) a Chairman; and
  - (b) such other members, not being less than 4 or more than 16, as the Minister may, from time to time, determine.
- (2) The Schedule shall have effect with respect to the Authority, its members and its proceedings.

## **Division 2 — Functions, duties and powers of Authority**

### **Objects of Authority**

8. The objects of the Authority are to maintain and administer systems for the licensing, supervision and control of casinos, for the purpose of —

- (a) ensuring that the management and operation of a casino is and remains free from criminal influence or exploitation;
- (b) ensuring that gaming in a casino is conducted honestly; and
- (c) containing and controlling the potential of a casino to cause harm to minors, vulnerable persons and society at large.

[Vic. CCA 1991, s. 140]

### **Functions and duties of Authority**

9. —(1) Subject to the provisions of this Act, the functions and duties of the Authority shall be to —

- (a) license and regulate the operation of casinos;
- (b) approve any system of controls and administrative and accounting procedures of a casino;
- (c) advise the Minister concerning policy in relation to supervision and inspection of casinos;
- (d) do all things it is authorised or required to do under this Act, including but not limited to —
  - (i) supervising the operation of casinos, the persons responsible for such operations and the conduct of gaming within the casinos;
  - (ii) ensuring that the handling, collection, disbursement and counting of money within casino premises is supervised;
  - (iii) detecting offences committed within casino premises or in relation to casinos;
  - (iv) receiving and investigating complaints from casino patrons concerning the conduct of gaming in the casino;
  - (v) adjudicating cases of dispute between a casino operator and patrons of the casino;
  - (vi) investigating the suitability of applicants for licences;
  - (vii) checking casino records as required;
  - (viii) inspecting, testing and approving gaming equipment and chips used in casinos; and
  - (ix) preparing and giving to the Minister such reports concerning the operation of casinos and the conduct of gaming in them as the Authority thinks fit or as the Minister may request; and
- (e) perform such other functions as are conferred or imposed on the Authority by or under this Act or any other written law.

(2) The Authority may undertake such other functions and duties as the Minister may assign to the Authority and in so doing, the Authority shall be deemed to be fulfilling the purposes of this Act, and the provisions of this Act shall apply to the Authority in respect of such functions and duties.

(3) Nothing in this section shall be construed as imposing on the Authority, directly or indirectly, any form of duty or liability enforceable by proceedings before any court to which it would not otherwise be subject.

[Vic. CCA 1991, s. 141]

### **Powers of Authority**

**10.** —(1) Subject to the provisions of this Act, the Authority may carry on such activities as appear to the Authority to be advantageous, necessary or expedient for it to carry on for or in connection with the performance of its functions and the discharge of its duties under this Act or any other written law.

(2) Without prejudice to the generality of subsection (1), the Authority may —

(a) conduct such investigations as may be necessary for enforcing this Act;

(b) require any person to furnish such returns and information as may be necessary for implementing the provisions of this Act;

(c) issue or approve codes of practice relating to casino operations;

(d) publish educational materials or carry out research or other educational activities relating to casino gaming, or to support (financially or otherwise) the carrying out by others of such activities or the provision by others of information or advice;

(e) enter into such contracts as may be necessary or expedient for the purpose of performing its functions or discharging its duties;

(f) become a member or an affiliate of any international body, the functions, objects or duties of which are similar to those of the Authority;

(g) acquire and hold property, both movable and immovable, and to sell, lease, mortgage or otherwise dispose of the property;

(h) make provision for gratuities, pensions, allowances or other benefits for employees or former employees of the Authority; and

(i) make provision for the specialised training of any employee of the Authority and, in that connection, to offer scholarships to intending trainees or otherwise pay for the cost of the training and all expenditure incidental thereto.

(3) This section shall not be construed as limiting any power of the Authority conferred by or under any other written law.

(4) The Authority shall furnish the Minister information with respect to its property and activities in such manner and at such times as the Minister may, from time to time, require.

### **Directions by Minister**

**11.** The Minister may, after consultation with the Authority or otherwise, give to the Authority such directions, not inconsistent with the provisions of this Act, as to the performance and exercise by the Authority of its functions, duties and powers under this Act as the Minister may consider necessary, and the Authority shall give effect to all such directions.

### **Appointment of committees and delegation of powers**

**12.** —(1) The Authority may appoint from amongst its own members or from other persons who are not members such number of committees as it thinks fit for purposes which, in the opinion of the Authority, would be better regulated and managed by means of such committees.

(2) The Authority may, subject to such conditions or restrictions as it thinks fit, delegate to any such committee appointed under subsection (1) or to the Chairman or Chief Executive or to any other member, officer or employee of the Authority, any of the functions or powers of the Authority under this Act or any other written law, except —

(a) the power of delegation conferred by this section; and

(b) the power to make any subsidiary legislation.

(3) Any function or power delegated under subsection (2) to any committee or person may be performed or exercised by the committee or person to whom it has been delegated in the name and on behalf of the Authority.

(4) No delegation under this section shall prevent the performance or exercise of any function or power by the Authority.

## **Division 3 — Provisions relating to staff and inspectors**

### **Appointment of Chief Executive and other employees, etc.**

13. —(1) The Authority shall, with the approval of the Minister, appoint a Chief Executive on such terms and conditions as the Authority may determine.

(2) The Chief Executive shall —

(a) be known by such designation as the Authority may determine;

(b) be responsible to the Authority for the proper administration and management of the functions and affairs of the Authority in accordance with the policy laid down by the Authority; and

(c) not be removed from office without the consent of the Minister.

(3) The Minister shall consult the Public Service Commission before granting his approval under subsection (1) or before giving his consent under subsection (2) (c).

(4) If the Chief Executive is temporarily absent from Singapore or temporarily incapacitated by reason of illness or for any other reason temporarily unable to discharge his duties, another person may be appointed by the Authority to act in the place of the Chief Executive during any such period of absence from duty.

(5) The Authority may, from time to time, appoint and employ on such terms and conditions as the Authority may determine such officers, employees, consultants, inspectors and agents as may be necessary for the effective performance of its functions and discharge of its duties.

(6) The Authority may, from time to time, authorise any person to perform any function or duty or to exercise any power under this Act.

### **Functions of inspectors**

14. The functions of an inspector are as follows:

(a) for the purpose of ascertaining whether or not a casino operator is complying with the provisions of this Act, the conditions of the casino licence, and any direction issued by the Authority under this Act —

(i) to inspect casino premises;

(ii) to monitor the operations of a casino; and

(iii) to examine gaming equipment used in a casino and records kept in relation to a casino;

(b) to monitor the handling and counting of money on casino premises;

(c) to assist in any other manner, where necessary, in the detection of offences committed under this Act on casino premises;

(d) to receive and investigate complaints from casino patrons relating to the conduct of gaming;

(e) to report to the Authority regarding the operations of a casino; and

(f) to perform any other functions as are conferred on inspectors under this Act.

[*Vic. CCA 1991, s. 106; Vic. Gam. RA 2003, s. 10.5.7*]

### **Powers of inspectors**

15. —(1) An inspector may do any one or more of the following:

(a) require any person in possession of, or having control of, any machinery, equipment or records relating to the operations of a casino to produce the machinery, equipment or records for inspection and to answer questions or provide information relating to the machinery, equipment or records;

(b) inspect any machinery, equipment or records referred to in paragraph (a) and take copies of, extracts from, or notes relating to, those records;

(c) if the inspector considers it necessary to do so for the purpose of obtaining evidence of the commission of an offence, seize any machinery, equipment or records;

(d) stop any game conducted in a casino;

(e) by written notice require —

(i) the holder of any casino licence, special employee licence, junket promoter's licence, or other authorisation under this Act;

(ii) an employee of a person referred to in sub-paragraph (i); or

(iii) any other person associated with operations or their management in premises the inspector is authorised to enter, to attend before the inspector at a specified time and place and to answer questions, or to provide information within a reasonable period specified in the notice, with respect to any activity regulated by this Act;

- (f) examine and test any machinery or equipment referred to in paragraph (a) and order the person in charge of the machinery or equipment to withdraw it from use if it is unsatisfactory for use;
  - (g) investigate any complaint from a patron of a casino relating to the conduct of any activity regulated by this Act;
  - (h) any other thing authorised by this Act to be done by an inspector.
- (2) If an inspector seizes any thing under this section, it may be retained by the inspector until the completion of any proceedings (including proceedings on appeal) in which it may be evidence but, in the case of records, the person from whom the records were seized shall be permitted to inspect and make copies of the records.
- (3) Subsection (2) ceases to have effect in relation to things seized if, on the application of a person aggrieved by the seizure, the court in which proceedings referred to in that subsection are instituted so orders.
- [*Vic. Gam. RA 2003, s. 10.5.9*]

#### **Power to require names and addresses**

- 16.** —(1) An inspector who exercises a right of entry to casino premises under section 118 or under a search warrant may require a person on the premises to state the person's full name and residential address.
- (2) An inspector is not authorised to require a person to state his name or address unless the inspector —
- (a) suspects on reasonable grounds that the person has committed an offence; and
  - (b) has informed the person, at the time of stating the requirement, that it is an offence to fail to comply with the requirement.
- (3) Any person who fails to comply with a requirement made under subsection (1) shall be guilty of an offence.
- [*Vic. Gam. RA 2003, s. 10.5.10*]

#### **Seizure and forfeiture of equipment, etc.**

- 17.** —(1) An inspector may seize —
- (a) any thing that the inspector reasonably suspects is gaming equipment that is not authorised under this Act to be on the casino premises; or
  - (b) any article or thing the use or possession of which is unlawful.
- (2) A police officer or an inspector may apply to a court upon completion of the investigation in relation to any item seized under subsection (1) for an order that the item seized under that subsection be forfeited to the Authority.
- (3) On an application under subsection (2), the court shall order that the item be forfeited to the Authority if the court is satisfied that the item is —
- (a) gaming equipment that is not authorised under this Act to be on the casino premises; or
  - (b) any article or thing the use or possession of which is unlawful,
- as the case may be, regardless of whether a charge has been filed in relation to the item or whether a person has been convicted of an offence in relation to the item.
- (4) Any item forfeited under this section shall be disposed of in accordance with any direction of the court.
- [*Vic. CCA 1991, s. 165; Vic. Gam. RA 2003, s. 10.5.29*]

### **Division 4 — Financial provisions**

#### **Funds and property of Authority**

- 18.** The funds and property of the Authority shall consist of —
- (a) grants made under section 21;
  - (b) all fees, fines, composition sums and financial penalties paid into the funds of the Authority under this Act;
  - (c) all moneys paid to the Authority for the purposes of the Authority;
  - (d) all moneys paid to the Authority by way of grants, subsidies, donations, gifts and contributions;
  - (e) all moneys received by the Authority by way of charges and fees for services rendered by the Authority to any person;
  - (f) all moneys, dividends, royalties, interest or income received from any transaction made pursuant to the powers conferred on the Authority under this Act or any other written law;
  - (g) all moneys borrowed by the Authority under this Act;
  - (h) all other moneys and property lawfully received by the Authority for the purposes of the Authority; and
  - (i) all accumulations of income derived from any such property or money.

### **Financial year**

19. The financial year of the Authority shall begin on 1st April of each year and end on 31st March of the succeeding year, except that the first financial year of the Authority shall begin on the appointed day and end on 31st March of the succeeding year.

### **Moneys recovered or collected by Authority**

20. Except where otherwise provided, all moneys recovered and charges, fees, fines, composition sums and financial penalties collected by the Authority under this Act shall be paid into and form part of the moneys of the Authority.

### **Grants-in-aid**

21. For the purpose of enabling the Authority to perform its functions and discharge its duties under this Act, the Minister may, from time to time, make grants-in-aid to the Authority of such sums of money, as the Minister may determine, out of moneys to be provided by Parliament.

### **Power to borrow**

22. —(1) For the performance of its functions or discharge of its duties under this Act or any other written law, the Authority may, from time to time, raise loans from the Government or, with the approval of the Minister, raise loans within or outside Singapore from such source as the Minister may direct by —

- (a) mortgage, overdraft or other means, with or without security;
- (b) charge, whether legal or equitable, on any property vested in the Authority or on any other revenue receivable by the Authority under this Act or any other written law; or
- (c) the creation and issue of debentures, bonds or any other instrument as the Minister may approve.

(2) For the purposes of this section, the power to raise loans shall include the power to make any financial agreement whereby credit facilities are granted to the Authority for the purchase of goods, materials or things.

### **Issue of shares, etc.**

23. As a consequence of the vesting of any property, rights or liabilities of the Government in the Authority under this Act, or of any capital injection or other investment by the Government in the Authority in accordance with any written law, the Authority shall issue such shares or other securities to the Minister for Finance as that Minister may, from time to time, direct.

### **Bank account**

24. —(1) The Authority shall open and maintain an account with such bank as the Authority thinks fit.

(2) Every such account shall be operated by such person as may, from time to time, be authorised in that behalf by the Authority.

### **Application of moneys**

25. The moneys of the Authority shall be applied only in payment or discharge of the expenses, obligations and liabilities of the Authority and in making any payment that the Authority is authorised or required to make.

### **Power of investment**

26. The Authority may invest its moneys in accordance with the standard investment power of statutory bodies as defined in section 33A of the Interpretation Act (Cap. 1).

### **Accounts and records**



27. The Authority shall keep proper accounts and records of its transactions and affairs and shall do all things necessary to ensure that —
- (a) all payments out of its moneys are correctly made and properly authorised; and
  - (b) adequate control is maintained over the assets of, or in the custody of, the Authority and over the expenditure incurred by the Authority.

#### **Audit of accounts**

28. —(1) The accounts of the Authority shall be audited by the Auditor-General or such other auditor as may be appointed annually by the Minister in consultation with the Auditor-General (referred to in this Act as the auditor).
- (2) A person shall not be qualified for appointment as an auditor under subsection (1) unless he is a public accountant who is registered or deemed to be registered under the Accountants Act (Cap. 2).
  - (3) The Authority shall, as soon as practicable after the close of each financial year, prepare and submit the financial statements in respect of that year to the auditor who shall audit and report on them.
  - (4) The auditor shall in his report state —
    - (a) whether the financial statements show fairly the financial transactions and the state of affairs of the Authority;
    - (b) whether proper accounting and other records have been kept, including records of all assets of the Authority whether purchased, donated or otherwise;
    - (c) whether the receipts, expenditure and investment of moneys and the acquisition and disposal of assets by the Authority during the financial year were in accordance with the provisions of this Act; and
    - (d) such other matters arising from the audit as he considers necessary.
  - (5) The auditor shall, as soon as practicable after the accounts have been submitted for audit, send a report of his audit to the Authority.
  - (6) The auditor shall submit such periodical and special reports to the Minister and to the Authority as may appear to him to be necessary or as the Minister or the Authority may require.

#### **Powers of auditor**

29. —(1) The auditor or any person authorised by him shall be entitled at all reasonable times to full and free access to all accounting and other records relating, directly or indirectly, to the financial transactions of the Authority.
- (2) The auditor or any person authorised by him may make copies of, or take extracts from, any such accounting or other records.
  - (3) The auditor or any person authorised by him may require any person to furnish him with such information in the possession of that person or to which that person has access as the auditor or the person authorised by him considers necessary for the performance of his functions under this Act.
  - (4) Any person who —
    - (a) refuses or fails, without any reasonable cause, to allow the auditor or any person authorised by the auditor access to any accounting and other records of the Authority in his custody or power;
    - (b) refuses or fails, without any reasonable cause, to give any information possessed by him as and when required by the auditor or person authorised by the auditor; or
    - (c) hinders, obstructs or delays the auditor or any person authorised by the auditor in the performance of his functions, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000 and, in the case of a continuing offence, to a further fine not exceeding \$100 for every day or part thereof during which the offence continues after conviction.

#### **Presentation of financial statements and auditor's report to Parliament**

30. —(1) The Authority shall, as soon as its accounts and financial statements have been audited in accordance with the provisions of this Act, send to the Minister a copy of the audited financial statements, signed by the Chairman, together with a copy of the auditor's report.
- (2) Where the Auditor-General is not the auditor of the Authority, a copy of the audited financial statements and any report made by the auditor shall be forwarded to the Auditor-General at the same time they are submitted to the Authority.
  - (3) The Minister shall, as soon as practicable, cause a copy of the audited financial statements and of the auditor's report referred to in subsection (1) to be presented to Parliament.

## Division 5 — General

### Annual report

31. —(1) The Authority shall, as soon as practicable after the end of each financial year, cause to be prepared and transmitted to the Minister a report dealing generally with the activities of the Authority during the preceding financial year and containing such information relating to the proceedings and policy of the Authority as the Minister may, from time to time, direct.

(2) The Minister shall, as soon as practicable, cause a copy of every such report to be presented to Parliament.

### Symbol or representation of Authority

32. —(1) The Authority shall have the exclusive right to the use of such symbol or representation as the Authority may select or devise and thereafter display or exhibit such symbol or representation in connection with its activities or affairs.

(2) Any person who uses a symbol or representation identical with that of the Authority, or which so resembles the Authority's symbol or representation as to deceive or cause confusion, or to be likely to deceive or to cause confusion, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 6 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$250 for every day or part thereof during which the offence continues after conviction.

## Division 6 — Transfer of property, assets, liabilities and employees

### Transfer to Authority of property, assets and liabilities

33. —(1) As from the appointed day, such movable and immovable property vested in the Government as may be determined by the Minister for Finance and used or managed by the Ministry of Home Affairs and such assets, interests, rights, privileges, liabilities and obligations of the Government as may be determined by the Minister for Finance relating to the Ministry of Home Affairs shall be transferred to and shall vest in the Authority without further assurance, act or deed.

(2) If any question arises as to whether any particular property, asset, interest, right, privilege, liability or obligation has been transferred to or vested in the Authority under subsection (1), a certificate under the hand of the Minister for Finance shall be conclusive evidence that the property, asset, interest, right, privilege, liability or obligation was or was not so transferred or vested.

(3) Any immovable property to be transferred to and vested in the Authority under subsection (1) shall be held by the Authority upon such tenure and subject to such terms and conditions as the President may determine.

(4) Every agreement relating to any of the transferred properties to which the Government was a party immediately before the appointed day, whether or not of such nature that the rights and liabilities thereunder could be assigned, shall have effect as from that day as if —

(a) the Authority had been a party to such an agreement; and

(b) for any reference to the Government there were substituted in respect of anything to be done on or after the appointed day a reference to the Authority.

### Transfer of employees

34. —(1) As from the appointed day, such persons or categories of persons as the Minister may determine who, immediately before that day, were employed by the Government shall be transferred to the service of the Authority on terms no less favourable than those enjoyed by them immediately prior to their transfer.

(2) If any question arises as to whether any person or any category of persons has been transferred to the service of the Authority under subsection (1), a certificate under the hand of the Minister shall be conclusive evidence that the person or category of persons was or was not so transferred.

(3) Until such time as terms and conditions of service are drawn up by the Authority, the terms and conditions of service in the Government shall continue to apply to every person transferred to the service of the Authority under subsection (1) as if he were still in the service of the Government.

(4) Notwithstanding the provisions of the Pensions Act (Cap. 225), no person who is transferred to the service of the Authority under this section shall be entitled to claim any benefit under that Act on the ground that he has been retired from the public service on account of abolition or reorganisation of office in consequence of the establishment of the Authority.

**Service rights, etc., of transferred employees to be preserved**

**35.** —(1) The terms and conditions to be drawn up by the Authority shall take into account the salaries and terms and conditions of service, including any accrued rights to leave, enjoyed by the persons transferred to the service of the Authority under section 34 while in the employment of the Government.

(2) Any term or condition relating to the length of service with the Authority shall recognise the length of service of the persons so transferred while in the employment of the Government to be service with the Authority.

(3) Nothing in the terms and conditions of service to be drawn up by the Authority shall adversely affect the conditions that would have been applicable to persons transferred to the service of the Authority as regards any pension, gratuity or allowance payable under the Pensions Act.

(4) Where a person has been transferred to the service of the Authority under section 34, the Government shall be liable to pay to the Authority such portion of any pension, gratuity or allowance payable to the person on his retirement as the same shall bear to the proportion which the aggregate amount of his pensionable emoluments during his service with the Government bears to the aggregate amount of his pensionable emoluments during his service under both the Government and the Authority.

(5) Where any person in the service of the Authority, whose case does not fall within the scope of any pension or other schemes established under this section, retires or dies in the service of the Authority or is discharged from such service, the Authority may grant to him or to such other person or persons wholly or partly dependent on him, as the Authority thinks fit, such allowance or gratuity as the Authority may determine.

**Existing contracts**

**36.** All deeds, schemes, bonds, agreements, instruments and arrangements subsisting immediately before the appointed day to which the Government is a party and relating to any person transferred to the service of the Authority under section 34 shall continue in force on and after that day and shall be enforceable by or against the Authority as if the Authority had been named therein or had been a party thereto instead of the Government.

**Pending proceedings**

**37.** Any proceedings or cause of action relating to the portion of the property, assets, interests, rights, privileges, liabilities and obligations transferred to the Authority under section 33 or to any employee transferred to the service of the Authority under section 34 pending or existing immediately before the appointed day by or against the Government, or any person acting on its behalf, may be continued and shall be enforced by or against the Authority.

**Continuation and completion of disciplinary proceedings**

**38.** —(1) Where, on the appointed day, any disciplinary proceedings were pending against any employee of the Government transferred to the service of the Authority, the proceedings shall be carried on and completed by the Authority.

(2) Where, on the appointed day, any matter was in the course of being heard or investigated or had been heard or investigated by a committee acting under due authority but no order, ruling or direction had been made thereon, the committee shall complete the hearing or investigation and shall make such order, ruling or direction as it could have made under the authority vested in it before that day.

(3) Any order, ruling or direction made by a committee under this section shall be treated as an order, a ruling or a direction of the Authority and have the same force or effect as if it had been made by the Authority under this Act.

**Misconduct or neglect of duty by employee before transfer**

**39.** The Authority may reprimand, reduce in rank, retire, dismiss or punish in some other manner a person who had, whilst he was in the employment of the Government, been guilty of any misconduct or neglect of duty which would have rendered him liable to be reprimanded, reduced in rank, retired, dismissed or punished in some other manner if he had continued to be in the employment of the Government, and if this Act had not been enacted.

### **PART III LICENSING OF CASINOS**

#### **Certain contracts in relation to gaming valid and enforceable**

**40.** Section 5 (1) and (2) of the Civil Law Act (Cap. 43) shall not apply in relation to —

- (a) any contract entered into with a casino operator or his agent for the playing in the casino of a game that is conducted by or on behalf of the casino operator or his agent, as the case may be, at any time while the casino licence is in force;
- (b) any contract entered into with a casino operator or his agent for the use of a gaming machine in the casino, at any time while the casino licence is in force; and
- (c) any contract for any transaction permitted under section 108, at any time while the casino licence is in force.

#### **Two casinos only**

**41.** —(1) The Authority shall, during the period of 10 years commencing from the date on which a second site for a casino is designated by an order made under section 2 (2), ensure that there are not more than 2 casino licences in force under this Act at any particular time.

(2) A casino licence is to apply to one casino only.

[NSW CCA 1992, s. 6]

#### **Main shareholder of casino operator not to divest stake or participate in other casino for certain period**

**42.** —(1) During the period of 10 years commencing from the date on which a second site for a casino is designated by an order made under section 2 (2) —

(a) the main shareholder of a casino operator shall not, without the prior written approval of the Authority, transfer or dispose of any part of his stake in the casino operator to the extent that after the transfer or disposal, the percentage of the total votes attached to his stake in the casino operator —

- (i) is less than 20% of the total votes attached to all voting shares in the casino operator; or
- (ii) is equal to or less than the percentage of the total votes attached to the stake of any other stakeholder in the casino operator; and

(b) no person other than the main shareholder of a casino operator shall, without the prior written approval of the Authority, acquire any stake in the casino operator to the extent that after the acquisition, the percentage of the total votes attached to the stake of that person in the casino operator —

- (i) is equal to or more than 20% of the total votes attached to all voting shares in the casino operator; and
- (ii) is equal to or more than the percentage of the total votes attached to the main shareholder's stake in the casino operator.

(2) The main shareholder of a casino operator shall not, at any time where there are only 2 casinos in Singapore —

- (a) acquire or hold any stake in the other casino operator;
- (b) participate in the management or operation of the other casino operator, whether by nominating or appointing any director or officer of the other casino operator or otherwise; or
- (c) enter into any agreement for the management or operation of the other casino.

(3) Any person who contravenes subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction —

- (a) in the case of an individual, to a fine not exceeding \$125,000; or
- (b) in any other case, to a fine not exceeding \$250,000.

(4) Without prejudice to subsection (3), the Minister may, by notice in writing, do one or more of the following:

(a) where the Minister is satisfied that the main shareholder of a casino operator has contravened subsection (1) (a), direct the main shareholder to acquire a stake in the casino operator, in such manner, within such time and subject to such conditions as may be specified in the notice, to the extent that after the acquisition, the percentage of the total votes attached to his stake in the casino operator —

- (i) is equal to or more than 20% of the total votes attached to all voting shares in the casino operator; and
- (ii) is more than the percentage of the total votes attached to the stake of every other stakeholder in the casino operator;

(b) where the Minister is satisfied that any person has contravened subsection (1) (b) or (2) (a), direct that person to transfer or dispose of the whole or any part of his stake in the casino operator which has been acquired or held in contravention of that provision in such manner, within such time and subject to such conditions as may be specified in the notice;

(c) where the Minister is satisfied that the main shareholder of a casino operator has contravened subsection (2) (b), direct the main shareholder to cease all participation in contravention of that provision within such time as may be specified in the notice;

(d) where the Minister is satisfied that the main shareholder of a casino operator has contravened subsection (2) (c), direct the main shareholder to terminate any agreement made in contravention of that provision within such time as may be specified in the notice;

(e) give such other direction as the Minister considers appropriate.

(5) Any person who fails, without reasonable excuse, to comply with a direction made under subsection (4) shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$12,500 for every day or part thereof that he fails to comply with the direction; or

(b) in any other case, to a fine not exceeding \$25,000 for every day or part thereof that he fails to comply with the direction.

(6) Where any direction has been made under subsection (4) (b), then, until a transfer or disposal is effected in accordance with the direction, and notwithstanding anything in the Companies Act (Cap. 50) or in the memorandum or articles of association of the casino operator —

(a) no voting rights shall be exercisable in respect of any voting shares in the casino operator which are comprised in any part of any stake in the casino operator acquired or held in contravention of subsection (1) (b) or (2) (a) (referred to in this subsection as the relevant shares), unless the Minister expressly permits such rights to be exercised;

(b) no shares in the casino operator shall be issued or offered (whether by way of rights, bonus or otherwise) in respect of the relevant shares unless the Minister expressly permits such issue or offer; and

(c) except in a liquidation of the casino operator, no payment shall be made by the casino operator of any amount (whether by way of dividends or otherwise) in respect of the relevant shares unless the Minister expressly permits such payment.

(7) For the purposes of this section —

(a) a person holds a stake in a casino operator if he —

(i) holds any voting share in the casino operator; or

(ii) is deemed under subsection (8) to control any percentage of the total votes attached to all voting shares in the casino operator; and

(b) the percentage of the total votes attached to a person's stake in a casino operator at a particular time is the aggregate of —

(i) the percentage which represents the proportion that the votes attached to the voting shares which he holds in the casino operator at that time bear to the total votes attached to all voting shares in the casino operator at that time; and

(ii) every percentage of the total votes attached to all voting shares in the casino operator which he is deemed under subsection (8) to control at that time.

(8) For the purposes of this section, if —

(a) a person —

(i) holds one or more units of equity interests in an entity (referred to in this subsection as the first level entity) and by virtue of that holding controls; or

(ii) is deemed under this subsection to control,

a certain percentage (referred to in this subsection as the first level percentage) of the total votes attached to all equity interests in the first level entity; and

(b) the first level entity holds one or more units of equity interests in another entity (referred to in this subsection as the second level entity) and by virtue of that holding controls a certain percentage (referred to in this subsection as the second level percentage) of the total votes attached to all equity interests in the second level entity,

then the person shall be deemed to control a percentage of the total votes attached to all equity interests in the second level entity which is equal to the product of the first level percentage and the second level percentage.

(9) In this section —

"business trust" has the same meaning as in section 2 of the Business Trusts Act (Cap. 31A);

"entity" includes a corporation, an unincorporated association, a sole proprietorship, a partnership, a limited liability partnership and a business trust;

"equity interest" —

(a) in relation to a corporation, means a voting share in that corporation; and

(b) in relation to any entity other than a corporation, means any right or interest, whether legal or equitable, in the entity, by whatever name called, which gives the holder of that right or interest voting power in that entity;

"hold", in relation to any stake, voting share or unit of equity interest, includes holding that stake, voting share or unit through a nominee, and "holder" and "holding" shall be construed accordingly;

"limited liability partnership" means a limited liability partnership formed under section 4 (1) of the Limited Liability Partnerships Act (Cap. 163A) or any equivalent foreign law;

"main shareholder", in relation to a casino operator, means such person as the Minister may, by notification in the *Gazette*, designate as the main shareholder of the casino operator.

(10) This section shall apply to every individual, whether resident in Singapore or not, and to every body corporate or unincorporate, whether incorporated or carrying on business in Singapore or not.

(11) Where the main shareholder of a casino operator is not resident or does not have a place of business in Singapore, it shall be a condition of the casino licence that the casino operator shall notify the Authority of an address within Singapore for the service of any summons, notice, order or legal process upon its main shareholder and of a person or persons authorised by the main shareholder to accept service on its behalf.

### **Operating casino without casino licence prohibited**

**43.**—(1) No person shall operate a casino without a valid casino licence in force.

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$200,000 and, in the case of a continuing offence, to a further fine not exceeding \$20,000 for every day or part thereof during which the offence continues after conviction.

(3) The court before which a person is convicted of an offence under this section shall, in addition to imposing on that person any other punishment, order the payment by him of a sum which is equal to his gross gaming revenue for the period that the offence was committed, and any such payment ordered shall be recoverable as a fine.

(4) In this section, "gross gaming revenue" has the same meaning as in section 146 as if the person who operated the casino had been a casino operator.

### **Application for casino licence**

**44.**—(1) An application for a casino licence may be made to the Authority only by the owner of a designated site on which a casino is intended to be located or, with the approval of the Authority, by a person nominated by that owner.

(2) Every application for a casino licence or for the renewal of a casino licence shall be —

(a) made to the Authority in a form specified by the Authority;

(b) accompanied by the prescribed application fee; and

(c) accompanied by such documents and information as may be required by the Authority as regards that licence.

(3) If an application is refused under subsection (4) or withdrawn by the applicant, the Authority, in its discretion, may refund the whole or part of the application fee.

(4) If a requirement under this section is not complied with, the Authority may refuse to consider the application.

[Vic. CCA 1991, s. 8]

### **Matters to be considered in determining applications**

**45.**—(1) The Authority shall not grant an application for a casino licence unless the Authority is satisfied that the applicant, and each associate of the applicant, is a suitable person to be concerned in or associated with the management and operation of a casino.

(2) In particular, the Authority shall consider whether —

(a) each such person is of good repute, having regard to character, honesty and integrity;

(b) each such person is of sound and stable financial background;

(c) in the case of an applicant that is not a natural person, the applicant has, or has arranged, a satisfactory ownership, trust or corporate structure;

(d) the applicant has or is able to obtain financial resources that are adequate to ensure the financial viability of the proposed casino and the services of persons who have sufficient experience in the management and operation of a casino;

(e) the applicant has sufficient business ability to establish and maintain a successful casino;

(f) any of those persons has any business association with any person, body or association who or which, in the opinion of the Authority, is not of good repute having regard to character, honesty and integrity or has undesirable or unsatisfactory financial resources;

(g) each director, partner, trustee, executive officer and secretary and any other officer or person determined by the Authority to be associated or connected with the ownership, administration or management of the operations or business of the applicant is a suitable person to act in that capacity;

- (h) any person proposed to be engaged or appointed to manage or operate the casino is a suitable person to act in that capacity; and
  - (i) any other matter that may be prescribed.
- [Vic. CCA 1991, s. 9]

### Investigation of application

**46.** —(1) On receiving an application for a casino licence, the Authority shall cause to be carried out all such investigations and inquiries as it considers necessary to enable it to consider the application properly.

(2) In particular, the Authority may —

- (a) require any person it is investigating in relation to the person's suitability to be concerned in or associated with the management or operation of a casino to consent to having his photograph, finger prints and palm prints taken; and
  - (b) send a copy of the application and of any such photograph, finger prints and palm prints taken under paragraph (a) and any supporting documentation to the Commissioner of Police.
- (3) The Commissioner of Police or any police officer authorised by the Commissioner shall inquire into and report to the Authority on such matters concerning the application as the Authority requests.
- (4) The Authority may refuse to consider an application for a casino licence if any person from whom it requires a photograph, finger prints or palm prints under this section refuses to allow his photograph, finger prints or palm prints to be taken.

[Vic. CCA 1991, s. 10]

### Authority may require further information, etc.

**47.** —(1) The Authority may, by notice in writing, require a person who is an applicant for a casino licence or a person whose association with the applicant is, in the opinion of the Authority, relevant to the application to do any one or more of the following:

- (a) to provide, in accordance with directions in the notice, any information, that is relevant to the investigation of the application and is specified in the notice;
- (b) to produce, in accordance with directions in the notice, any records relevant to the investigation of the application that are specified in the notice and to permit examination of the records, the taking of extracts from them and the making of copies of them;
- (c) to authorise a person described in the notice to comply with a specified requirement of the kind referred to in paragraph (a) or (b);
- (d) to furnish to the Authority any authorities and consents that the Authority directs for the purpose of enabling the Authority to obtain information (including financial and other confidential information) concerning the person and his associates or relations from other persons.

(2) If a requirement made under this section is not complied with, the Authority may refuse to consider the application concerned.

[Vic. CCA 1991, s. 11]

### Updating of application

**48.** —(1) If a change occurs in the information provided in or in connection with an application for a casino licence (including in any documents lodged with the application) before the application is granted or refused, the applicant shall, without delay, give the Authority written particulars of the change.

(2) If —

- (a) the Authority requires information (including information in any records) from a person referred to in section 47 whose association with the applicant is in the opinion of the Authority relevant to the application; and
  - (b) a change occurs in that information before the application is granted or refused,
- that person shall, without delay, give the Authority written particulars of the change.

(3) Any person who fails to comply with subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$200,000 and, in the case of a continuing offence, to a further fine not exceeding \$20,000 for every day or part thereof during which the offence continues after conviction.

(4) When particulars of the change are given, those particulars shall then be considered to have formed part of the original application, for the purposes of the application of subsection (1) or (2) to any further change in the information provided.

[Vic. CCA 1991, s. 12]

### **Grant or refusal of casino licence**

**49.** —(1) The Authority shall determine an application for a casino licence by either granting or refusing the application and shall notify the applicant in writing of its decision.

(2) A casino licence may be granted subject to such conditions as the Authority thinks fit.

(3) Without limiting the matters to which conditions may relate, the conditions of a casino licence may relate to any matter for which provision is made by this Act but shall not be inconsistent with a provision of this Act.

(4) If an application is granted, the casino licence is granted for the term, subject to the conditions and for the location specified in the licence.

(5) The casino operator shall pay to the Authority a casino licence fee of such amount, at such times and in such manner as may be prescribed.

[Vic. CCA 1991, s. 13]

### **Amendment of conditions**

**50.** —(1) The conditions of a casino licence may be amended in accordance with this section.

(2) An amendment may be proposed —

(a) by the casino operator by requesting the Authority in writing to make the amendment; or

(b) by the Authority by giving notice in writing of the proposed amendment to the casino operator.

(3) The Authority shall allow the casino operator such period as it may specify to make submissions to the Authority concerning any proposed amendment (whether proposed by the Authority or the casino operator) and shall consider the submissions made.

(4) The Authority shall then decide whether to make the proposed amendment, either with or without changes from that originally proposed, and shall notify the casino operator of its decision.

(5) Any amendment that the Authority decides upon takes effect when notice of the decision is given to the casino operator or on any later date that may be specified in the notice.

[Vic. CCA 1991, s. 16]

### **Authority to define casino premises**

**51.** —(1) The boundaries of any casino premises, as at the time when a casino licence is granted, shall be defined by the casino licence within the designated site for which the casino licence is granted.

(2) The Authority may, from time to time, redefine the boundaries of the casino premises, within the designated site for which the casino licence is granted, as the Authority thinks fit and may do so of its own motion or on the application of the casino operator.

(3) An application for the redefining of the boundaries of the casino premises shall be accompanied by the prescribed fee.

(4) The defining or redefining of the boundaries of casino premises takes effect when the Authority gives written notice of it to the casino operator concerned or any later date specified in the notice.

[Vic. CCA 1991, s. 17]

### **Duration of casino licence**

**52.** A casino licence remains in force for the period for which it is granted, as specified in the licence, unless it is sooner cancelled or surrendered under this Act.

[Vic. CCA 1991, s. 18]

### **Transfer, mortgage, etc., of casino licence**

**53.** —(1) No casino licence shall be transferable except with the prior approval in writing of the Authority.

(2) A casino operator shall not mortgage, charge or otherwise encumber the casino licence except with the prior approval in writing of the Authority.

[Vic. CCA 1991, s. 19]



### Disciplinary action against casino operator

**54.** —(1) In this section —

"disciplinary action", in relation to a casino operator, means one or more of the following:

- (a) the cancellation or suspension of a casino licence;
- (b) the issuing of a letter of censure;
- (c) the variation of the terms of a casino licence;
- (d) the imposition of a financial penalty not exceeding \$1 million for each ground of disciplinary action;

"grounds for disciplinary action", in relation to a casino operator, means any of the following grounds:

- (a) that the casino licence was improperly obtained in that, at the time the casino licence was granted, there were grounds for refusing it;
- (b) that the casino operator, a person in charge of the casino, an agent of the casino operator or a casino employee has contravened a provision of this Act or a condition of the casino licence;
- (c) that the casino premises are, for specified reasons attributable to the casino operator, no longer suitable for the conduct of casino operations;
- (d) the casino operator is, for specified reasons attributable to the casino operator, considered to be no longer a suitable person to hold the casino licence having regard to the matters in section 45 (2);
- (e) the casino operator has failed to comply with a direction under subsection (7) of section 63 within the time referred to in that subsection to terminate an association with an associate.

(2) The Authority may serve on a casino operator a notice in writing affording the casino operator an opportunity to show cause within 14 days why disciplinary action should not be taken on grounds for disciplinary action specified in the notice.

(3) The casino operator may, within the period allowed by the notice in subsection (2), arrange with the Authority for the making of submissions to the Authority as to why disciplinary action should not be taken and the Authority shall consider any submissions so made.

(4) The Authority may then take such disciplinary action against the casino operator as the Authority sees fit by giving written notice to the casino operator of the disciplinary action that the Authority intends to take.

(5) The cancellation, suspension or variation of a casino licence under this section takes effect when the notice under subsection (4) is given or on a later date specified in the notice.

(6) A letter of censure may censure the casino operator in respect of any matter connected with the operation of the casino and may include a direction to the casino operator to rectify within a specified time any matter giving rise to the letter of censure.

(7) If any direction given under subsection (6) is not complied within the specified time, the Authority may, by giving written notice to the casino operator, cancel, suspend or vary the terms of the casino licence or impose a financial penalty not exceeding \$1 million without affording the casino operator a further opportunity to be heard.

(8) If a casino operator operates a casino during the suspension of the casino licence, the Authority may, by written notice, impose a financial penalty not exceeding \$1 million on the casino operator for every day or part thereof that the casino operations continue while the casino licence is suspended, without affording the casino operator a further opportunity to be heard.

(9) A member of the Authority who has participated in the consideration of disciplinary action against a casino operator is not prevented by that reason alone from considering whether further disciplinary action should be taken against that casino operator.

[Vic. CCA 1991, s. 20]

### Surrender of casino licence

**55.** —(1) A casino operator may surrender the casino licence by giving notice in writing to the Authority.

(2) The surrender takes effect only if the Authority consents to the surrender.

[Vic. CCA 1991, s. 21]

### Appointment of manager if casino licence cancelled, surrendered or suspended

**56.** —(1) If a casino licence is cancelled, surrendered or suspended, the Authority may, with the approval of the Minister, appoint a manager of the casino for the purposes of this section.

(2) In appointing a person to be a manager, the Authority shall have regard to the suitability of the person.

(3) A manager is appointed on such terms and conditions as the Authority thinks fit.

- (4) The appointment of a manager of a casino may be terminated at any time by the Authority and is terminated by the grant of another casino licence in respect of the casino.
- (5) If the appointment of the manager is terminated, the manager ceases to be deemed to be the holder of a casino licence.
- (6) A manager —
- (a) is deemed to be the holder of a casino licence on the same terms as those on which the casino operator held the licence before its cancellation, suspension or surrender, subject to such modifications as the Authority determines;
  - (b) assumes full control of and responsibility for the business of the casino operator in respect of the casino and may retain for use in the casino any property of the casino operator;
  - (c) shall conduct, or cause to be conducted, casino operations in accordance with this Act;
  - (d) has, in connection with the conduct of those operations, all the functions of the casino operator; and
  - (e) may employ such staff as may be required to operate the casino.
- (7) Regulations made under this Act may make provision for or with respect to the appointment and functions of a manager appointed under this section.
- (8) The following provisions have effect in respect of the net earnings of a casino while operations in the casino are being conducted by a manager under this section:
- (a) subject to paragraph (b), no payment of net earnings is to be made to the former casino operator without the prior approval of the Authority;
  - (b) the former casino operator is entitled to a fair rate of return out of net earnings (if any) on any property of the former casino operator retained by the manager;
  - (c) the Authority may direct that all or any part of net earnings (other than that referred to in paragraph (b)) shall be paid to the Authority, with any balance to be paid to the former casino operator.
- [Vic. CCA 1991, s. 22]

**PART IV**  
**SUPERVISION AND CONTROL OF CASINO OPERATORS**  
**Division 1 — Directions, investigations, etc.**

**Directions to casino operator**

57. —(1) The Authority may give to a casino operator a written direction that relates to the conduct, supervision or control of operations in the casino and the casino operator shall comply with the direction as soon as it takes effect.
- (2) The direction takes effect when the direction is given to the casino operator or on a later date specified in the direction.
- (3) The power conferred by this section includes a power to give a direction to a casino operator to adopt, vary, cease or refrain from any practice in respect of the conduct of casino operations.
- (4) A direction under this section shall not be inconsistent with this Act or the conditions of the casino licence.
- (5) Any casino operator who fails to comply with a direction under this section shall be liable to disciplinary action.
- (6) Where a casino operator has been subject to disciplinary action under subsection (5) (referred to in this section as the first disciplinary action) and continues to fail to comply with the direction of the Authority, such failure shall constitute a fresh ground of disciplinary action for every day or part thereof that the failure continues after the first disciplinary action.
- [Vic. CCA 1991, s. 23]

**General investigations**

58. —(1) The Authority may investigate a casino from time to time and at any time that the Authority thinks it desirable to do so and, if it is directed to do so by the Minister, shall investigate the casino.
- (2) The investigation may include (but is not limited to) an investigation of any or all of the following matters:
- (a) the casino and operations in the casino;
  - (b) the casino operator or a person who, in the opinion of the Authority, is an associate of the casino operator;
  - (c) any person who, in the opinion of the Authority, could affect the exercise of functions in or in relation to the casino;
  - (d) any person who, in the opinion of the Authority, could be in a position to exercise direct or indirect control over the casino operator, or an associate of the casino operator, in relation to functions in or in relation to the casino.
- (3) The Authority may make a report to the Minister on the results of such an investigation if it thinks it desirable to do so and shall make such a report if the investigation was made at the direction of the Minister.
- [Vic. CCA 1991, s. 24]

**Regular investigations of casino operator's suitability, etc.**

**59.** The Authority shall, at such intervals as it may determine, investigate whether or not —  
 (a) the casino operator is a suitable person to continue to hold the casino licence; and  
 (b) the casino licence should continue in force,  
 and shall take whatever action the Authority considers appropriate in the light of its findings.  
 [Vic. CCA 1991, s. 25]

**Casino operator to provide information**

**60.** —(1) The Authority may, by notice in writing, require a casino operator or a person who was a casino operator or a person who, in the opinion of the Authority, is or was directly or indirectly associated with the casino operator —  
 (a) to provide the Authority or an authorised person, in accordance with directions in the notice, with such information relevant to the casino operator or that association or to the casino, or with such information as the Authority requires, as is specified in the notice;  
 (b) to produce to the Authority or an authorised person, in accordance with the directions in the notice, such records relevant to the casino operator or that association or to the casino, or to matters specified by the Authority, as are specified in the notice and to permit examination of those records, the taking of extracts from them and the making of copies of them;  
 or  
 (c) to attend before the Authority or an authorised person for examination in relation to any matters relevant to the casino operator or that association or to the casino, or to matters specified by the Authority, and to answer questions relating to those matters.  
 (2) If records are produced under this section, the Authority or authorised person to whom they are produced may retain possession of the records for such period as may reasonably be necessary for investigations to be carried out.  
 (3) At any reasonable time during the period for which records are retained, the Authority or authorised person shall permit inspection of the records by a person who would be entitled to inspect them if they were not in the possession of the Authority or an authorised person.  
 (4) A person who complies with a requirement of a notice under this section does not on that account incur a liability to another person.  
 (5) Any casino operator who fails to comply with a requirement of a notice under this section shall be liable to disciplinary action.  
 (6) Any person (other than a casino operator) who fails to comply with a requirement of a notice under this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$200,000 and, in the case of a continuing offence, to a further fine not exceeding \$20,000 for every day or part thereof during which the offence continues after conviction.  
 [Vic. CCA 1991, s. 26]

**Change in situation of casino operator**

**61.** —(1) In this section —  
 "major change" , in the situation existing in relation to a casino operator, means —  
 (a) any change which results in a person becoming an associate of the casino operator;  
 (b) any change in the person engaged or appointed to manage or operate the casino; or  
 (c) any other change which is of a class or description prescribed as major for the purposes of this section;  
 "minor change" , in the situation existing in relation to a casino operator, means any change in that situation that is prescribed as a minor change for the purposes of this section.  
 (2) A casino operator shall —  
 (a) take all reasonable steps to ensure that a major change in the situation existing in relation to the casino operator which is within the casino operator's power to prevent occurring does not occur except with the prior approval in writing of the Authority;  
 (b) where paragraph (a) does not apply, notify the Authority in writing of any major change in the situation existing in relation to the casino operator within 3 days after the casino operator becomes aware of the change; and  
 (c) notify the Authority in writing of any minor change in the situation existing in relation to the casino operator within 14 days after becoming aware that the change has occurred.

(3) Sections 46 and 47 apply to and in respect of an application for approval under this section in the same manner that they apply to and in respect of an application for a casino licence.

(4) If a major change is proposed or has occurred involving a person becoming an associate of a casino operator —

(a) in a case which also requires —

(i) an application to be made under section 65 or 66 by a shareholder or prospective shareholder of the casino operator;

(ii) notice of a controlled contract to be given under section 73; or

(iii) an application for a special employee licence to be made under section 81,

the casino operator shall be deemed to have complied with subsection (2) (a) if such application is made or such notice is given, as the case may be; or

(b) in any other case, the Authority shall inquire into the change to determine whether it is satisfied that the person is a suitable person to be associated with the management of a casino having regard to the matters in section 63 (4) and if it is not so satisfied, shall take such action as it considers appropriate under section 63.

(5) Any casino operator who fails to comply with subsection (2) shall be liable to disciplinary action.

[Vic. CCA 1991, s. 28]

### Change in situation of associate

**62.** —(1) Where a change of a kind specified by the Authority in writing given to an associate of a casino operator takes place in the situation existing in relation to the associate of the casino operator, the associate shall notify the Authority in writing of the change within 14 days after it takes place.

(2) Any associate of a casino operator who fails to comply with subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.

[Vic. CCA 1991, s. 28AA]

### On-going monitoring of associates and others

**63.** —(1) The Authority may, from time to time, investigate —

(a) an associate, or a person likely to become an associate, of a casino operator; or

(b) any person, body or association having a business association with a person referred to in paragraph (a).

(2) A casino operator shall notify the Authority in writing that a person is likely to become an associate as soon as practicable after the casino operator becomes aware of the likelihood.

(3) If the Authority, having regard to the matters referred to in subsection (4), determines that an associate is unsuitable to be concerned in or associated with the business of the casino operator, the Authority may, by notice in writing, require the associate to terminate the association with the casino operator.

(4) In particular, the Authority shall consider whether the associate —

(a) is of good repute, having regard to character, honesty and integrity;

(b) is of sound and stable financial background; and

(c) has any business association with any person, body or association who or which, in the opinion of the Authority, is not of good repute having regard to character, honesty and integrity or has undesirable or unsatisfactory financial resources.

(5) If the Authority determines that an associate of a casino operator has engaged or is engaging in conduct that, in the Authority's opinion, is unacceptable for a person who is concerned in or associated with the ownership, management or operation of the business of the casino operator, the Authority may —

(a) issue a written warning to the associate that the conduct is unacceptable; or

(b) give written notice to the associate requiring the associate to give a written undertaking to the Authority, within the period specified in the notice, regarding the future conduct of the associate.

(6) If the associate fails to give an undertaking required under subsection (5) (b) or breaches an undertaking given under that subsection, the Authority may give the associate written notice requiring the associate to terminate, within 14 days or a longer period agreed with the Authority, the association with the casino operator.

(7) If the association is not terminated within 14 days from the date of the notice referred to in subsection (3) or (6) or any longer period agreed with the Authority, the Authority may, by notice in writing, direct the casino operator to take all reasonable steps to terminate the association and the casino operator shall comply with the direction within 14 days or any longer period agreed with the Authority.

(8) The Authority may —

- (a) require an associate or a person likely to become an associate to consent to having his photograph, finger prints and palm prints taken; and
- (b) send a copy of such photograph, finger prints and palm prints and any supporting documents to the Commissioner of Police.

(8A) The Commissioner of Police or any police officer authorised by the Commissioner shall inquire into and report to the Authority on such matters concerning the associate or person likely to become an associate as the Authority requests.

(9) Any casino operator who fails to comply with subsection (2) or (7) shall be liable to disciplinary action.

[Vic. CCA 1991, s. 28A]

## Division 2 — Controlled shareholdings

### Application and interpretation of this Division

**64.** —(1) This Division shall apply to, and in relation to, all individuals whether resident in Singapore or not and whether citizens of Singapore or not, and to all bodies corporate or unincorporate, whether incorporated or carrying on business in Singapore or not.

(2) In this Division, unless the context otherwise requires —

"arrangement" includes any formal or informal scheme, arrangement or understanding, and any trust whether express or implied;

"related corporation" , in relation to a corporation, means a corporation that is deemed to be related to the first-mentioned corporation under section 6 of the Companies Act (Cap. 50);

"substantial shareholder" has the same meaning as in section 81 of the Companies Act.

(3) In this Division, a person, A, is an associate of another person, B, if —

(a) A is a spouse, a parent, remoter lineal ancestor or step-parent, a son, daughter, remoter issue, step-son or step-daughter or a brother or sister of B;

(b) A is a corporation the directors of which are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of B, or where B is a corporation, of the directors of B;

(c) B is a corporation the directors of which are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of A, or where A is a corporation, of the directors of A;

(d) A is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of B;

(e) B is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of A;

(f) A is a related corporation of B;

(g) A is a corporation in which B, alone or together with other associates of B as described in paragraphs (b) to (f), is in a position to control not less than 20% of the votes in A;

(h) B is a corporation in which A, alone or together with other associates of A as described in paragraphs (b) to (f), is in a position to control not less than 20% of the votes in B; or

(i) A is a person with whom B has an agreement or arrangement, whether oral or in writing and whether express or implied, to act together with respect to the acquisition, holding or disposal of shares or other interests in, or with respect to the exercise of their votes in relation to, the casino operator.

(4) For the purposes of this Division, a person has an interest in any share if —

(a) he is deemed to have an interest in that share under section 7 of the Companies Act (Cap. 50); or

(b) he otherwise has a legal or an equitable interest in that share except for such interest as is to be disregarded under section 7 of the Companies Act.

[Banking Act, s. 15]

### Control of substantial shareholdings in casino operator

**65.** —(1) No person shall, on or after the appointed day —

(a) become a substantial shareholder of a casino operator; or

(b) enter into any agreement or arrangement, whether oral or in writing and whether express or implied, to act together with any other person with respect to the acquisition, holding or disposal of, or the exercise of rights in relation to, their interests in voting shares of an aggregate of 5% or more of the total votes attached to all voting shares in a casino operator, without first obtaining the approval of the Minister.

(2) Subject to section 67 (4), no person who —

(a) immediately before the appointed day, is a substantial shareholder of a casino operator shall continue to be such a shareholder unless he has, within 6 months after the appointed day or such longer period as the Minister may allow, applied to the Minister for approval to continue to be such a shareholder; or

(b) at any time before the appointed day, has entered into any agreement or arrangement referred to in subsection (1) (b) shall continue to be a party to such an agreement or arrangement unless he has, within 6 months after the appointed day or such longer period as the Minister may allow, applied to the Minister for approval to continue to be a party to such an agreement or arrangement.

[Banking Act, s. 15A]

### Control of shareholdings and voting power in casino operator

**66.**—(1) No person shall, on or after the appointed day, become —

(a) a 12% controller;

(b) a 20% controller; or

(c) an indirect controller,

of a casino operator without first obtaining the approval of the Minister.

(2) Subject to section 67 (4), no person who, immediately before the appointed day, is —

(a) a 12% controller;

(b) a 20% controller; or

(c) an indirect controller,

of a casino operator shall continue to be such a controller unless he has, within 6 months after the appointed day or such longer period as the Minister may allow, applied to the Minister for approval to continue to be such a controller.

(3) In subsections (1) and (2) —

"12% controller" means a person who, alone or together with his associates —

(a) holds or has interests in 12% or more but less than 20% of the total number of issued shares in a casino operator; or

(b) is in a position to control voting power of 12% or more but less than 20% in a casino operator;

"20% controller" means a person who, alone or together with his associates —

(a) holds or has interests in 20% or more of the total number of issued shares in a casino operator; or

(b) is in a position to control voting power of 20% or more in a casino operator;

"indirect controller" means any person, whether acting alone or together with any other person, and whether with or without holding shares or controlling voting power in a casino operator —

(a) in accordance with whose directions, instructions or wishes the directors of the casino operator are accustomed or under an obligation, whether formal or informal, to act; or

(b) who is in a position to determine the policy of the casino operator,

but does not include any person —

(i) who is a director or other officer of the casino operator whose appointment has been approved by the Authority; or

(ii) in accordance with whose directions, instructions or wishes the directors of the casino operator are accustomed to act by reason only that they act on advice given by him in his professional capacity.

(4) For the purposes of subsection (3), a reference to the control of a percentage of the voting power in a casino operator is a reference to the control, whether direct or indirect, of that percentage of the total number of votes that might be cast in a general meeting of the casino operator.

[Banking Act, s. 15B]

### Approval of applications

**67.**—(1) The Minister may, in his discretion, approve an application made by any person under section 65 or 66 if the Minister is satisfied that —

(a) the person is a suitable person to be concerned in or associated with the management and operation of a casino;

(b) having regard to the person's likely influence, the casino operator will or will continue to conduct its business prudently and comply with the provisions of this Act; and

(c) it is in the public interest to do so.

(2) Any approval under this section may be granted to any person subject to such conditions as the Minister may determine, including but not limited to any condition —

(a) restricting the person's disposal or further acquisition of shares or voting power in the casino operator; or

- (b) restricting the person's exercise of voting power in the casino operator.
- (3) Any condition imposed under subsection (2) shall have effect notwithstanding any of the provisions of the Companies Act (Cap. 50) or anything contained in the memorandum or articles of association of the casino operator.
- (4) Where the Minister disapproves an application made by any person under section 65 (2) or 66 (2), the person shall, within such time as the Minister may specify, take such steps as are necessary —
- (a) in the case of section 65 (2), to cease to be a substantial shareholder or a party to the agreement or arrangement, as the case may be;
- (b) in the case of section 66 (2), to cease to be —
- (i) a 12% controller;
- (ii) a 20% controller; or
- (iii) an indirect controller,
- as the case may be.
- [*Banking Act, s. 15C*]

### Power to exempt

68. The Minister may, by order published in the *Gazette*, exempt —
- (a) any person or class of persons; or
- (b) any class or description of shares or interests in shares,
- from section 65 or 66, subject to such terms and conditions as may be specified in the order.
- [*Banking Act, s. 15D*]

### Objection to existing control of casino operator

69. —(1) The Minister may serve a written notice of objection on any person referred to in section 65 or 66 if the Minister is satisfied that —
- (a) any condition of approval imposed on the person under section 67 (2) has not been complied with;
- (b) the person ceases to be a suitable person to be concerned in or associated with the management and operation of a casino;
- (c) having regard to the person's likely influence, the casino operator is no longer likely to conduct its business prudently or to comply with the provisions of this Act;
- (d) it is no longer in the public interest to allow the person to continue to be a party to the agreement or arrangement described in section 65 (1) (b) or (2) (b), or to continue to be a substantial shareholder, a 12% controller, a 20% controller or an indirect controller, as the case may be;
- (e) the person has furnished false or misleading information or documents in connection with an application under section 65 or 66; or
- (f) he would not have granted his approval under section 67 had he been aware, at that time, of circumstances relevant to the person's application for such approval.
- (2) Before the service of a written notice of objection, the Minister shall, unless he decides that it is not practicable or desirable to do so, cause to be given to the person concerned notice in writing of his intention to serve the written notice of objection, specifying a date by which the person may make written representations with regard to the proposed written notice of objection.
- (3) Upon receipt of any written representations, the Minister shall consider them for the purpose of determining whether to issue a written notice of objection.
- (4) The Minister shall, in any written notice of objection, specify a reasonable period within which the person to be served the written notice of objection shall —
- (a) take such steps as are necessary to ensure that he ceases to be a party to the agreement or arrangement described in section 65 (1) (b) or (2) (b), or ceases to be a substantial shareholder, a 12% controller, a 20% controller or an indirect controller as defined in section 66 (3), as the case may be; or
- (b) comply with such direction or directions as the Minister may make under section 70.
- (5) Any person served with a notice of objection under this section shall comply with the notice.
- [*Banking Act, s. 15E*]

### Power to make directions

70. —(1) Without prejudice to section 71, if the Minister is satisfied that any person has contravened section 65, 66, 67 (4) or 69 (5) or has failed to comply with any condition imposed under section 67 (2), or if the Minister has served a written notice of objection under section 69, the Minister may, by notice in writing —

(a) direct the transfer or disposal of all or any of the shares in the casino operator held by the person or any of his associates (referred to in this section as the specified shares) within such time or subject to such conditions as the Minister considers appropriate;

(b) restrict the transfer or disposal of the specified shares; or

(c) make such other direction as the Minister considers appropriate.

(2) Any person to whom a notice is given under subsection (1) shall comply with such direction or directions as may be specified in the notice.

(3) In the case of any direction made under subsection (1) (a) or (b), until a transfer or disposal is effected in accordance with the direction or until the restriction on the transfer or disposal is removed, as the case may be, notwithstanding any of the provisions of the Companies Act (Cap. 50) or anything contained in the memorandum or articles of association of the casino operator —

(a) no voting rights shall be exercisable in respect of the specified shares unless the Minister expressly permits such rights to be exercised;

(b) no shares of the casino operator shall be issued or offered (whether by way of rights, bonus or otherwise) in respect of the specified shares unless the Minister expressly permits such issue or offer; and

(c) except in a liquidation of the casino operator, no payment shall be made by the casino operator of any amount (whether by way of dividends or otherwise) in respect of the specified shares unless the Minister expressly permits such payment.

[*Banking Act, s. 16*]

#### **Offences, penalties and defences**

71. —(1) Any person who contravenes section 65, 66 (1) (a) or (2) (a) or 67 (4) (a) or (b) (i) shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$125,000 and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; or

(b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.

(2) Any person who contravenes section 66 (1) (b) or (c), (2) (b) or (c), 67 (4) (b) (ii) or (iii), 69 (5) or 70 (2), or who fails to comply with any condition imposed under section 67 (2), shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part thereof during which the offence continues after conviction; or

(b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part thereof during which the offence continues after conviction.

(3) Where a person is charged with an offence in respect of a contravention of section 65 or 66, it shall be a defence for the person to prove that —

(a) he was not aware that he had contravened section 65 or 66, as the case may be; and

(b) he has, within 14 days of becoming aware that he had contravened section 65 or 66, as the case may be, notified the Minister of the contravention and, within such time as may be determined by the Minister, taken such actions in relation to his shareholding or control of the voting power in the casino operator as the Minister may direct.

(4) Where a person is charged with an offence in respect of a contravention of section 66 (1), it shall also be a defence for the person to prove that, even though he was aware of the contravention —

(a) the contravention occurred as a result of an increase in the shareholding of, or in the voting power controlled by, any of his associates;

(b) he has no agreement or arrangement, whether oral or in writing and whether express or implied, with that associate with respect to the acquisition, holding or disposal of shares or other interests in, or under which they act together in exercising their voting power in relation to the casino operator; and

(c) he has, within 14 days of the date of the contravention, notified the Minister of the contravention and, within such time as may be determined by the Minister, taken such action in relation to his shareholding or control of the voting power in the casino operator as the Minister may direct.



(5) Except as provided in subsections (3) and (4), it shall not be a defence for a person charged with an offence in respect of a contravention of section 65 or 66 to prove that he did not intend to or did not knowingly contravene section 65 or 66, as the case may be.

[*Banking Act, s. 17*]

### Division 3 — Contracts

#### Application of this Division and meaning of “controlled contract”

72. —(1) In this Division —

"contract" includes any kind of agreement or arrangement;

"controlled contract", in relation to a casino operator, means —

(a) a contract that relates wholly or partly to the supply of goods or services for the operations of the casino or to any other matter that is prescribed as a controlled matter for the purposes of this definition;

(b) a contract above a prescribed value; or

(c) any class of contract prescribed as a controlled contract for the purposes of this definition,

but does not include a contract that relates solely to —

(i) the construction of the casino premises;

(ii) any other class of matter prescribed as not being controlled matter for the purposes of this definition;

(iii) a class of contract of a kind approved under subsection (2); or

(iv) any other class of contract prescribed as not being a controlled contract for the purposes of this definition.

(2) The Authority may, by notice in writing given to the casino operator, approve an agreement or arrangement with a specified person for the supply of specified goods or services as an agreement or arrangement that is not a contract to which this Division applies.

(3) The Authority may, by notice in writing given to the casino operator, exempt the casino operator from any of the requirements or provisions of this Division that are specified in the notice in relation to contracts if the Authority is satisfied that the system of internal controls and administrative and accounting procedures approved by the Authority under section 138 in relation to the casino operator adequately provide for compliance with this Division.

(4) The notice under subsection (3) may specify that it applies to contracts generally or to the classes of contracts specified in the notice.

[*Vic. CCA 1991, s. 29*]

#### Requirements for controlled contracts

73. —(1) A casino operator shall not enter into or be a party to, or to the variation of, a contract that is a controlled contract in relation to that casino operator unless —

(a) the casino operator has given notice in writing to the Authority of the details of the proposed contract or variation at least 28 days (or any shorter period approved by the Authority in a particular case or in respect of a particular class of contract) before entering into or becoming a party to it; and

(b) the Authority has not, within that period, given notice in writing to the casino operator that the Authority objects to the proposed contract or requires further time, the further period to be specified in the notice, to conduct its investigations.

(2) If the Authority notifies the casino operator that it requires further time to conduct its investigations, the casino operator shall not enter into the contract until the expiration of the period specified in the notice.

(3) If the Authority notifies the casino operator that it objects to the proposed contract, the casino operator shall not enter into the contract.

(4) The Authority may object to a proposed contract if, having regard to the circumstances, including the suitability of each party to the contract, it considers that the contract will affect the credibility, integrity and stability of casino operations.

(5) Any casino operator who contravenes subsection (1), (2) or (3) shall be liable to disciplinary action.

[*Vic. CCA 1991, s. 30*]

#### Notice to be given of certain contracts

74. If —

(a) a casino operator enters into a prescribed contract relating solely to a class of matter or class of contract specified by the Authority under section 72 as not being controlled matter or a controlled contract; or

(b) any such contract is varied, the casino operator shall, within 14 days of entering into the prescribed contract or the variation, as the case may be, give notice in writing to the Authority of that fact and brief particulars of the contract or variation.  
[Vic. CCA 1991, s. 31]

#### **Parties to contract to provide information**

75. The Authority may, by notice in writing, require any party to a controlled contract or a prescribed contract under section 74 to provide such information as the Authority may require, and section 60 shall apply to that party in the same manner as section 60 applies to a casino operator.  
[Vic. CCA 1991, s. 35]

#### **Notice to show cause why controlled contract should not be terminated**

76. —(1) The Authority may serve on each party to a controlled contract a notice in writing affording the party an opportunity to show cause within 14 days why the contract should not be terminated on the ground that, for reasons specified in the notice, the continuance of the contract affects the credibility, integrity and stability of casino operations.  
(2) The person may, within the period specified in the notice in subsection (1), arrange with the Authority for the making of submissions as to why the contract should not be terminated.  
(3) After considering any submissions so made, the Authority may, by notice in writing served on each party to the contract, require the contract to be terminated within a time specified in the notice.  
(4) If the contract is not terminated as required by the notice under subsection (3), it is deemed to be terminated by this Act upon expiry of the period specified in the notice.  
[Vic. CCA 1991, s. 32]

#### **Effect of termination of controlled contract**

77. If a controlled contract is terminated or deemed to be terminated in accordance with section 76 —  
(a) the termination does not affect a right acquired, or a liability incurred, before that termination by a person who was a party to the contract;  
(b) no liability for breach of contract is incurred by a person who was a party to the contract by reason only of that termination; and  
(c) the Authority does not incur any liability by reason of that termination.  
[Vic. CCA 1991, s. 33]

#### **No effect to be given to terminated contract**

78. —(1) A party to a contract terminated or deemed to be terminated in accordance with section 76 shall not give any effect to any part of the contract.  
(2) Any casino operator who contravenes subsection (1) shall be liable to disciplinary action.  
(3) Any person (other than a casino operator) who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$150,000 and, in the case of a continuing offence, to a further fine not exceeding \$15,000 for every day or part thereof during which the offence continues after conviction.  
[Vic. CCA 1991, s. 34]

## **PART V LICENSING OF CASINO EMPLOYEES**

#### **Interpretation of this Part**

79. In this Part, “licensee” means the holder of a special employee licence.  
[Vic. CCA 1991, s. 37]

#### **Special employees to be licensed**

**80.** —(1) A person shall not exercise in or in relation to a casino any of the functions of a special employee except in accordance with the authority conferred on the person by a special employee licence.

(2) Every licensee shall exercise the functions specified in his special employee licence in accordance with the provisions of this Act and the conditions of the special employee licence.

(3) A casino operator shall not —

(a) employ or use the services of a person to perform any function of a special employee in or in relation to a casino; or

(b) allocate or permit or suffer to be allocated to a person the exercise of any function of a special employee in or in relation to the casino,

unless the person is authorised by a special employee licence to exercise the function concerned.

(4) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.

(5) Any casino operator who contravenes subsection (3) shall be liable to disciplinary action.

[Vic. CCA 1991, s. 38]

### **Application for special employee licence**

**81.** —(1) An application for a special employee licence shall be in a form approved by the Authority, shall be lodged with the Authority and shall be accompanied by —

(a) the prescribed fee;

(b) such documents as may be specified in the application form and such other document as may be required by the Authority; and

(c) a certificate by the casino operator who employs or is proposing to employ the applicant as to the competence of the applicant to exercise the functions specified in the certificate.

(2) If the applicant is a natural person, the Authority may —

(a) require the applicant to consent to have taken his photograph and finger prints or palm prints or both; and

(b) send a copy of such photograph and finger prints or palm prints or both, and any supporting documents to the Commissioner of Police.

(2A) The Commissioner of Police or any police officer authorised by the Commissioner shall inquire into and report to the Authority on such matters concerning the application for a special employee licence as the Authority requests.

(3) An application for a special employee licence may not be made by a person who is below the prescribed age or is a person within a class of persons prescribed as being ineligible to apply for a special employee licence.

(4) If a requirement under this section is not complied with, the Authority may refuse to consider the application concerned.

[Vic. CCA 1991, s. 39]

### **Direction to apply for special employee licence**

**82.** —(1) For the purposes of this section, a person has a special relationship with a casino if, in the opinion of the Authority —

(a) the person is associated with the casino operator or is a casino employee, and has the power to exercise a significant influence over or with respect to operations in the casino; or

(b) the person is associated with the casino operator or is a casino employee, and the person, by reason of his remuneration or authority in relation to the operations in the casino, should be licensed as a special employee.

(2) The Authority may by notice in writing given to a person who has a special relationship with a casino —

(a) direct that the association or employment that constitutes the special relationship is to be regarded as the exercise by the person of the functions of a special employee; and

(b) require the person to apply for the appropriate special employee licence within a specified period of not less than 7 days.

(3) The association or employment specified in the notice shall, for the purposes of this Part, be regarded as the exercise by the person of the functions of a special employee as soon as —

(a) the period allowed by the direction for the making of an application for the appropriate special employee licence expires with no application having been made; or

(b) if the application is made within that period, the application is determined.

(4) If this section results in a person who has a special relationship with a casino contravening section 80 —

(a) the Authority shall notify that person and the casino operator of that fact; and

(b) the person and the casino operator are each guilty of contravening that section if the association or employment that constitutes the contravention is not terminated within 24 hours, or such longer period as the Authority may allow, after that notice is given.

(5) The termination of an association or employment in accordance with this section may be effected despite any other Act or any law, award or industrial or other agreement and the Authority does not incur any liability because of such a termination.

[Vic. CCA 1991, s. 40]

#### **Updating of application for special employee licence**

**83.** —(1) If a change occurs in the information provided in or in connection with an application for a special employee licence (including in any documents lodged with the application) before the application is granted or refused, the applicant shall, without delay, give the Authority written particulars of the change in the form approved by the Authority.

(2) When particulars of the change are given, those particulars are then to be considered to have formed part of the original application, for the purposes of the operation of subsection (1) in relation to any further change in the information provided.

(3) Any person who fails to comply with subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.

[Vic. CCA 1991, s. 41]

#### **Authority may require further information**

**84.** —(1) The Authority may, by notice in writing, require a person who is an applicant for a special employee licence or who, in the opinion of the Authority has some association or connection with the applicant that is relevant to the application, to do any one or more of the following:

(a) to provide, in accordance with directions in the notice, such information as is relevant to the investigation of the application and is specified in the notice;

(b) to produce, in accordance with directions in the notice, such records relevant to investigation of the application as are specified in the notice and to permit examination of the records, the taking of extracts from them and the making of copies of them;

(c) to authorise a person described in the notice to comply with a specified requirement of the kind referred to in paragraph (a) or (b);

(d) to furnish to the Authority such authorities and consents as the Authority directs for the purpose of enabling the Authority to obtain information (including financial and other confidential information) concerning the person and his associates or relations from other persons.

(2) If a requirement made under this section is not complied with, the Authority may refuse to consider the application concerned.

[Vic. CCA 1991, s. 42]

#### **Investigation and determination of application**

**85.** —(1) The Authority shall investigate and consider each application for a special employee licence, taking into account any submissions made by the applicant within the time allowed, and shall make an assessment of —

(a) the integrity, responsibility, personal background and financial stability of the applicant;

(b) the general reputation of the applicant having regard to character, honesty and integrity;

(c) the suitability of the applicant to perform the type of work proposed to be performed by the applicant as a licensee; and

(d) any other matter relevant to the application.

(2) The Authority shall determine the application by either issuing a special employee licence to the applicant or refusing the application and shall notify the applicant in writing accordingly.

(3) The Authority is not required to give reasons for the decision but may give reasons if it thinks fit.

(4) The licensee shall pay to the Authority a special employee licence fee of such amount, at such times and in such manner as may be prescribed.

[Vic. CCA 1991, ss. 43, 44]

#### **Conditions of special employee licence**

**86.** —(1) A special employee licence is subject to any condition imposed by the Authority and notified to the licensee on the issue of the special employee licence or during its currency.

(2) A condition of a special employee licence may be varied or revoked by the Authority whether or not an application is made to the Authority by the licensee.

[Vic. CCA 1991, s. 45]

### Identification

**87.** —(1) Subject to subsection (2), a special employee shall at all times while on duty in the casino wear identification of a kind approved by the Authority in such manner as to be visible to other persons within the casino premises.

(2) The Authority may exempt a person or class of persons from the requirements of subsection (1).

[Vic. CCA 1991, s. 46]

### Provisional licences

**88.** —(1) The Authority may, pending a decision on an application for a licence, grant the applicant a provisional licence.

(2) A provisional licence is subject to any conditions or restrictions of which the provisional licensee is notified by the Authority when issuing the licence.

(3) A provisional licence may be cancelled by the Authority at any time and, unless sooner surrendered or cancelled, ceases to have effect on the approval or refusal of the provisional licensee's application for a licence.

(4) This Part applies to a provisional licence in the same way as it applies to a licence to the extent that it is consistent with this section.

[Vic. CCA 1991, s. 47]

### Duration of special employee licence

**89.** A special employee licence remains in force until whichever of the following happens first:

(a) the special employee licence is cancelled;

(b) the licensee, by notice in writing, surrenders the special employee licence to the Authority; or

(c) the expiration of such period as is specified in the special employee licence.

[Vic. CCA 1991, s. 48]

### Renewal of special employee licence

**90.** —(1) A licensee may apply to the Authority for a new special employee licence, in which case the current special employee licence continues in force until the new licence is issued or its issue is refused.

(2) An application for a new special employee licence shall be made in a form approved by the Authority and shall be accompanied by the prescribed fee.

(3) This Part (except provisions relating to the form of an application or the issue of a provisional licence) applies to and in relation to —

(a) an application under this section for a new special employee licence;

(b) the determination of such an application; and

(c) any special employee licence issued as a result of such an application, as if the application has been made by a person other than a licensee.

[Vic. CCA 1991, s. 49]

### Variation of special employee licence

**91.** —(1) An application may be made to the Authority by the licensee, accompanied by the prescribed fee, for variation of a special employee licence.

(2) Except in relation to the fee to accompany the application, this Part applies in relation to such an application in the same way as it applies to an application for a special employee licence.

(3) If the application is approved, the Authority may vary the special employee licence to which the application relates (or issue a new special employee licence specifying the varied authority).

[Vic. CCA 1991, s. 50]

### **Loss, etc., of special employee licence**

92. If the Authority is satisfied that a special employee licence has been lost, destroyed or damaged, the Authority may, on payment of the prescribed fee, issue a replacement special employee licence.

[Vic. CCA 1991, s. 51]

### **Cancellation, etc., of special employee licence**

93. —(1) In this section —

"disciplinary action", in relation to a licensee, means one or more of the following:

- (a) the service of a written notice on the licensee censuring him for any action specified in the notice;
- (b) variation of the special employee licence;
- (c) suspension of the special employee licence for a specified period;
- (d) cancellation of the special employee licence;
- (e) cancellation of the special employee licence and disqualification from obtaining or applying for a special employee licence under this Part for a specified period;
- (f) the imposition of a financial penalty not exceeding \$10,000 for each ground of disciplinary action;

"grounds for disciplinary action" means any of the following grounds in respect of a special employee licence:

- (a) that the special employee licence was improperly obtained in that, when it was granted, there were grounds for refusing it;
  - (b) that the licensee has been convicted or found guilty of —
    - (i) an offence under this Act;
    - (ii) an offence arising out of or in connection with the employment of the licensee under this Act; or
    - (iii) whether in Singapore or elsewhere, an offence involving dishonesty or moral turpitude;
  - (c) that the licensee has contravened a condition of his special employee licence;
  - (d) that the licensee has failed to provide information that he is required by this Act to provide or has provided information knowing it to be false or misleading;
  - (e) that the licensee has become bankrupt, applied to take the benefit of any law relating to bankrupt or insolvent debtors, has compounded with his creditors or made an assignment of his remuneration for their benefit;
  - (f) that for any reason, the licensee is not a suitable person to be the holder of the special employee licence.
- (2) The Authority may inquire into whether there are grounds for disciplinary action against a licensee.
- (3) If the Authority decides that disciplinary action be taken against the licensee, the Authority shall give the licensee notice of the recommendation and at least 14 days to make submissions to the Authority on the matter.
- (4) The Authority shall consider any submissions made by the licensee within the time allowed and shall decide whether to take disciplinary action against the licensee.
- (5) If the Authority decides that there are grounds for disciplinary action against a licensee, the Authority may take the disciplinary action by giving notice in writing of the disciplinary action to the licensee.
- (6) The disciplinary action takes effect when the notice under subsection (5) is given or on a later date specified in the notice.

[Vic. CCA 1991, s. 52]

### **Effect, etc., of suspension**

94. —(1) During any period of suspension of a special employee licence, the licensee is deemed not to be the holder of a special employee licence.

(2) The Authority may, at any time, terminate or reduce a period of suspension of a special employee licence.

[Vic. CCA 1991, s. 54]

### **Return of special employee licence on suspension or cancellation**

95. —(1) If a special employee licence is suspended or cancelled, the licensee shall return the licence to the Authority immediately after the suspension or cancellation.

(2) Any person who fails to comply with subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 and, in the case of a continuing offence, to a further fine not exceeding \$1,000 for every day or part thereof during which the offence continues after conviction.

[Vic. CCA 1991, s. 54A]

#### **Termination of employment on cancellation of special employee licence**

**96.** —(1) If a casino operator receives written notice from the Authority that a special employee licence has been cancelled under section 93 or has otherwise ceased to be in force, the casino operator shall, within 24 hours after receiving the notice —

(a) in the case of an associate of the casino operator, terminate the association that constitutes the exercise of the functions of a special employee; or

(b) in the case of an employee, terminate the employment that constitutes the exercise of the functions of a special employee or cause it to be terminated.

(2) A termination of employment in accordance with this section may be effected despite any other Act or any law, award or industrial or other agreement and the Authority does not incur any liability because of such a termination.

(3) Any casino operator who fails to comply with subsection (1) shall be liable to disciplinary action.

[Vic. CCA 1991, s. 55]

#### **Casino operator to provide information relating to employees**

**97.** —(1) A casino operator —

(a) within 7 days after a licensed special employee commences to have functions in or in relation to the casino, shall notify the Authority, in a form approved by the Authority, of the commencement of the exercise of those functions;

(b) not less than once each year, on a date specified by the Authority, shall submit to the Authority, in a form approved by the Authority, a list of the licensed special employees having functions in or in relation to the casino;

(c) not later than 7 days after a licensed special employee ceases to have functions in or in relation to the casino, shall notify the Authority, in a form approved by the Authority, of the cessation of the exercise of those functions; and

(d) when requested by the Authority to do so, shall submit to the Authority a list of non-licensed employees in or in relation to the casino.

(2) Any casino operator who fails to comply with subsection (1) shall be liable to disciplinary action.

(3) The Authority may, by notice in writing, require a licensee —

(a) to provide, in accordance with directions in the notice, such information relevant to the holding of the special employee licence as is specified in the notice; or

(b) to produce, in accordance with directions in the notice, such records relevant to the holding of the special employee licence as are specified in the notice and to permit examination of the records and the making of copies of the records.

(4) It is a condition of a special employee licence that the licensee shall comply with the requirements of a notice under this section.

[Vic. CCA 1991, s. 56]

#### **Change in situation of licensee**

**98.** —(1) Where a change of a kind specified by the Authority in writing given to a licensee takes place in the situation existing in relation to the licensee, the licensee shall notify the Authority in writing of the change within 14 days after it takes place.

(2) Any licensee who fails to comply with subsection (1) shall be liable to disciplinary action under section 93.

[Vic. CCA 1991, s. 57]

## **PART VI CASINO OPERATIONS**

### **Division 1 — Casino layout, games, gaming machines, etc.**

#### **Casino layout to comply with requirements of Authority**

**99.** It is a condition of a casino licence that —

- (a) the casino layout shall comply with such requirements as the Authority may prescribe; and
  - (b) the casino operator shall notify the Authority before making any changes to the casino layout.
- [Vic. CCA 1991, s. 59]

### Approval of games and rules for games

- 100.** —(1) The Authority may, by order published in the *Gazette*, approve the games that may be played in a casino (other than games to be played on a gaming machine), mode of play and the rules for those games.
- (2) The Authority may, under subsection (1), give approvals that differ according to differences in time, place or circumstances.
- (3) A casino operator shall not permit a game to be conducted or played in a casino unless —
- (a) there is an order in force under this section approving the game;
  - (b) the game is conducted or played in accordance with the mode of play and rules of the game approved by such an order; and
  - (c) the game is conducted or played on behalf of the casino operator by a licensed special employee.
- (4) A person shall not conduct a game in a casino or permit a game conducted by him to be played in a casino, unless —
- (a) there is an order in force under this section approving the game; and
  - (b) the game is conducted or played in accordance with the mode of play and rules of the game approved by such an order.
- (5) Any casino operator who contravenes subsection (3) shall be liable to disciplinary action.
- (6) Any person who contravenes subsection (4) shall be —
- (a) liable to disciplinary action, in the case of a licensed special employee; or
  - (b) guilty of an offence and liable on conviction to a fine not exceeding \$200,000, in any other case.
- (7) It is a defence to disciplinary action or prosecution for a contravention of subsection (4) if the special employee or other person, as the case may be, establishes that the contravention was permitted by the casino operator.
- (8) Subsections (3) and (4) do not apply to a game played on a gaming machine in a casino.
- [Vic. CCA 1991, s. 60]

### Directions as to games not to be played

- 101.** —(1) The Authority may give a direction in writing to a casino operator concerning the particular games that may not be played in the casino.
- (2) The Authority may amend any such direction by a further direction in writing to the casino operator.
- (3) It is a condition of a casino licence that the casino operator is to comply with any direction for the time being in force under this section.
- [Vic. CCA 1991, s. 61]

### Approval of gaming equipment

- 102.** —(1) The Authority may investigate or authorise the investigation of gaming equipment for the purpose of determining whether the equipment is suitable to be approved for use in a casino and may require the cost of such an investigation to be paid by a person seeking the approval.
- (2) The Authority may approve gaming equipment for use in a casino and, for that purpose, may approve particular equipment or may approve equipment of a specified class or description and may make the approval subject to conditions.
- (3) Regulations made under this Act may specify standards with respect to the manufacture or supply of gaming equipment for use in a casino.
- (4) Despite the provisions of any other law, the possession of gaming equipment is lawful if —
- (a) the possession is for the purposes of an investigation under this section; or
  - (b) the equipment is identifiable in a manner approved by the Authority and is in a casino with the approval of the Authority or the circumstances of its possession are such as have been approved by the Authority generally or in a particular case.
- (5) This section does not apply to gaming equipment that is a gaming machine.
- [Vic. CCA 1991, s. 62]

### Gaming machines in casinos

- 103.** It is a condition of a casino licence that —



- (a) gaming machines intended for use in a casino shall be obtained from manufacturers and suppliers approved by the Authority; and
- (b) the number of gaming machines available for gaming in a casino shall not exceed such number as the Authority may determine.

[Vic. CCA 1991, s. 62A]

### **Simulated gaming**

**104.** —(1) A casino operator may conduct gaming on a simulated basis for the purpose of training employees, testing gaming equipment and gaming procedures, and demonstrating the conduct and playing of games, but only if —

- (a) the casino operator has the approval of the Authority to do so; and
  - (b) no cash or chips are used without the approval of the Authority.
- (2) Despite the provisions of any other law, the possession and use of gaming equipment as authorised by subsection (1) is lawful.

(3) Any casino operator who contravenes subsection (1) shall be liable to disciplinary action.

[Vic. CCA 1991, s. 58]

## **Division 2 — Gaming measures**

### **Linked jackpot arrangement unlawful without approval**

**105.** —(1) A person shall not, without the approval of the Authority, install or cause to be installed any linked jackpot arrangement.

(2) The Authority shall not approve any linked jackpot arrangement —

- (a) between a casino in Singapore and any place outside Singapore;
- (b) between a casino in Singapore and any place permitted to operate a fruit machine under the Private Lotteries Act (Cap. 250); or
- (c) prohibited by regulations made under this Act.

(3) Any person who contravenes subsection (1) shall be —

- (a) liable to disciplinary action, in the case of a casino operator or a licensed special employee; or
- (b) guilty of an offence and liable on conviction to a fine not exceeding \$200,000 or to imprisonment for a term not exceeding 5 years or to both, in any other case.

[Vic. CCA 1991, s. 62B]

### **Assistance to patrons**

**106.** —(1) A casino operator shall —

- (a) display a notice in accordance with the directions of the Authority informing patrons where a copy of the rules for games under section 100 may be inspected;
- (b) display prominently in the casino —
  - (i) the advice or information concerning those rules, the mode of payment of winning wagers and the odds of winning each wager; and
  - (ii) such other advice or information to the player as the Authority directs; and
- (c) display prominently at each gaming table or location related to the playing of a game, a sign indicating the permissible minimum and maximum wagers pertaining to the game played there.

(2) A casino operator shall —

- (a) allow a patron to inspect a copy of the rules for games on request; and
  - (b) establish a system to allow patrons to voluntarily set loss limits for gaming.
- (3) Any casino operator who fails to comply with subsection (1) or (2) shall be liable to disciplinary action.

[Vic. CCA 1991, s. 66]

### **Operation of security equipment, etc.**

**107.** —(1) A casino operator shall ensure that all casino installations, equipment and procedures for security and safety purposes are used, operated and applied in accordance with the directions of the Authority.

(2) Any casino operator who fails to comply with subsection (1) shall be liable to disciplinary action.  
[Vic. CCA 1991, s. 67]

#### **Credit, etc.**

**108.** —(1) Except to the extent that this section or regulations relating to credit allow, no casino operator, licensed junket promoter, agent of a casino operator or casino employee shall, in connection with any gaming in the casino —

- (a) accept a wager made otherwise than by means of money or chips;
- (b) lend money or any valuable thing;
- (c) provide money or chips as part of a transaction involving a credit card;
- (d) extend any other form of credit; or
- (e) except with the approval of the Authority, wholly or partly release or discharge a debt.

(2) A casino operator may establish for a person a deposit account to which is to be credited the amount of any deposit to the account comprising —

- (a) money;
- (b) a cheque payable to the casino operator; or
- (c) a traveller's cheque.

(3) The casino operator may issue to a person who establishes a deposit account and debit to the account chip purchase vouchers, cheques or money, not exceeding in total value the amount standing to the credit of the account at the time of issue of the vouchers, cheques or money.

(4) The casino operator may, in exchange for a cheque payable to the casino operator or a traveller's cheque, issue to a person chip purchase vouchers of a value equivalent to the amount of the cheque or traveller's cheque.

(5) A cheque accepted by the casino operator may, by agreement with the casino operator, be redeemed in exchange for the equivalent in value to the amount of the cheque of any one or more of the following:

- (a) money;
- (b) cheque payable to the casino operator;
- (c) chip purchase vouchers;
- (d) chips.

(6) The casino operator —

- (a) shall, within the time specified by the Authority by notice in writing given to the casino operator for the purposes of this subsection, deposit with an authorised bank a cheque accepted by the casino operator under this section; and
- (b) shall not agree to the redemption of such a cheque for the purpose of avoiding compliance with paragraph (a).

(7) Notwithstanding anything in this section, a casino operator or a licensed junket promoter may provide chips on credit to a person —

- (a) who is not a citizen or permanent resident of Singapore (as defined in section 116 (9)); or
- (b) who is a premium player,

if the casino operator or licensed junket promoter (as the case may be) and the person satisfy the requirements of any relevant controls and procedures approved by the Authority under section 138.

(8) Any —

- (a) casino operator who contravenes subsection (1) or (6); or
  - (b) licensed junket promoter, agent of a casino operator or casino employee who contravenes subsection (1),
- shall be —

- (i) liable to disciplinary action, in the case of a casino operator, licensed special employee or licensed junket promoter; or
- (ii) guilty of an offence, in any other case.

(9) Any person who —

- (a) provides chips on credit to persons other than as permitted in subsection (7) (a) or (b) shall be deemed to be a moneylender for the purposes of the Moneylenders Act (Cap. 188); and
- (b) lends money in accordance with this section shall be deemed not to be a moneylender for the purposes of the Moneylenders Act.

(10) In this section, "cheque" means a cheque (other than a traveller's cheque) that —

- (a) is drawn on an account of an authorised bank for a specific amount payable on demand; and
- (b) is dated but not post-dated.

[Vic. CCA 1991, s. 68]

#### **Automatic teller machines prohibited within casino premises**

**109.** —(1) A casino operator shall not provide or allow another person to provide any automatic teller machine within the boundaries of the casino premises.

(2) Any casino operator who contravenes subsection (1) shall be liable to disciplinary action.

[Vic. CCA 1991, s. 81AA]

### **Junkets**

**110.** —(1) No person shall organise, promote or conduct a junket without a licence granted by the Authority in accordance with the regulations.

(2) The Authority shall not grant a licence to a junket promoter unless satisfied that the criteria specified in the regulations are met.

(3) Any casino operator which enters into an agreement with an unlicensed junket promoter to organise or promote a junket shall be liable to disciplinary action.

(4) The Authority may, by notice in writing, require a casino operator to terminate any agreement with an unlicensed junket promoter within the time specified in the notice, and any casino operator which fails to comply with such notice shall be liable to disciplinary action.

(5) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$150,000; or

(b) in any other case, to a fine not exceeding \$300,000,

and, in the case of a continuing offence, to a further fine not exceeding —

(i) \$15,000, in the case of an individual; or

(ii) \$30,000, in any other case,

for every day or part thereof during which the offence continues after conviction.

(6) The Authority may, with the approval of the Minister, make regulations for or with respect to —

(a) regulating or prohibiting the promotion and conduct of junkets;

(b) the licensing of junket promoters;

(c) arrangements for premium players; and

(d) the obligations of casino operators in relation to junket promoters and premium players.

(7) In particular, the regulations may —

(a) impose restrictions on who may be approved to organise or promote a junket;

(b) prescribe the procedure for applications for the approval of the Authority;

(c) prescribe the fees to be charged;

(d) require the junket promoter or the casino operator concerned to give the Authority advance notice of the junket and to furnish to the Authority detailed information concerning the conduct of and the arrangements for the conduct of any junket;

(e) require any contract or other agreement that relates to the conduct of a junket to be in a form and containing provisions approved by the Authority;

(f) require the junket promoter or the casino operator concerned to give specified information concerning the conduct of the junket to participants in the junket;

(g) require the junket promoter or the casino operator concerned to give the Authority advance notice of any arrangement for premium players and to furnish to the Authority specified information concerning the arrangement;

(h) regulate the conduct of licensed junket promoters and prescribe the disciplinary actions, including a financial penalty not exceeding \$400,000, against any licensed junket promoter who contravenes any provision of the regulations; and

(i) provide that any contravention of any provision of the regulations shall be an offence punishable with a fine not exceeding \$100,000 or with imprisonment for a term not exceeding 12 months or with both.

[Vic. CCA 1991, s. 69 (prior to repeal by Act No. 114/2003)]

## **Division 3 — Disputes between casino operator and patron**

### **Resolution of dispute as to winnings, losses or manner in which game conducted**

**111.** —(1) Where a casino operator and a patron of the casino are unable to resolve to the satisfaction of the patron any dispute as to alleged winnings, alleged losses or the manner in which a game is conducted, and the dispute involves —

(a) at least \$1,000, the casino operator shall immediately notify an inspector; or

(b) less than \$1,000, the casino operator shall inform the patron of his right to request that an inspector conduct an investigation.

(2) An inspector who is notified of a dispute under subsection (1) shall conduct such investigations as he thinks necessary and shall determine whether payment should be made.

(3) Failure of a casino operator to notify an inspector or inform the patron as provided in subsection (1) is grounds for disciplinary action.

[*Nevada Revised Statutes*, 463.362]

#### **Reconsideration of inspector's decision**

**112.** —(1) Any party aggrieved by the decision of an inspector under section 111 may, in the prescribed manner and within the prescribed time, appeal to the Authority to reconsider the decision of the inspector.

(2) The appeal shall set forth the basis of the request for reconsideration.

(3) If no appeal for reconsideration is made within the time prescribed, the decision of the inspector shall be deemed final and is not subject to reconsideration by the Authority.

(4) The Authority shall appoint a committee to reconsider the decision of the inspector.

(5) The party seeking reconsideration bears the burden of showing that the inspector's decision should be reversed or modified.

(6) The committee appointed under subsection (4) shall be independent of the Authority and may regulate its own procedure.

(7) After considering the matter before it, the committee may confirm, vary or reverse the inspector's decision.

(8) The decision by the committee shall be in writing and shall be served on the casino operator and the patron concerned.

[*Nevada Revised Statutes*, 463.363, 463.364]

#### **Payment of claim after decision**

**113.** —(1) Except as otherwise allowed by the Authority, a casino operator shall pay a patron's claim within 30 days of —

(a) the decision of the committee under section 112; or

(b) where an appeal was made under section 114, the decision of the Authority under that section.

(2) Failure of a casino operator to pay within the time specified in subsection (1) is grounds for disciplinary action.

[*Nevada Revised Statutes*, 463.366]

#### **Appeal to Authority**

**114.** A person who is aggrieved by a decision made against him by the committee under section 112 may, within 30 days of being notified of the decision of the committee, appeal to the Authority whose decision shall be final.

[*Nevada Revised Statutes*, 463.3668]

### **Division 4 — Entry to casino premises**

#### **Right of entry to casino premises**

**115.** Except as provided by sections 118 and 119, a person enters and remains on any casino premises only by the licence of the casino operator.

[*Vic. CCA 1991*, s. 70]

#### **Entry levy**

**116.** —(1) Subject to subsection (3), a casino operator shall not allow any person who is a citizen or permanent resident of Singapore to enter or remain on the casino premises at any time on any day unless the person has paid to the casino operator an entry levy of —

(a) \$100 (inclusive of goods and services tax) for every consecutive period of 24 hours; or

(b) \$2,000 (inclusive of goods and services tax) for a valid annual membership of the casino.

- (2) All entry levies collected by a casino operator under subsection (1) shall be paid to the Singapore Totalisator Board within the prescribed time and shall be used by that Board for public, social or charitable purposes in Singapore.
- (3) A casino operator shall not refund, remit or reimburse, directly or indirectly, any entry levy paid or payable by any person under subsection (1).
- (4) The Minister may, after the expiration of 10 years commencing from the date on which a second site for a casino is designated by an order made under section 2 (2), by order published in the *Gazette*, vary the entry levies specified in subsection (1).
- (5) This section shall not apply to —
- (a) any employee of the casino;
  - (b) any inspector, police officer, officer of the Central Narcotics Bureau or Corrupt Practices Investigation Bureau, civil defence officer, officer of the Inland Revenue Authority of Singapore or employee of the Authority acting in the discharge of his duties; or
  - (c) such other person or class of persons as may be prescribed.
- (6) Subject to subsection (5), any citizen or permanent resident of Singapore who enters any casino premises without paying the entry levy specified in subsection (1) is guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000, and shall also be liable for the amount of the entry levy specified in subsection (1) (a).
- (7) Any casino operator who contravenes subsection (1), (2) or (3) shall be liable to disciplinary action.
- (8) Section 147 shall apply in relation to late payment of the entry levy as it applies to the casino tax, and the reference to casino tax in that section shall be read as a reference to the entry levy.
- (9) In this Part, “permanent resident of Singapore” means a person who is granted an entry permit under section 10 of the Immigration Act (Cap. 133) or a re-entry permit under section 11 of that Act, which allows him to remain in Singapore indefinitely without restriction.

#### **Supplementary provisions relating to entry levy**

- 117.** —(1) The entry levy payable under section 116 (1) shall be levied, paid and collected by such method as may be prescribed.
- (2) The Chief Executive may require a casino operator to lodge with the Authority such security as the Chief Executive may consider appropriate for the payment of entry levies.
- (3) Entry levies shall be recoverable from a casino operator as a civil debt due to the Government.
- (4) It shall be lawful for the Chief Executive, if it is proved to his satisfaction that any money has been overpaid as entry levy under this Act, to direct the refund of the money so overpaid, such refund to be paid from entry levies collected under section 116 (1).
- (5) No refund under subsection (4) shall be allowed unless a claim in respect thereof is made within 6 months of the overpayment.
- (6) Where for any reason the entry levy payable under section 116 (1) has not been paid, or has been short paid, or the whole or any part of the entry levy, after having been paid, has, owing to any cause, been erroneously refunded, the person liable to pay such levy, or the person to whom the refund has been erroneously made, as the case may be, shall pay the entry levy not paid or short paid, or the amount erroneously refunded to him, on demand being made by the Chief Executive, within 6 months of the date of the non-payment, or short payment, or erroneous refund, as the case may be, without prejudice to any other remedy for the recovery of the amount unpaid or erroneously refunded.
- (7) For the purposes of this section and section 116, every casino operator shall be liable for every act, omission, neglect or default of any agent or employee employed by him and acting within the scope of his employment, as fully and effectually as if the act, omission, neglect or default were done or committed by the casino operator.
- (8) Nothing in this section shall affect the liability of the agent or employee of a casino operator.
- [EDA, ss. 6, 8, 9, 10, 25]

#### **Entry of inspector to casino premises**

- 118.** —(1) An inspector may, at any time, enter and remain on any casino premises for the purposes of exercising his functions as an inspector under this Act, including but not limited to —
- (a) observing any of the operations of the casino;
  - (b) ascertaining whether the operations of the casino are being properly conducted, supervised and managed;
  - (c) ascertaining whether the provisions of this Act are being complied with; and
  - (d) in any other respect, exercising his functions under this Act.

(2) An inspector who enters premises under this section is not authorised to remain on the premises if, on the request of the occupier of the premises, the inspector does not show his identification card to the occupier.

[Vic. CCA 1991, s. 105]

### **Entry of police officer, etc., to casino premises**

**119.** Any police officer, officer of the Central Narcotics Bureau or Corrupt Practices Investigation Bureau or civil defence officer may enter any casino premises, including any part to which the public does not have access, and may remain there for the purpose of discharging his duty as a police officer, officer of the Central Narcotics Bureau or Corrupt Practices Investigation Bureau or civil defence officer, as the case may be.

[Vic. CCA 1991, s. 71]

### **Exclusion orders by casino operator**

**120.** —(1) A casino operator may give a written exclusion order under this section to a person, whether on the voluntary application of the person or otherwise, prohibiting the person from entering or remaining on the casino premises.

(2) A voluntary application under subsection (1) shall be in writing and signed by the applicant in the presence of a person authorised by the casino operator to witness such an application.

(3) As soon as practicable after a casino operator gives an exclusion order under subsection (1) or revokes the order, the casino operator shall notify the Authority and the Council of that order or the revocation of that order, as the case may be.

[Vic. CCA 1991, s. 72]

### **Exclusion orders by Authority**

**121.** —(1) The Authority may, by an exclusion order given to a person orally or in writing, prohibit the person from entering or remaining on any casino premises.

(2) An oral exclusion order lapses after 14 days.

(3) As soon as practicable after the Authority gives an exclusion order under this section, the Authority shall notify each casino operator of that order.

[Vic. CCA 1991, s. 73]

### **Exclusion orders by Commissioner of Police**

**122.** —(1) The Commissioner of Police may, by a written exclusion order given to a person, prohibit the person from entering or remaining on any casino premises.

(2) As soon as practicable after making an exclusion order, the Commissioner of Police shall notify each casino operator and the Authority of that order.

(3) A person who has been given an exclusion order under this section may appeal to the Minister whose decision shall be final.

[Vic. CCA 1991, s. 74]

### **Duration of exclusion orders**

**123.** —(1) An exclusion order made under section 121 or 122 remains in force in respect of a person unless and until it is revoked by the person who gave the order or by the Minister, on appeal.

(2) When an exclusion order is revoked by the Commissioner of Police or the Minister, the Commissioner of Police shall notify each casino operator and the Authority of the revocation.

(3) When an exclusion order is revoked by the Authority or the Minister, the Authority shall give notice of the revocation to each casino operator as soon as practicable after it occurs.

[Vic. CCA 1991, s. 75]

### **List of persons excluded by casino operator**

**124.** The Authority may, from time to time, require a casino operator to furnish a list of persons excluded from the casino premises by the casino operator.

[Vic. CCA 1991, s. 76]

### **Excluded person not to enter casino premises**

**125.** —(1) An excluded person shall not enter or remain, or take part in any gaming, on any casino premises.

(2) Any person, being subject to an exclusion order made under section 121 or 122, who contravenes subsection (1) shall be guilty of an offence.

[Vic. CCA 1991, s. 77]

### **Casino operator to bar excluded persons from casino premises**

**126.** —(1) It is a condition of a casino licence that a casino operator shall not, without reasonable excuse, permit an excluded person to enter or remain on the casino premises.

(2) It is a condition of a casino licence that a casino operator shall comply with any order made under section 163 (2) (d) to close any deposit account of a respondent named in that order.

### **Removal of excluded persons from casino premises**

**127.** —(1) This section applies to the following persons on any casino premises:

- (a) the person for the time being in charge of the casino;
- (b) an agent of the casino operator;
- (c) a casino employee.

(2) A person to whom this section applies who knows that an excluded person is about to enter or is on the casino premises shall —

- (a) notify an inspector as soon as practicable; and
- (b) using no more force than is reasonably necessary —
  - (i) prevent the excluded person from entering the casino premises; or
  - (ii) remove such a person from the casino premises or cause such a person to be removed from the casino premises.

(3) Any person who fails to comply with subsection (2) shall be —

- (a) liable to disciplinary action, in the case of a casino operator or a licensed special employee; or
- (b) guilty of an offence, in any other case.

[Vic. CCA 1991, s. 78]

### **Forfeiture of winnings**

**128.** —(1) This section applies to any person who is —

- (a) an excluded person; or
- (b) a minor (as defined in section 130).

(2) If a person to whom this section applies enters or remains on any casino premises in contravention of this Act, all winnings (including linked jackpots) paid or payable to the person in respect of gaming on gaming machines or playing any game approved under section 100 in the casino are forfeited to the Consolidated Fund.

(3) If winnings referred to in subsection (2) comprise or include a non-monetary prize, the casino operator shall pay the value of that prize to the Consolidated Fund.

(4) In determining the value of a non-monetary prize for the purposes of subsection (3), any amount of goods and services tax payable in respect of the supply to which the prize relates is to be taken into account.

(5) The amount of winnings to be forfeited under this section shall be investigated and determined by an authorised person whose decision shall be final.

[Vic. CCA 1991, s. 78B]

## **Division 5 — Prohibited acts within casino premises**

### **Conduct within casino premises**

**129.** —(1) A casino operator shall take all appropriate steps to ensure that the following acts are not committed by its employees, patrons or other persons within the casino premises:

- (a) soliciting for the purpose of prostitution or for any other immoral purpose;
  - (b) unlicensed moneylending or related activities;
  - (c) drunken, disorderly or riotous behaviour.
- (2) Any casino operator who contravenes subsection (1) shall be liable to disciplinary action.  
[Vic. CCA 1991, s. 153C, PEM(DR)R, para. 1, Part 1 of Schedule]

## **PART VII MINORS**

### **Interpretation of this Part**

**130.** In this Part —

"acceptable proof of age" for a person means —

- (a) documentary evidence that might reasonably be accepted as applying to the person and as proving that the person is at least 21 years of age; or
  - (b) evidence that the Authority has declared by notice in writing given to a casino operator to be acceptable evidence in relation to the operation of the casino that a person is at least 21 years of age;
- "minor" means a person who is below the age of 21 years.

[Vic. CCA 1991, s. 82]

### **Part applies only during hours of operation of casino**

**131.** This Part applies to casino premises only during the hours of operation of the casino.

[Vic. CCA 1991, s. 83]

### **Minors not to enter casino premises**

**132.** —(1) A minor shall not enter or remain, or take part in any gaming, on any casino premises.

(2) Any minor who contravenes subsection (1) shall be guilty of an offence.

[Vic. CCA 1991, s. 84]

### **Casino operator to bar minors from casino premises**

**133.** —(1) A casino operator shall not, without reasonable excuse, permit a minor to enter or remain on the casino premises.

(2) If a minor is on the casino premises, the casino operator shall immediately notify an inspector.

(3) Any casino operator who contravenes subsection (1) or (2) shall be liable to disciplinary action.

(4) It is lawful for the person for the time being in charge of a casino, an agent of the casino operator or a casino employee to remove the minor or cause the minor to be removed from the casino premises, using no more force than is reasonably necessary.

(5) It is a defence to disciplinary action for a contravention of subsection (1) or (2) if it is proved that —

(a) the minor was 16 years of age or above; and

(b) before the minor entered the casino premises or while the minor was on the casino premises there was produced to the casino operator or to his agent or employee acceptable proof of age for the minor.

[Vic. CCA 1991, s. 85]

### **Entry of minors to be prevented**

**134.** —(1) If a casino operator or a casino employee is aware that a person who may reasonably be suspected of being a minor is attempting to enter the casino premises, the casino operator or casino employee shall refuse the person entry to the casino premises.

(2) The casino operator or casino employee is not required to refuse the person entry if there is produced to the casino operator or casino employee acceptable proof of age for the person.

(3) Any person who contravenes subsection (1) shall be —

(a) liable to disciplinary action, in the case of a casino operator or a licensed special employee; or



(b) guilty of an offence, in any other case.  
[Vic. CCA 1991, s. 86]

#### **Proof of age may be required**

**135.** —(1) The person for the time being in charge of a casino, an agent of the casino operator, a casino employee, an inspector or a police officer may if he has reasonable cause to suspect that a person on the casino premises is a minor —  
(a) require the person on the casino premises to state his correct age, name and address; and  
(b) if it is suspected on reasonable grounds that the age, name or address given in response to the requirement is false, require the person to produce evidence of its correctness.

(2) A person who —

(a) fails to comply with a requirement under subsection (1) (a); or  
(b) without reasonable cause, fails to comply with a requirement under subsection (1) (b), shall be guilty of an offence.

(3) It is not an offence to fail to comply with a requirement under subsection (1) if the person who made the requirement did not inform the person of whom the requirement was made, at the time it was made, that it is an offence to fail to comply with the requirement.

[Vic. CCA 1991, s. 87]

#### **Minor using false evidence of age**

**136.** A minor who uses any evidence purporting to be evidence of his age in order to obtain entry to or remain on any casino premises is guilty of an offence if the evidence is false in a material particular in relation to the minor.

[Vic. CCA 1991, s. 88]

#### **Notices to be displayed**

**137.** —(1) The Authority may, by written direction given to a casino operator, require a notice or notices to be displayed within the casino premises with respect to the exclusion from the casino premises of persons below the age of 21 years.

(2) The direction may impose requirements as to the form, position and matter to be displayed on any such notice.

(3) A casino operator is liable to disciplinary action if such a direction is not complied with in relation to the casino.

[Vic. CCA 1991, s. 89]

### **PART VIII CASINO INTERNAL CONTROLS**

#### **Approved system of controls and procedures to be implemented**

**138.** —(1) A casino operator shall not conduct operations in the casino unless the Authority has approved in writing of a system of internal controls and administrative and accounting procedures for the casino.

(2) Any such approval may be amended from time to time as the Authority thinks fit.

(3) An approval or amendment of an approval under this section takes effect when notice of it is given in writing to the casino operator concerned, or on a later date specified in the notice.

(4) The casino operator shall ensure that the system approved for the time being under this section for the casino is implemented.

(5) Any casino operator who fails to comply with subsection (1) or (4) shall be liable to disciplinary action.

[Vic. CCA 1991, s. 121]

#### **Content of approved system**

**139.** —(1) A system of internal controls and administrative and accounting procedures approved for the purposes of section 138 shall include (but is not limited to) details of the following:

(a) accounting procedures, including the standardisation of forms, and the definition of terms, to be used in the operations of a casino;

(b) procedures, forms and, where appropriate, formulae for or with respect to —

- (i) hold percentages and the calculation thereof;
  - (ii) revenue;
  - (iii) drop;
  - (iv) credit;
  - (v) complimentary services;
  - (vi) salary arrangements; and
  - (vii) personnel practices;
- (c) job descriptions and the system of organising personnel and chain of command authority such as to establish diversity of responsibility among employees engaged in operations in a casino and identification of primary and secondary supervisory positions for areas of responsibility, which areas shall not be so extensive as to be impractical for an individual to supervise effectively;
- (d) procedures for the conduct and playing of games;
- (e) procedures for the receipt, storage and disbursement of chips and cash, the cashing of cheques, the redemption of chips and the recording of all transactions pertaining to casino operations;
- (f) procedures for the collection and security of money at the gaming tables and other places in a casino where games are conducted, and the transfer of such money to other areas of the casino premises for counting;
- (g) procedures and forms relating to the transfer of money or chips within the casino premises;
- (h) procedures and security for the counting and recording of revenue;
- (i) procedures and security for the transfer of money from casino premises to an authorised bank and from an authorised bank to casino premises;
- (j) procedures for the security, storage and recording of chips utilised in the gaming operations within the casino premises;
- (k) procedures and standards for the maintenance, security and storage of gaming equipment;
- (l) procedures for the payment and recording of winnings associated with games where the winnings are paid by cash or cheque;
- (m) procedures for the issue of chip purchase vouchers and the recording of transactions in connection therewith;
- (n) procedures for the cashing of cheques and recording of transactions by cheque;
- (o) procedures for the establishment and use of deposit accounts;
- (p) procedures for the use and maintenance of security and surveillance facilities, including closed circuit television systems;
- (q) procedures governing the utilisation of security personnel within the casino premises;
- (r) procedures for the control of keys used or for use in operations in a casino;
- (s) procedures and standards for assessing the suitability of suppliers of goods or services to the casino and the casino operator which may vary according to the nature of the goods or services or the nature of the suppliers of goods or services;
- (t) procedures for maintaining records of the suppliers of goods and services;
- (u) procedures for the promotion and conduct of junkets and arrangements for premium players;
- (v) procedures to comply with prescribed anti-money-laundering measures; and
- (w) procedures to discourage and prevent corrupt practices.
- (2) For the purposes of an approval or amendment of an approval, controls and procedures may be described narratively or represented diagrammatically, or by a combination of both methods.
- (3) The Authority may, from time to time, by notice in writing to a casino operator, require details relating to other aspects of the casino operations to be included in the approved system.
- [Vic. CCA 1991, s. 122]

## Banking

**140.** —(1) A casino operator shall —

- (a) keep and maintain separate accounts, as approved by the Authority, at an authorised bank for use for all banking transactions arising under this Act in relation to the casino operator; and
  - (b) from time to time provide the Authority, as required, and in a form approved by the Authority, with a written authority addressed to the authorised bank referred to in paragraph (a) authorising the authorised bank to comply with any requirements of an inspector exercising the powers conferred by this section.
- (2) An inspector may, by notice in writing, require the manager or other principal officer of an authorised bank referred to in subsection (1) to provide the inspector with a statement of an account referred to in that subsection and such other particulars relating to the account as may be specified in the notice.
- (3) A person to whom a notice is given under subsection (2) shall comply with the notice.
- (4) An inspector may not exercise the powers conferred by this section without the prior written approval of the Authority.

(5) Any casino operator who fails to comply with subsection (1) shall be liable to disciplinary action.  
[Vic. CCA 1991, s. 123]

### Accounts to be kept

**141.** —(1) A casino operator shall keep such accounting records as correctly record and explain the transactions and financial position of the operations of the casino.

(2) The accounting records shall be kept in such a manner as will enable true and fair financial statements and accounts to be prepared from time to time and the financial statements and accounts to be conveniently and properly audited.

(3) Any casino operator who fails to comply with subsection (1) or (2) shall be liable to disciplinary action.

[Vic. CCA 1991, s. 124]

### Statement of accounts

**142.** —(1) A casino operator shall, as soon as practicable after the end of its financial year, prepare financial statements and accounts, including —

(a) trading accounts, where applicable, for the financial year;

(b) profit and loss accounts for the financial year; and

(c) a balance-sheet as at the end of the financial year that gives a true and fair view of the financial operations of the casino operator in relation to the casino.

(2) Any casino operator who fails to comply with subsection (1) shall be liable to disciplinary action.

[Vic. CCA 1991, s. 125]

### Keeping of records

**143.** —(1) A casino operator shall ensure that all records relating to the operations of the casino are —

(a) kept at a location and in a manner approved by the Authority;

(b) retained for not less than 5 years after the completion of the transactions to which they relate; and

(c) available for inspection by an authorised person at any time during that period.

(2) The Authority may, by instrument in writing, grant an exemption to a casino operator from all or specified requirements of this section in respect of all or specified, or specified classes of documents and may grant such an exemption subject to conditions.

(3) Any casino operator who fails to comply with subsection (1) shall be liable to disciplinary action.

[Vic. CCA 1991, s. 126]

### Audit

**144.** —(1) A casino operator shall, as soon as practicable after the end of its financial year, cause the books, accounts and financial statements of the casino operator in relation to the casino to be audited by a person approved by the Authority to audit the accounting records of the casino operator.

(2) An auditor shall not be approved by the Authority as an auditor for a casino operator unless he is able to comply with such conditions in relation to the discharge of his duties as may be determined by the Authority.

(3) The Authority may impose such additional duties on an auditor in relation to his audit of a casino operator as the Authority considers necessary, the costs of which shall be borne by the casino operator.

(4) The casino operator shall cause the auditor's report, the profit and loss account and balance-sheet of the casino operator and any additional information or report requested by the Authority to be lodged with the Authority within 4 months after the end of the financial year to which the report, profit and loss account, balance-sheet and additional information or report, if any, relate.

(5) Any casino operator who fails to comply with subsection (1) or (4) shall be liable to disciplinary action.

[Vic. CCA 1991, s. 127]

### Submission of reports

**145.** —(1) A casino operator shall submit to the Authority reports relating to the operations of the casino.

(2) The reports are to be submitted at the times, and are to contain the information, that is specified by notice in writing given to the casino operator by the Authority from time to time.

(3) Any casino operator who fails to comply with subsection (1) or (2) shall be liable to disciplinary action.

[Vic. CCA 1991, s. 128]

## **PART IX CASINO TAX**

### **Payment of casino tax**

**146.** —(1) A casino operator shall pay to the Comptroller a casino tax every month during which the casino operator holds a casino licence.

(2) The amount of casino tax payable under subsection (1) shall be —

(a) 5% of the gross gaming revenue for the month from premium players; and

(b) 15% of the gross gaming revenue for the month from any other player.

(3) The rates of tax specified in subsection (2) shall not be increased for a period of 15 years commencing from the date on which a second site for a casino is designated by an order made under section 2 (2).

(4) The Minister may make regulations —

(a) prescribing the time and manner of payment of the casino tax;

(b) prescribing the returns, declarations, statements or forms to be submitted by a casino operator, and the time and manner of such submissions;

(c) prescribing the records to be kept by a casino operator to determine the gross gaming revenue (from premium players or otherwise) for each month;

(ca) prescribing the treatment of losses, including the carrying forward or set-off of losses, in respect of gross gaming revenue;

(cb) prescribing the requirements for an audit of a casino operator relating to the casino tax payable by the casino operator, whether by an internal auditor or an external auditor or both; and

(d) generally to give effect to the provisions of this Part.

(5) Regulations made under this section may provide —

(a) that any contravention of any provision of the regulations shall be an offence punishable with a fine not exceeding \$10,000 or with imprisonment for a term not exceeding 12 months or with both; and

(b) that if any return required under this Part (including regulations made under this Part) is not made by a casino operator within the prescribed accounting period, the casino operator shall be liable to a penalty not exceeding \$1,000 for each day that it continues not to submit the return, up to a total penalty not exceeding \$10,000.

(6) In this Part —

"Board of Review" means the Board of Review appointed under section 78 of the Income Tax Act (Cap. 134);

"Comptroller" means the Comptroller of Income Tax appointed under section 3 (1) of the Income Tax Act (Cap. 134);

"gross gaming revenue" , in relation to a casino operator, means the amount determined by the formula

$$A - B,$$

where	A	is the aggregate of the amount of net wins received on all games conducted by the casino operator or conducted within the casino premises of the casino operator; and
	B	is the amount of goods and services tax chargeable by the casino operator under the Goods and Services Tax Act (Cap. 117A) in respect of all gaming supplies made by the casino operator;

"Minister" means the Minister for Finance;

"net win" , in relation to a casino operator, means —

(a) in respect of any game where the casino operator is a party to a wager, the amount determined by the formula

$$C - D,$$

where C		is the amount of bets received by the casino operator on that game by reference to such method as may be prescribed in the regulations for that game; and
	D	is the amount paid out by the casino operator as winnings on that game by reference to such method as may be prescribed in the regulations for

that game; and

(b) in respect of any game conducted within the casino premises where the casino operator is not a party to a wager, the amount determined by the aggregate value of all consideration in money or money's worth received by the casino operator for conducting, or allowing the conduct of, the game;

"winnings" includes any non-monetary prize.

### Responsibility of Comptroller

**146A.** The Comptroller shall be responsible generally for the carrying out of the provisions of this Part and for the collection of casino tax and shall pay into the Consolidated Fund all amounts collected in respect thereof, including any penalty under section 147 or 149A or any regulations made under this Part.

### Power of Comptroller to assess tax due

**146B.** —(1) Where —

(a) a casino operator has failed to make any returns required under this Part or any regulations made under this Part for a prescribed accounting period, or to keep any documents and afford the facilities to verify such returns; or

(b) it appears to the Comptroller that such returns are incomplete or incorrect, the Comptroller may to the best of his judgment assess the amount of casino tax due from that casino operator for that period and notify the casino operator of the amount assessed.

(2) In any case where —

(a) an amount has been repaid to any casino operator as being a repayment of casino tax, which ought not to have been repaid; or

(b) an amount has been paid or credited to any casino operator as being due to it, which ought not to have been paid or credited to it,

the Comptroller may assess that amount as being casino tax due from the casino operator for the prescribed accounting period in which the amount was repaid, paid or credited, as the case may be, and accordingly notify the casino operator of the assessment.

(3) An assessment under subsection (1) or (2) of an amount of casino tax due for any prescribed accounting period shall not be made more than 5 years from the end of that period.

(4) Notwithstanding subsection (3), where, in the opinion of the Comptroller, any form of fraud or wilful default has been committed by or on behalf of any person in connection with or in relation to casino tax, the Comptroller may, for the purpose of making good any loss of casino tax or payment or refund of casino tax attributable to fraud or wilful default, make an assessment at any time.

(5) In any case where —

(a) as a result of a casino operator's failure to make a return for a prescribed accounting period, the Comptroller has made an assessment under subsection (1) for that period;

(b) the casino tax assessed has been paid but no proper return has been made for the period to which the assessment related; and

(c) as a result of a failure to make a return for a later prescribed accounting period, being a failure by the casino operator referred to in paragraph (a), the Comptroller finds it necessary to make another assessment under subsection (1) for the later period,

then, if the Comptroller thinks fit, having regard to the failure referred to in paragraph (a), he may specify in the assessment referred to in paragraph (c) an amount of casino tax greater than that which he would otherwise have considered to be appropriate.

(6) Where it appears to the Comptroller that the amount which ought to have been assessed in an assessment under this section exceeds the amount which was so assessed, the Comptroller may —

(a) under the same provision as that under which the assessment was made; and

(b) within the period during which that assessment could have been made, make a supplementary assessment of the amount of the excess and shall notify the casino operator accordingly.

(7) Where an amount has been assessed and notified to any casino operator under subsection (1), (2) or (6), it shall, subject to the provisions of this Act as to review and appeals, be deemed to be an amount of casino tax due from the casino operator and may be recovered accordingly, unless, or except to the extent that, the assessment has subsequently been withdrawn or reduced.

(8) The Comptroller may at any time make all such alterations in or additions to an assessment made under this section as he thinks necessary to ensure the correctness thereof and notify the casino operator accordingly.

(9) Where the Comptroller raises an assessment under subsection (1) upon the failure of a casino operator to make any returns, and, subsequent to such assessment, the casino operator makes a return, the Comptroller may, in his discretion, take into account the return and revise his assessment as he deems fit.

(10) A certificate purporting to be under the hand of the Comptroller —

(a) that any return required by or under this Part has not been made or had not been made at any date;

(b) that any return made under this Part has been made by the person named therein;

(c) that any casino tax shown as due in any return or assessment made under this Part has not been paid; or

(d) that any penalty is due from the person named therein,

shall be sufficient evidence of that fact until the contrary is proved.

### Revisions and objections

**146C.** —(1) If any casino operator has, for any prescribed accounting period —

(a) made an error in a return of its gross gaming revenue made to the Comptroller for that period; or

(b) paid casino tax in excess of the amount payable for that period,

the casino operator may, by notice in writing, request a revision by the Comptroller of its return and the refund of any casino tax overpaid, within a period of 5 years from the date the return was made.

(2) If any casino operator disputes an assessment of casino tax made upon it under section 146B, the casino operator may apply to the Comptroller, by notice of objection in writing, to review and revise the assessment made.

(3) A notice of objection under subsection (2) shall state precisely the grounds of the casino operator's objections to the assessment and shall be made —

(a) within 30 days from the date of the service of the notice of assessment; or

(b) if the Comptroller is satisfied that there is reasonable cause for the delay, within such longer period as the Comptroller may allow in the circumstances.

(4) On receipt of a notice for revision of a return under subsection (1) or a notice of objection under subsection (2) by a casino operator, the Comptroller may —

(a) require the casino operator to furnish such particulars as the Comptroller may consider necessary with respect to the gross gaming revenue of the casino operator and to produce all books or other documents in the casino operator's custody or under its control relating to such revenue; and

(b) summon any person whom he thinks is able to give evidence respecting the assessment to attend before him and may examine that person on oath or otherwise.

(5) If any casino operator who has given a notice for revision of a return under subsection (1) or a notice of objection to an assessment under subsection (2) —

(a) agrees with the Comptroller as to the amount at which the casino operator is liable to be assessed, the return or assessment shall be revised accordingly, and notice of the revised return or assessment shall be served upon that casino operator; or

(b) fails to agree with the Comptroller as to the amount at which the casino operator is liable to be assessed, the Comptroller —

(i) shall, if any casino tax is payable, give a notice of refusal to revise the return or assessment as desired by the casino operator; and

(ii) may revise the return or assessment to such amount as the Comptroller may determine according to the best of his judgment,

and the Comptroller shall serve upon that casino operator the notice of the revised return or assessment of the casino tax payable, together with the notice of refusal.

### Right of appeal

**146D.** —(1) Any casino operator aggrieved by a refusal of the Comptroller to revise a return or assessment under section 146C(5)(b)(i) or by an assessment of casino tax made upon it under section 146C(5)(b)(ii) may appeal against such decision or assessment to the Board of Review and the appeal shall be lodged with and heard by the Board of Review in the same manner as an appeal against an assessment of tax under the Income Tax Act (Cap. 134).

(2) No appeal shall lie against a decision of the Board of Review except an appeal to the High Court from the decision on any question of law or of mixed law and fact.

(3) Sections 79 to 84 of the Income Tax Act shall apply in relation to an appeal under subsection (1) or (2) as if it were an appeal in relation to an assessment of tax under that Act.

#### **Time within which payment is to be made**

**146E.** —(1) Any amount of casino tax assessed to be payable under section 146B shall, notwithstanding any objection or appeal against the assessment, be payable in the time and manner stated in the notice of assessment issued by the Comptroller under that section.

(2) The Comptroller may, in his discretion and subject to such terms and conditions as he may impose, including the imposition of interest, extend the time limit within which payment is to be made.

#### **Penalty for late payment**

**147.** —(1) If any casino tax that is due and payable is not paid by a casino operator by the prescribed time, a penalty equal to 5% of the amount of casino tax payable shall be added thereto and be due and payable.

(2) If the amount of casino tax outstanding is not paid by a casino operator within one calendar month of the imposition of the penalty as provided by subsection (1), an additional penalty of 5% of the casino tax outstanding shall be payable for each completed month that the casino tax remains unpaid, but the total additional penalty shall not exceed 50% of the amount of casino tax outstanding.

(3) Any penalty imposed under this section shall be recoverable as if it were casino tax due and payable under this Part.

(4) The Comptroller may for any good cause remit the whole or part of the penalty payable under subsection (1) or (2).

#### **Recovery of tax and penalty**

**148.** —(1) Casino tax and any penalty due and payable under this Part shall be recoverable as a debt due to the Government and the Comptroller may, in his own name, sue for such tax and penalty by way of a specially endorsed writ of summons.

(1A) The Comptroller shall be entitled to all costs allowed by law against a casino operator liable in any proceedings under subsection (1).

(1B) The Comptroller may appear personally or by counsel in any suit instituted under subsection (1).

(2) In any proceedings referred to in subsection (1), the production of a certificate signed by the Comptroller stating the amount of any casino tax due by a casino operator shall be sufficient evidence of the amount so due and sufficient authority for the court to give judgment for that amount.

#### **Remission of tax**

**148A.** The Minister may, in his discretion, remit, wholly or in part, the casino tax payable by any casino operator if he is satisfied that it is just and equitable to do so.

#### **Repayment of tax**

**149.** —(1) If it is proved to the satisfaction of the Comptroller that a casino operator has paid casino tax in excess of the amount payable under this Part, that casino operator shall be entitled to have the amount so paid in excess refunded.

(2) Every claim for repayment under this section shall be made within 6 years from the payment of the casino tax claimed to be paid in excess.

#### **Penalty for incorrect return**

**149A.** Any person who —

(a) makes an incorrect return by omitting or understating any gross gaming revenue or casino tax of which a casino operator is required by this Act to make a return; or

(b) gives any incorrect information in relation to any matter affecting a casino operator's liability to casino tax, shall be guilty of an offence and shall be liable on conviction —

- (i) to a penalty equal to double the amount of casino tax which has been underpaid in consequence of such incorrect return or incorrect information, or which would have been so underpaid if the return or information had been accepted as correct; and
- (ii) to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 2 years or to both.

### **Evasion of tax**

- 150.** —(1) Any person who wilfully with intent to evade or to assist any other person to evade casino tax —
- (a) makes any false statement, declaration or entry in any return made under this Part or the regulations;
  - (b) gives any false answer, whether verbally or in writing, to any question or request for information asked or made in accordance with this Part;
  - (c) prepares or maintains or authorises the preparation or maintenance of any false record or falsifies or authorises the falsification of any record; or
  - (d) makes use of any fraud, art or contrivance or authorises the use of any such fraud, art or contrivance,
- shall be guilty of an offence for which, on conviction, he shall pay a penalty of 4 times the amount of casino tax which has been underpaid in consequence of the offence, or which would have been so underpaid if the offence had not been detected, and shall also be liable to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 5 years or to both.
- (2) Where an individual has been convicted for 2 or more offences under this section, the imprisonment he shall be liable to shall not be less than 6 months.
- (3) Where in any proceedings under this section it is proved that any false statement or entry is made in any record maintained by or on behalf of any person, that person shall be presumed, until the contrary is proved, to have made that false statement or entry with intent to evade casino tax.

### **Power to appoint agent for recovery of tax**

- 150A.** —(1) The Comptroller may by notice in writing, if he thinks it necessary, declare any person to be the agent of a casino operator.
- (2) The person declared to be the agent of a casino operator under subsection (1) shall be the agent of the casino operator for the purposes of this Part and may be required to pay any casino tax or penalty due from any moneys which, at the date of the receipt of the notice or at any time during the period of 90 days thereafter, may be held by him for or due by him to the casino operator whose agent he has been declared to be.
- (3) In default of payment under subsection (2), the casino tax shall be recoverable from the agent in the manner provided under section 148.
- (4) For the purposes of this section, the Comptroller may require any person to give him information as to any moneys, funds or other assets which may be held by him for, or of any moneys due by him to, any casino operator.
- (5) Where any person declared by the Comptroller to be the agent of a casino operator under subsection (1) is aggrieved by such declaration he may, by notice in writing to the Comptroller within 14 days, or within such further time as the Comptroller in his discretion may allow, object to the declaration.
- (6) The Comptroller shall examine the objection and may cancel, vary or confirm the declaration.
- (7) Where the objector is aggrieved by the Comptroller's decision upon his objection, he may appeal against such decision to the Board of Review and the provisions of section 146D shall apply with the necessary modifications.
- (8) Where an agent makes any payment of moneys to the Comptroller under this section —
- (a) the agent shall be deemed to have been acting under the authority of the casino operator by whom the casino tax is payable (referred to in this section as the defaulting taxpayer);
  - (b) the agent is hereby indemnified in respect of the payment to the Comptroller;
  - (c) the amount of casino tax due from the defaulting taxpayer shall be reduced by the amount paid by the agent to the Comptroller; and
  - (d) the amount of the reduction shall, to the extent of that amount, be deemed to have been paid to the defaulting taxpayer in accordance with any law, contract or scheme governing the payment of moneys held by the agent for or due from the agent to the defaulting taxpayer.

### **Power of Comptroller to obtain information**



**151.** —(1) The Comptroller may exercise his powers under sections 65, 65A and 65B of the Income Tax Act (Cap. 134) generally for the purpose of this Part.

(2) Any person who fails or neglects without reasonable excuse to comply with any notice issued by the Comptroller under section 65 or 65A of the Income Tax Act or any requirement of the Comptroller under section 65B of that Act for the purpose of this Part shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 12 months or to both.

(3) Notwithstanding anything in section 6 of the Income Tax Act or section 190 of this Act, the Comptroller or any officer of the Inland Revenue Authority of Singapore may —

(a) furnish to any officer of the Authority any information obtained by the Comptroller in the performance of his duties under this Part, where such information may be required by the officer in the performance of his duties; and

(b) upon the request of the Authority, permit any officer of the Authority to have access to, including taking copies of, such records or documents relating to casino tax in the possession of the Comptroller as the Comptroller may allow, where the Comptroller is satisfied that such information or access is necessary for the performance of the duties of the officer of the Authority.

### **Composition of offences by Comptroller**

**152.** —(1) The Comptroller may compound any offence under section 150 by collecting from a person reasonably suspected of having committed the offence a sum not exceeding 4 times the amount of casino tax underpaid in consequence of the offence, or which would have been so underpaid if the offence had not been detected.

(1A) The Comptroller may compound any offence under section 149A by collecting from a person reasonably suspected of having committed the offence a sum not exceeding the penalty under paragraph (i) of that section.

(2) The Comptroller may compound any offence under section 151 or the regulations made under section 146 by collecting from a person reasonably suspected of having committed the offence a sum not exceeding \$5,000.

## **PART X NATIONAL COUNCIL ON PROBLEM GAMBLING**

### **Interpretation of this Part**

**153.** In this Part, unless the context otherwise requires —

"application" means an application for a family exclusion order;

"chairman" means the chairman of the Council;

"Committee" means any Committee of Assessors for the time being constituted under section 157 (1);

"exclusion order" means an exclusion order made under section 165;

"family exclusion order" means a family exclusion order made under section 162;

"family member" , in relation to a respondent, means —

(a) a spouse of the respondent;

(b) a child of the respondent, including an adopted child and a step-child;

(c) a parent of the respondent, including an adoptive parent and a step-parent; and

(d) a sibling of the respondent, including an adoptive sibling, a step-sibling and a half-sibling;

"Minister" means the Minister for Community Development, Youth and Sports;

"panel" means the panel of assessors appointed under section 157 (2);

"respondent" means a person against whom a family exclusion order or exclusion order is sought or made.

[SA *Problem Gambling 2004*, s. 3]

### **Establishment of Council**

**154.** —(1) There shall be a National Council on Problem Gambling comprising a chairman and not less than 7 and not more than 19 other members to be appointed by the Minister.

(2) The chairman and every member of the Council shall be appointed for a period not exceeding 2 years and shall be eligible for reappointment.

(3) The Minister may, at any time, revoke the appointment of the chairman or any member of the Council and may appoint any person to fill any vacancy which may arise in the Council for any reason whatsoever.

[*Maint. Religious Harmony Act*, s. 3]

## Functions of Council

**155.** —(1) The functions of the Council shall be —

- (a) to do all the things it is authorised or required to do under this Part; and
  - (b) to appoint a panel of assessors to decide on applications for the exclusion of persons from casino premises.
- (2) The Council may appoint a secretary to the Council and such other officers as may be required to enable the Council to carry out its functions under this Part.
- (3) Every summons and notice issued under the hand of the secretary to the Council to any person shall be deemed to be issued by the Council.
- (4) The Council may, subject to the provisions of this Part, regulate its own procedure.
- (5) The Council shall not transact any business unless a quorum of not less than half of its members, including the chairman or member presiding, is present.
- (6) The chairman, if present, shall preside at all meetings of the Council.
- (7) Where the office of chairman is vacant or the chairman for any reason is unable to attend a meeting, such other member as the members present shall elect shall preside at the meeting.

[*Maint. Religious Harmony Act, s. 4*]

## Validity of Council's actions

**156.** —(1) The Council may, subject to section 155 (5), transact its business notwithstanding any vacancy among its members.

(2) The proceedings or any decision of the Council shall be valid notwithstanding any defect in the appointment of its members or that some person who was not entitled to do so took part in its proceedings.

[*Maint. Religious Harmony Act, s. 5*]

## Committee of Assessors for making exclusion orders

**157.** —(1) For the purpose of hearing and determining an application for a family exclusion order under section 158 or of making an exclusion order under section 165, the chairman of the Council shall, from time to time, constitute a Committee of Assessors consisting of —

- (a) a chairman, being a member of the Council; and
  - (b) 2 other members selected from the panel of assessors appointed under subsection (2).
- (2) For the purpose of enabling a Committee to be constituted under subsection (1), there shall be a panel of assessors, the members of which shall be appointed by the Council.
- (3) The panel shall consist of such number of persons as the Council may determine.
- (4) A person appointed to the panel shall, unless his appointment is revoked by the Council under subsection (6) or he resigns, be a member of the panel for a period of 2 years or for such shorter period as the Council may in any case determine, but shall be eligible for reappointment.
- (5) Where a person ceases to be a member of the panel, the Council shall, as soon as is reasonably practicable, take steps to fill the vacancy in the Committee of which he is a member, but the existence of any vacancy in the Committee shall not invalidate the acts of the Committee.
- (6) The Council may at any time revoke the appointment of a member of the panel.
- (7) There shall be paid to the members of the panel such salaries, fees and allowances as the Council may determine.

[*Land Acquisition Act, s. 26*]

## Committee to hear and determine applications for family exclusion orders

**158.** —(1) A Committee shall hear and determine in accordance with this Part all applications for family exclusion orders referred to the Committee under section 159 (2).

- (2) Sittings of a Committee shall be held at such places and times as the chairman of the Committee may determine.
- (3) No party to any proceedings before a Committee may be represented by an advocate and solicitor except that the person making the application on behalf of an applicant under section 160 or 161 may represent the applicant before a Committee although he may be an advocate and solicitor.
- (4) A Committee shall have the power to —

- (a) summon any person whom it may consider able to give evidence to attend at the hearing of an application; and
  - (b) examine such person as a witness and to require such person to produce such records, documents or articles as the Committee may think necessary for the purposes of the proceedings.
- (5) Every person examined as a witness by or before a Committee shall, notwithstanding any written law or rule of law relating to the confidentiality of medical information or any rule of practice relating to client confidentiality, be legally bound to state the truth and to produce such records, documents or articles as the Committee may require for the purposes of carrying out its functions and duties under this Part.
- (6) In proceedings under this Part, a Committee is to decide questions of fact on the balance of probabilities.
- (7) A Committee shall not be bound by the strict rules of evidence and shall determine the conduct of its proceedings.
- (8) At any meeting of a Committee under this Part —
- (a) all 3 members of the Committee shall be personally present to constitute a quorum; and
  - (b) any question arising at the meeting of the Committee shall be determined by a majority of votes of the members present and, in the case of an equality of votes, the chairman of the Committee shall have a casting vote.
- [SA *Problem Gambling 2004*, s. 11]

#### **Application for family exclusion order**

- 159.** —(1) An application for a family exclusion order may be made by —
- (a) a family member of the respondent adversely affected by the respondent's gambling; or
  - (b) a person referred to in section 160 or 161 on behalf of a family member referred to in paragraph (a).
- (2) An application shall be made to the Council in writing in the form approved by the Council, and the Council shall refer the application to a Committee.
- [SA *Problem Gambling 2004*, s. 7]

#### **Application by or on behalf of person below 21 years**

- 160.** An application that could otherwise be made by a person under this Part may, if the person is below the age of 21 years, be made —
- (a) by the person, with the permission of the Council, if the person is at least 16 years of age; or
  - (b) on behalf of the person by —
    - (i) a parent or guardian of the person; or
    - (ii) with the permission of the Council, any other family member or other relative of the person.
- [SA *Problem Gambling 2004*, s. 8]

#### **Application on behalf of incapacitated applicant**

- 161.** Where a person is unable to make an application (whether by reason of physical or mental infirmity or for any other reason), the application may be made on his behalf —
- (a) with the permission of the Council, by any family member or other relative of the person; or
  - (b) by any person appointed by the Minister.
- [Maint. *Parents Act*, s. 11]

#### **Grounds for making family exclusion order**

- 162.** —(1) On an application referred to a Committee under section 159 (2), the Committee may make a family exclusion order against a respondent if —
- (a) there is a reasonable apprehension that the respondent may cause serious harm to family members because of his gambling;
  - (b) the Committee is satisfied that the making of the order is appropriate in the circumstances;
  - (c) the respondent has been given an opportunity to object to the application; and
  - (d) the Committee is satisfied that it would be in the best interests of the respondent and his family members to make the order.
- (2) For the purposes of this Part, a respondent is to be regarded as having caused serious harm to family members because of his gambling if the respondent —

- (a) has engaged in gambling activities irresponsibly having regard to the needs and welfare of the respondent's family members; and
  - (b) has done so repeatedly over a period of not less than 3 months or in a particularly irresponsible manner over a lesser period.
- (3) A Committee may decide that there is a reasonable apprehension that a respondent may cause serious harm to family members because of his gambling if the Committee is satisfied that —
- (a) the respondent has caused such harm prior to the complaint, according to the test set out in subsection (2); and
  - (b) there is reason to believe that the respondent's irresponsible gambling behaviour will continue or recur.
- (4) A Committee may, in determining whether there is a reasonable apprehension that a respondent may cause serious harm to family members because of his gambling, take into account events that have taken place outside Singapore.
- (5) If a respondent disputes some or all of the grounds on which a family exclusion order is sought or made but consents to the order, a Committee may make or confirm the order without receiving any further submissions or evidence as to the grounds.
- (6) A Committee may, at any stage, dismiss an application if the Committee is satisfied that the application is frivolous, vexatious, without substance or has no reasonable prospect of success.
- (7) A Committee shall report to the Council its decision on every application referred to the Committee accordingly and briefly state the reasons for its decision.

[SA *Problem Gambling 2004*, s. 4]

### Terms of family exclusion order

**163.** —(1) A family exclusion order —

- (a) shall specify the period during which it is in force; and
  - (b) may apply for the benefit of all of the respondent's family members or specified family members.
- (2) Without limiting the matters that may be the subject of a family exclusion order, an order may do one or more of the following:
- (a) refer the respondent to participate in a program of counselling, rehabilitation or special education or any combination of these;
  - (b) bar the respondent from entering or remaining, or taking part in any gaming on any casino premises;
  - (c) require the respondent to close any deposit account in a casino;
  - (d) require a casino operator to close any deposit account of the respondent with the casino.

[SA *Problem Gambling 2004*, s. 5]

### Making family exclusion order in respondent's absence

**164.** —(1) A family exclusion order may be made in the absence of the respondent if the respondent was required by summons to appear at the hearing of the application and failed to appear at the time and place appointed for the purpose.

- (2) A Committee may from time to time, without requiring the attendance of any party, adjourn the hearing to which a respondent is summoned to a later date if satisfied that the summons has not been served or that there is other adequate reason for the adjournment.
- (3) The date fixed in the first instance for the hearing to which the respondent is summoned must be within 28 days of the date of the application.
- (4) The date fixed for an adjourned hearing must be within 28 days of the date on which the adjournment is ordered unless the Committee is satisfied that —
  - (a) a later date is required to enable the summons to be served; or
  - (b) there is other adequate reason for fixing a later date.
- (5) An order made under this section —
  - (a) continues in force until the conclusion of the hearing to which the respondent is summoned or, if the hearing is adjourned, until the conclusion of the adjourned hearing; but
  - (b) will not be effective after the conclusion of the hearing to which the respondent is summoned or the adjourned hearing unless the Committee confirms the order —
    - (i) on the failure of the respondent to appear at the hearing in obedience to the summons;
    - (ii) having considered any evidence given by or on behalf of the respondent; or
    - (iii) with the consent of the respondent.
- (6) A Committee may confirm a family exclusion order in an amended form.

(7) If a hearing is adjourned, the Committee at the adjourned hearing need not be constituted of the same members as constituted the Committee when it ordered the adjournment.  
[SA *Problem Gambling 2004*, s. 9]

### Committee may make exclusion order in certain circumstances

**165.** —(1) A Committee may, on its own motion, by written order make an exclusion order against a person if it comes to the attention of the Committee that the person has a poor credit record.

(2) *Deleted by Act 22/2009, wef 15/10/2009.*

(3) Before a Committee makes an exclusion order against any person under subsection (1), the Committee shall give the person a reasonable opportunity to object to the proposed order.

(4) An exclusion order made under subsection (1) shall bar the person named in the order from entering or remaining on any casino premises for as long as the circumstances in subsection (1) exist in relation to that person or for such other period as may be specified in the order.

(5) A Committee may, at any time, revoke an exclusion order made under subsection (1) against a person if, having regard to all the circumstances of the case, the Committee is of the opinion that an exclusion order would no longer be in the best interests of the person and his family members.

(6) A person who is aggrieved by an exclusion order made against him by a Committee under subsection (1) may, within 30 days of being notified of the decision of the Committee, appeal to the Council whose decision shall be final.

### Persons to be excluded from casino

**165A.** —(1) The following persons shall be excluded from entering or remaining, or taking part in any gaming, on any casino premises:

(a) a person who is on any social assistance programme funded by the Government or any statutory body;

(b) an undischarged bankrupt;

(c) a person who has made a voluntary application in the prescribed form and manner to the Council to be excluded from entering or remaining, or taking part in any gaming, on any casino premises.

(2) A person referred to in subsection (1)(a) or (b) shall be excluded from entering or remaining, or taking part in any gaming, on any casino premises for so long as the circumstances in subsection (1)(a) or (b) exist in relation to that person.

(3) A person referred to in subsection (1)(c) shall be excluded from entering or remaining, or taking part in any gaming, on any casino premises until such time as the person notifies the Council in the prescribed form and manner that he wishes to cease to be so excluded.

(4) The Council shall establish, maintain and regularly update a list that sets out the names and particulars of persons for the time being excluded from the casino premises under subsection (1), and shall furnish the list to the following persons:

(a) the Authority;

(b) the Commissioner of Police; and

(c) every casino operator.

(5) Upon being satisfied that any person whose name is on the list of excluded persons has ceased to be on a social assistance programme referred to in subsection (1)(a) or has ceased to be an undischarged bankrupt, or upon receiving a notice under subsection (3) from any such person, the Council shall —

(a) remove the name and particulars of the person from the list of excluded persons; and

(b) notify the persons referred to in subsection (4)(a), (b) and (c) of the removal.

(6) Without prejudice to subsection (5), the Council may, from time to time, vary or update the list of excluded persons —

(a) to correct any clerical or other error in the names or particulars therein;

(b) to include the names and particulars of new persons excluded from any casino premises under subsection (1); or

(c) to update any of the names or particulars therein in order that they remain sufficient to identify any excluded person, and the Council shall notify the persons referred to in subsection (4)(a), (b) and (c) of those variations and updates.

(7) It shall be a defence to disciplinary action for a contravention of section 126(1) by permitting a person referred to in subsection (1) to enter or remain on the casino premises if it is proved that —

(a) before the person entered the casino premises or while the person was on the casino premises, there was produced to the casino operator or to its agent or employee proof of the person's identity; and

(b) at that time, the person's name and particulars were not on the list of excluded persons furnished by the Council to the casino operator.

(8) It shall be lawful for the person for the time being in charge of a casino, an agent of the casino operator or a casino employee to refuse entry to, or remove or cause to be removed from the casino premises using no more force than is reasonably necessary, any person whose name and particulars are at that time on the list of excluded persons furnished by the Council to the casino operator.

(9) In this section, “list of excluded persons” means the list established and maintained under subsection (4) and includes that list as varied or updated from time to time in accordance with subsection (5) or (6).

#### **Variation or revocation of family exclusion order or exclusion order by Council**

**166.** —(1) The Council may confirm, vary or revoke a family exclusion order or an exclusion order on application by —

- (a) a family member for whose benefit the family exclusion order was made; or
- (b) the respondent.

(2) An application for variation or revocation of an order under subsection (1) may be made by the respondent only with the permission of the Council and permission is only to be granted if the Council is satisfied that there has been a substantial change in the relevant circumstances since the order was made or last varied.

(3) The Council shall, before confirming, varying or revoking an order under this section, allow the respondent and, in the case of a family exclusion order, a family member for whose benefit the order was made, a reasonable opportunity to be heard on the matter.

(4) The decision of the Council under this section shall be final.

[SA *Problem Gambling 2004*, s. 10]

#### **Service of family exclusion order or exclusion order**

**167.** —(1) A family exclusion order or an exclusion order made by a Committee must be served on the respondent and is not binding on the person named in the order until it has been so served.

(2) If a family exclusion order or an exclusion order is confirmed in an amended form or is varied at any time, the order in its amended or varied form must be served on the respondent and until so served —

- (a) the variation is not binding on the respondent; and
- (b) the order as in force prior to the variation continues to be binding on the respondent.

[SA *Problem Gambling 2004*, s. 12]

#### **Notification of family exclusion order or exclusion order**

**168.** As soon as practicable after a family exclusion order or an exclusion order is made, varied or revoked under this Part, the Council shall notify the following persons of the order or the variation or revocation thereof, as the case may be:

- (a) the applicant, in the case of a family exclusion order;
- (b) the Authority;
- (c) the Commissioner of Police; and
- (d) every casino operator.

#### **Secrecy of proceedings of Committee**

**169.** —(1) Except as provided under section 168 and this section, the proceedings of a Committee shall be secret.

(2) No member of a Committee shall disclose or divulge to any person, other than —

- (a) the Minister;
- (b) any member or officer of the Council; or
- (c) any officer of the Authority,

any matter which has arisen at any proceedings of the Committee unless he is expressly authorised to do so by the Minister.

[*Maint. Religious Harmony Act*, s. 7]

#### **Rules**

**170.** —(1) The Council may, with the approval of the Minister, make such rules as may be necessary or expedient to give effect to the provisions and purposes of this Part and for the due administration thereof.

- (2) Without prejudice to the generality of subsection (1), the Council may, with the approval of the Minister, make rules to prescribe —
- (a) the procedure for the conduct of any proceedings by the Council;
  - (b) the procedure for the conduct of any proceedings by a Committee;
  - (c) the forms necessary for the administration of this Part; and
  - (d) any fees for an application and other charges for the purposes of this Part.

## **PART XI GENERAL OFFENCES**

### **Possession of certain things prohibited**

- 171.** —(1) A person shall not use any device for the purpose of enabling the person or some other person to count or otherwise record cards dealt in the course of gaming in the casino.
- (2) A person shall not, in any casino or on premises within any designated site, use or have in his possession —
- (a) chips that he knows or has reason to believe are bogus or counterfeit chips;
  - (b) cards, dice or coins that he knows or has reason to believe have been marked, loaded or tampered with;
  - (c) any equipment, device or thing that permits or facilitates cheating or stealing; or
  - (d) such other thing as may be prescribed.
- (3) Any person who contravenes subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction —
- (a) in the case of an individual, to a fine not exceeding \$150,000 or to imprisonment for a term not exceeding 7 years or to both; or
  - (b) in the case of a corporation, to a fine not exceeding \$300,000.
- (4) Subsection (2) does not prohibit the possession in a casino of any thing referred to in that subsection by a person in charge of the casino, an agent of the casino operator, a casino employee, an inspector, or a police officer, if that thing has been seized by any of those persons from another person for use as evidence in proceedings for an offence.
- [Vic. CCA 1991, s. 80]

### **Unlawful interference with gaming equipment**

- 172.** —(1) A person shall not, in a casino or on premises within any designated site —
- (a) be in possession of any device made or adapted, or intended by the person to be used, for improperly interfering with gaming equipment;
  - (b) do any act or thing calculated, or likely, to improperly interfere with gaming equipment; or
  - (c) insert, or cause to be inserted, in a gaming machine any thing other than Singapore currency or a gaming token of the denomination or type displayed on the gaming machine as a gaming token to be used in order to operate or gain credit on the gaming machine.
- (2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction —
- (a) in the case of an individual, to a fine not exceeding \$150,000 or to imprisonment for a term not exceeding 7 years or to both; or
  - (b) in the case of a corporation, to a fine not exceeding \$300,000.
- (3) If a police officer or an inspector believes on reasonable grounds that a person has committed an offence under subsection (1), the police officer or inspector may search the person for any device or thing that the police officer or inspector suspects was used in the commission of the offence.
- [Vic. Gam. RA 2003, s. 3.5.10]

### **Possession of chips outside designated site**

- 173.** —(1) A person shall not, except in a casino or on premises within any designated site, have in his possession chips the aggregate value of which exceeds \$10,000 or such other amount as may be prescribed in substitution thereof.
- (2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$150,000 or to imprisonment for a term not exceeding 5 years or to both.

### **Forgery and counterfeiting**

**174.** —(1) No person shall —

(a) forge or counterfeit chips, a chip purchase voucher, a licence under this Act or a special employee's form of identification; or

(b) use as genuine counterfeit chips or a forged or counterfeit chip purchase voucher, licence under this Act or special employee's form of identification, knowing or having reason to believe the same to be forged or counterfeit.

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$150,000 or to imprisonment for a term not exceeding 7 years or to both; or

(b) in the case of a corporation, to a fine not exceeding \$300,000.

[Vic. CCA 1991, s. 153B]

### **Impersonation**

**175.** —(1) No person shall impersonate —

(a) the holder of a special employee licence; or

(b) an inspector.

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 3 years or to both.

[Vic. CCA 1991, s. 153B]

### **Refusal to provide information, etc.**

**176.** —(1) Any person who —

(a) fails, without reasonable excuse, to produce for inspection any machinery, equipment or records in the possession or under the control of the person when required to do so by an inspector or a police officer in the performance of his functions under this Act; or

(b) fails, without reasonable excuse, to attend before an inspector or a police officer and answer questions or supply information when required to do so by the inspector or police officer in the performance of his functions under this Act, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both.

(2) If a person is charged with an offence under subsection (1) in respect of a requirement to produce a document, it shall be a defence for him to prove that —

(a) the document was not in his possession or under his control; and

(b) it was not reasonably practicable for him to comply with the requirement.

(3) If a person is charged with an offence under subsection (1) in respect of a requirement —

(a) to provide information;

(b) to provide an explanation of a document; or

(c) to state where a document is to be found,

it shall be a defence for him to prove that he had a reasonable excuse for failing to comply with the requirement.

### **Destroying or falsifying documents**

**177.** Any person who, having been required to produce a document to the Authority, an inspector or an authorised person under this Act —

(a) intentionally or recklessly destroys or otherwise disposes of it, falsifies it or conceals it; or

(b) causes or permits its destruction, disposal, falsification or concealment,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 or to imprisonment for a term not exceeding 2 years or to both.

### **False or misleading information**

**178.** —(1) Any person who provides information to the Authority, a police officer, an inspector or any authorised person in connection with any application to the Authority or any function or duty of the Authority, police officer, inspector or authorised person under this Act shall be guilty of an offence if —

(a) the information is false or misleading in a material particular; and



(b) he knows that it is false or misleading in a material particular or is reckless as to whether it is so.

(2) A person who —

(a) provides any information to another person, knowing the information to be false or misleading in a material particular; or  
 (b) recklessly provides any information to another person which is false or misleading in a material particular, knowing that the information is to be used for the purpose of providing information to the Authority, a police officer, an inspector or any authorised person in connection with any application to the Authority or any function or duty of the Authority, police officer, inspector or authorised person under this Act, shall be guilty of an offence.

(3) Any person guilty of an offence under subsection (1) or (2) shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both.

#### **Obstructing officer of Authority, etc.**

**179.** Any person who refuses to give access to, or obstructs, hinders or delays —

(a) any member, officer, employee or agent of the Authority authorised to act for or assist the Authority;  
 (b) any inspector or person assisting an inspector; or  
 (c) any authorised person,

in the discharge of his duties under this Act shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both.

### **PART XII ENFORCEMENT POWERS AND PROCEEDINGS**

#### **Detention of suspected person**

**180.** —(1) A person who is —

(a) for the time being in charge of a casino;  
 (b) an agent of the casino operator; or  
 (c) a casino employee,

and who suspects on reasonable grounds that a person within the casino premises is committing, attempting to commit or has committed any offence under Part XI or under a prescribed provision of this Act may detain the suspected person in a suitable place on or near the casino premises until the arrival at the place of detention of a police officer or an inspector.

(2) A person may not be detained under this section unless —

(a) no more force is used than may be reasonably necessary;  
 (b) the person detained is informed of the reasons for the detention; and  
 (c) the person effecting the detention immediately notifies a police officer or an inspector of the detention and the reasons for the detention.

[Vic. CCA 1991, s. 81]

#### **Powers of enforcement**

**181.** —(1) In addition to the powers conferred on him by this Act or any other written law, an inspector or authorised person may, in relation to any offence under this Act, on declaration of his office and production to the person against whom he is acting such identification card as the Chief Executive may direct to be carried by inspectors or authorised persons —

(a) require any person whom he reasonably believes to have committed that offence to furnish evidence of the person's identity;  
 (b) require any person to furnish any information or produce any book, document or copy thereof in the possession of that person, and may, without fee or reward, inspect, copy or make extracts from such book or document; or  
 (c) require, by order in writing, the attendance before the inspector or authorised person of any person within the limits of Singapore who, from any information given or otherwise obtained by the officer or employee, appears to be acquainted with the circumstances of the case.

(2) Any person who —

(a) wilfully mis-states or without lawful excuse refuses to give any information or produce any book, document or copy thereof required of him by an inspector or authorised person under subsection (1); or  
 (b) fails to comply with a lawful demand of an inspector or authorised person in the discharge by such inspector or authorised person of his duties under this Act or any other written law,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both.

### **Powers of arrest**

**182.** —(1) Any inspector or authorised person may arrest without warrant any person whom he reasonably believes has committed a seizureable offence under this Act.

(2) Any inspector or authorised person who is not a police officer may exercise all or any of the powers in relation to investigations into a seizureable offence conferred on a police officer by the Criminal Procedure Code (Cap. 68) in any case relating to the commission of a seizureable offence under this Act or in any case where a seizureable offence is disclosed under any written law in the course of an investigation under this Act.

(3) For the purposes of this section, offences punishable with imprisonment for 3 years or upwards and an offence under section 179 shall be deemed to be seizureable offences within the meaning of the Criminal Procedure Code.

### **Refusal to give name and residence**

**183.** —(1) Any inspector or authorised person may arrest any person whom he reasonably believes has committed a non-seizable offence under this Act in order that his name or residence may be ascertained, if that person —

(a) refuses on the demand of the inspector or authorised person to give his name and residence;

(b) gives a name or residence which the inspector or authorised person has reason to believe to be false; or

(c) gives as his residence a place not within Singapore.

(2) Any person arrested under subsection (1) shall, within 24 hours from the arrest or immediately in the case of a person who gives his residence as a place outside Singapore, be taken before a Magistrate's Court, unless before that time his true name and residence are ascertained, in which case he shall be immediately released on his executing a bond with or without sureties before a police officer not below the rank of inspector for his appearance before a Magistrate's Court, if so required.

(3) When any person is taken before a Magistrate's Court, the Court may either require him to execute a bond with or without a surety for his appearance before a Magistrate's Court if so required, or may order him to be detained in custody until he can be tried.

### **Appeal to Minister against Authority's decision**

**184.** —(1) Except as otherwise provided in this section, any decision of the Authority under this Act is final and is not subject to appeal or review.

(2) A person aggrieved by any decision of the Authority —

(a) to cancel or suspend, or to refuse to grant, any licence or other authorisation;

(b) to amend, or to refuse to amend, the conditions of any licence;

(c) to issue, or to refuse to revoke, any exclusion order under section 121; or

(d) to require the termination of a contract under section 76,

may, within 28 days of receipt of the decision, appeal to the Minister whose decision shall be final.

(3) An appeal shall —

(a) be in writing; and

(b) specify the grounds on which it is made.

(4) After consideration of an appeal, the Minister may —

(a) reject the appeal and confirm the decision; or

(b) allow the appeal (in whole or part) and substitute a new decision or vary the decision,

and the appellant shall be notified in writing of the Minister's decision in respect of his appeal accordingly.

(5) Nothing in this section prejudices the right of the Authority to make a further decision in respect of that person for a reason considered sufficient by the Authority.

(6) An appeal against a decision does not affect the operation of the decision or prevent the taking of action to implement the decision.

[*Vic. CCA 1991, s. 155*]

### **No right to compensation for cancellation, etc.**

**185.** Subject to section 4, no right to compensation enforceable against the Authority arises in relation to the cancellation, suspension or variation of the terms of any licence, or an amendment of the conditions of any licence, under this Act.  
[Vic. CCA 1991, s. 156]

### Information gathering for law enforcement purposes

**186.** —(1) For the purpose of carrying out its duties and functions under this Act or obtaining information that may be of assistance to a law enforcement agency, the Authority may direct a casino operator in writing to provide the Authority with information obtained by the casino operator concerning the operations of the casino.

(2) Such direction may relate to particular information or to information generally and may relate to particular or general information concerning a specified person.

(3) The direction shall specify —

- (a) the kind of information that the casino operator is required to provide; and
- (b) the manner in which the information is to be provided.

(4) It is a condition of a casino licence that the casino operator shall comply with such a direction.

(5) The Authority may make information obtained by the Authority under this section available to any law enforcement agency.

(6) In this section, “law enforcement agency” means —

- (a) the Singapore Police Force;
- (b) the Central Narcotics Bureau;
- (c) the Corrupt Practices Investigation Bureau; or
- (d) any other authority or person responsible for the enforcement of any written law.

(7) The provisions of this section are in addition to, and not in derogation of, any other written law conferring powers on any law enforcement agency to obtain information.

[Vic. CCA 1991, s. 166]

### Protection of informers

**187.** —(1) Except as provided in subsection (3), no witness in any civil or criminal proceedings shall be obliged —

- (a) to disclose the name and address of any informer who has given information with respect to an offence under this Act; or
- (b) to answer any question if the answer thereto would lead, or would tend to lead, to the discovery of the name or address of any informer.

(2) If any book, document or paper which is in evidence or liable to inspection in any civil or criminal proceedings contains any entry in which any informer is named or described or which may lead to his discovery, the court shall cause those entries to be concealed from view or to be obliterated so far as may be necessary to protect the informer from discovery.

(3) If —

- (a) in any proceedings before a court for an offence under this Act, the court, after full inquiry into the case, is satisfied that an informer wilfully made a material statement which he knew or believed to be false or did not believe to be true; or
- (b) in any other proceedings, the court is of the opinion that justice cannot be fully done between the parties thereto without the disclosure of the name of an informer,

the court may permit inquiry and require full disclosure concerning the informer.

[Misuse of Drugs Act, s. 23]

### Evidence

**188.** —(1) In proceedings under this Act, an assertion —

- (a) that, at a specified time or during a specified period, a specified person was the Minister administering any Act;
  - (b) that, at a specified time or during a specified period, a specified person held, or is acting in, a specified office;
  - (c) that a signature purporting to be the signature of a Minister, an inspector, a police officer or an authorised person is the signature it purports to be;
  - (d) that, at a specified time or during a specified period, a specified person was, or was not, the holder of a specified licence, permit, approval or other authorisation under this Act; or
  - (e) that, at a specified time, a person attained a specified age or that, at a specified time or during a specified period, a specified person was below or above a specified age,
- is evidence of the fact or facts asserted.

(2) In proceedings under this Act —

(a) a document purporting to be a copy of a direction, notice, order, requirement or decision given or made under this Act is evidence of a direction, notice, order, requirement or decision of which it purports to be a copy;

(b) a document purporting to be a copy of a licence, permit, approval or other authorisation under this Act is evidence of the licence, permit, approval or authorisation of which it purports to be a copy; and

(c) evidence that a person accepted service of a document is evidence of the authority of the person to accept service of the document.

[*Vic. Gam. RA 2003, s. 10.5.32*]

### **PART XIII MISCELLANEOUS**

#### **Offences by bodies corporate, etc.**

**189.** —(1) Where an offence under this Act committed by a body corporate is proved —

(a) to have been committed with the consent or connivance of an officer of the body corporate; or

(b) to be attributable to any neglect on his part,

the officer as well as the body corporate shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

(2) Where the affairs of a body corporate are managed by its members, subsection (1) shall apply in relation to the acts and defaults of a member in connection with his functions of management as if he were a director of the body corporate.

(3) Where an offence under this Act committed by a partnership is proved —

(a) to have been committed with the consent or connivance of a partner; or

(b) to be attributable to any neglect on his part,

the partner as well as the partnership shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

(4) Where an offence under this Act committed by an unincorporated association (other than a partnership) is proved —

(a) to have been committed with the consent or connivance of an officer of the unincorporated association or a member of its governing body; or

(b) to be attributable to any neglect on the part of such an officer or member,

the officer or member as well as the unincorporated association shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

(5) In this section —

"body corporate" includes a limited liability partnership which has the same meaning as in section 2 (1) of the Limited Liability Partnerships Act (Cap. 163A);

"officer" —

(a) in relation to a body corporate, means any director, partner, member of the committee of management, Chief Executive, manager, secretary or other similar officer of the body corporate and includes any person purporting to act in any such capacity; or

(b) in relation to an unincorporated association (other than a partnership), means the president, the secretary, or any member of the committee of the unincorporated association, or any person holding a position analogous to that of president, secretary or member of a committee and includes any person purporting to act in any such capacity;

"partner" includes a person purporting to act as a partner.

(6) Regulations may provide for the application of any provision of this section, with such modifications as the Authority considers appropriate, to any body corporate or unincorporated association formed or recognised under the law of a territory outside Singapore.

#### **Preservation of secrecy**

**190.** —(1) Except for the purpose of the performance of his duties or the exercise of his functions or when lawfully required to do so by any court or under the provisions of any written law, no person who is or has been —

(a) a member, an officer, an employee or an agent of the Authority;

(b) a person on secondment or attachment to the Authority;

(c) a person authorised, appointed, employed or directed by the Authority to exercise the Authority's powers, perform the Authority's functions or discharge the Authority's duties or to assist the Authority in the exercise of its powers, the performance of its functions or the discharge of its duties under this Act or any other written law;

(d) an inspector or a person authorised, appointed or employed to assist an inspector in connection with any function or duty of the inspector under this Act; or

(e) an officer of the Inland Revenue Authority of Singapore, shall disclose any information relating to the affairs of the Authority or of any other person which has been obtained by him in the performance of his duties or the exercise of his functions.

(1A) Notwithstanding subsection (1), any person referred to in paragraphs (a) to (d) of that subsection may —

(a) furnish to the Comptroller of Income Tax or an officer of the Inland Revenue Authority of Singapore any information relating to casino tax which may be required by the Comptroller or officer in the performance of his duties; and

(b) permit the Comptroller of Income Tax or an officer of the Inland Revenue Authority of Singapore to have access to, including taking copies of, such records or documents relating to casino tax in the possession of the Authority as the Chief Executive may allow,

where the Chief Executive is satisfied that such information or access is necessary for the performance of the duties of the Comptroller or officer.

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$2,000 or to imprisonment for a term not exceeding 2 years or to both.

### **Co-operation between Authority and foreign casino regulatory bodies**

**191.** —(1) The Authority may, with the approval of the Minister, enter into arrangements with any foreign casino regulatory body whereby each party to the arrangements may —

(a) furnish to the other party information in its possession if the information is required by that other party for the purpose of performance by it of any of its functions; and

(b) provide such other assistance to the other party as will facilitate the performance by that other party of any of its functions.

(2) The Authority shall not furnish any information to a foreign casino regulatory body pursuant to such arrangements unless it requires of, and obtains from, that body an undertaking in writing by it that it will comply with terms specified in that requirement, including terms that correspond to the provisions of any other written law concerning the disclosure of that information by the Authority.

(3) The Authority may give an undertaking to a foreign casino regulatory body that it will comply with terms specified in a requirement made of the Authority by the body to give such an undertaking where —

(a) those terms correspond to the provisions of any law in force in the country or territory in which the body is established, being provisions which concern the disclosure by the body of the information referred to in paragraph (b); and

(b) compliance with the requirement is a condition imposed by the body for furnishing information in its possession to the Authority pursuant to the arrangements referred to in subsection (1).

(4) In this section, "foreign casino regulatory body" means a person in whom there are vested functions under the law of another country or territory with respect to the enforcement or the administration of provisions of law of that country or territory concerning casinos.

[*Competition Act*, s. 88]

### **Protection from liability**

**192.** No action, suit or other legal proceedings shall lie against the Authority or personally against —

(a) any member, officer, employee or agent of the Authority;

(b) any member of the Council, any person authorised, appointed or employed to assist the Council or any member of any Committee of Assessors constituted under section 157 (1);

(c) any person who is on secondment or attachment to the Authority;

(d) any person authorised, appointed, employed or directed by the Authority to exercise the Authority's powers, perform the Authority's functions or discharge the Authority's duties or to assist the Authority in the exercise of its powers, the performance of its functions or the discharge of its duties under this Act or any other written law; or

(e) any inspector or any person authorised, appointed or employed to assist an inspector in connection with any function or duty of the inspector under this Act,

for anything done (including any statement made) or omitted to be done in good faith in the course of or in connection with

- (i) the exercise or purported exercise of any power under this Act or any other written law;
- (ii) the performance or purported performance of any function or the discharge or purported discharge of any duty under this Act or any other written law; or
- (iii) the compliance or purported compliance with this Act or any other written law.

### **Public servants**

**193.** All members, officers and employees of the Authority, all inspectors and all members of the Council and any Committee of Assessors constituted under section 157 (1) shall be deemed to be public servants for the purposes of the Penal Code (Cap. 224).

### **Jurisdiction of court**

**194.** Notwithstanding any provision to the contrary in the Criminal Procedure Code (Cap. 68), a District Court shall have jurisdiction to try any offence under this Act and shall have power to impose the full penalty or punishment in respect of the offence.

### **General penalty**

**195.** —(1) Any casino operator guilty of an offence under this Act for which no penalty is expressly provided shall be liable on conviction to a fine not exceeding \$100,000.

(2) Any person (other than a casino operator) guilty of an offence under this Act for which no penalty is expressly provided shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 12 months or to both.

(3) Unless otherwise expressly provided, where a corporation (other than a casino operator) is convicted of an offence under this Act, the penalty that the court may impose is a fine not exceeding 2 times the maximum amount that, but for this subsection, the court could impose as a fine for that offence.

### **Composition of offences**

**196.** —(1) The Authority may, in its discretion, compound any offence under this Act which is prescribed as a compoundable offence by collecting from a person reasonably suspected of having committed the offence a sum not exceeding —

- (a) one half of the amount of the maximum fine that is prescribed for the offence; or
- (b) \$5,000,

whichever is the lower.

(2) On payment of such sum of money, no further proceedings shall be taken against that person in respect of the offence.

(3) The Authority may, with the approval of the Minister, make regulations to prescribe the offences which may be compounded.

(4) All sums collected under this section shall be paid to the Authority.

### **Fines and financial penalties to be paid to Authority**

**197.** —(1) All fines imposed under this Act (other than a fine imposed under Part IX or any regulations made thereunder) shall be paid to the Authority.

(2) Any financial penalty payable by any person under this Act (other than a penalty payable under Part IX or any regulations made thereunder) shall be paid to the Authority and recoverable by the Authority as a debt due to the Authority from that person; and the person's liability to pay shall not be affected by his licence ceasing, for any reason, to be in force.

### **General exemption**

**198.** The Authority may, with the approval of the Minister, by order, exempt any person or premises or any class of persons or premises from all or any of the provisions of this Act, subject to such terms or conditions as may be specified in the order.

### Service of summonses and notices, etc.

**199.** —(1) Any summons, notice, order or document required or authorised by this Act to be given to or served on any person, and any summons issued by a court against any person in connection with any offence under this Act may be served on the person —

(a) by delivering it to the person or to some adult member or employee of his family or household at his last known place of residence;

(b) by leaving it at his usual or last known place of residence or place of business in an envelope addressed to the person;

(c) by sending it by registered post addressed to the person at his usual or last known place of residence or place of business; or

(d) in the case of an incorporated company, a partnership or a body of persons —

(i) by delivering it to the secretary or other like officer of the company, partnership or body of persons at its registered office or principal place of business; or

(ii) by sending it by registered post addressed to the company, partnership or body of persons at its registered office or principal place of business.

(2) Any notice, order, document or summons sent by registered post to any person in accordance with subsection (1) shall be deemed to be duly served on the person at the time when the notice, order, document or summons, as the case may be, would in the ordinary course of post be delivered and, in proving service of the notice, order, document or summons, it shall be sufficient to prove that the envelope containing the same was properly addressed, stamped and posted by registered post.

(3) Any notice, order or document required or authorised by this Act to be served on the owner or occupier of any premises or any summons issued by a court against any such owner or occupier in connection with any offence under this Act may be served by delivering it or a true copy thereof to some adult person on the premises or, if there is no such person on the premises to whom it can with reasonable diligence be delivered, by affixing the notice, order, document or summons to some conspicuous part of the premises.

(4) Any notice, order or document required or authorised by this Act to be served on the owner or occupier of any premises or any summons issued by a court against any such owner or occupier in connection with any offence under this Act shall be deemed to be properly addressed if addressed by the description of the owner or occupier of the premises without further name or description.

### Regulations

**200.** —(1) The Authority may, with the approval of the Minister, make regulations for any purpose for which regulations are required to be made under this Act and generally for carrying out the purposes and provisions of this Act.

(2) Without prejudice to the generality of subsection (1), the Authority may, with the approval of the Minister, make regulations for or with respect to all or any of the following matters:

(a) the manner of appointment, conduct and discipline and the terms and conditions of service of inspectors and other employees of the Authority;

(b) the establishment of funds for the payment of gratuities and other benefits to employees of the Authority;

(c) the fees to be charged in respect of anything done or any services rendered by the Authority under or by virtue of this Act;

(d) the installations, devices and equipment to be provided on casino premises for gaming, surveillance, communications and other purposes and the maintenance of the installations, devices and equipment;

(e) the hours of operation of a casino and any temporary cessation of operation;

(f) the facilities and amenities to be provided for patrons of, and inspectors on duty in, a casino and the maintenance of those amenities;

(g) the provision to players of gaming machines in a casino of information relevant to gaming on gaming machines;

(h) the adjudicating of disputes between a casino operator and its patrons;

(i) the provision and security of drop boxes and other places for the depositing of money;

(j) advertising relating to a casino;

(k) the submission of reports by casino operators;

(l) regulating within casino premises the activities of persons who are on the casino premises in the course of their employment or prohibiting any of those activities;

(m) the testing of operations, or of proposed operations, in a casino;

(n) regulating the conduct of gaming and provision of credit for gaming in a casino;

- (o) standards for the manufacture or supply of gaming equipment for use in a casino;
  - (p) the movement, acquisition, storage, servicing, rectification or destruction of gaming equipment used or for use in a casino;
  - (q) the form of controlled contracts within the meaning of section 72, the approval of the Authority in relation to specified classes of those contracts and the requirements for disclosure to the Authority of any such contracts;
  - (r) the establishment of a system of awarding demerit points for the purpose of disciplinary actions against casino operators, licensed special employees of a casino or licensed junket promoters;
  - (s) the hearing of appeals to the Minister;
  - (t) anti-money-laundering requirements;
  - (u) additional duties of auditors of casino operators;
  - (v) any other matter or thing required or permitted to be prescribed or necessary to be prescribed to give effect to this Act.
- (3) Regulations made under this Act —
- (a) may provide that any contravention of any provision of the regulations shall be an offence punishable with —
    - (i) in the case of a casino operator, a fine not exceeding \$100,000; or
    - (ii) in any other case, a fine not exceeding \$10,000 or imprisonment for a term not exceeding 12 months or both;
  - (b) may be of general or of specially limited application;
  - (c) may differ according to differences in time, place or circumstance; and
  - (d) may provide for such transitional, savings and other consequential, incidental and supplemental provisions as the Minister considers necessary or expedient.
- [Vic. CCA 1991, s. 167]

### Related amendments to Civil Law Act

**201.** Section 5 of the Civil Law Act (Cap. 43) is amended by inserting, immediately after subsection (3), the following subsections:

"(3A) Subsections (1) and (2) shall not apply to —

- (a) a contract for gaming that is conducted under the control or supervision of a person or an organisation that is exempted under section 24 of the Common Gaming Houses Act (Cap. 49) from the provisions of that Act in respect of such gaming;
- (b) a contract for betting that is held, promoted, organised, administered or operated by a person or an organisation that is exempted under section 22 of the Betting Act (Cap. 21) from the provisions of that Act in respect of such betting, only if the betting takes place under the control or supervision of that person or organisation;
- (c) a contract for betting that takes place on a totalisator conducted by or on behalf of the Singapore Totalisator Board or a turf club in accordance with an approved scheme; and
- (d) a contract to participate in a private lottery promoted or conducted by the holder of a permit granted under section 4 of the Private Lotteries Act (Cap. 250).

(3B) In the case of a person or an organisation exempted under section 24 of the Common Gaming Houses Act in respect of any gaming conducted for or on behalf of another person or organisation, subsection (3A) (a) applies only if the contract is for gaming conducted by that person or organisation for or on behalf of that other person or organisation.

(3C) Subsection (3A) (a) shall not apply to any gaming conducted in premises owned or used by a private body exempted under the Common Gaming Houses Act.

(3D) In the case of a person or an organisation exempted under section 22 of the Betting Act in respect of any betting held, promoted, organised, administered or operated for or on behalf of another person or organisation, subsection (3A) (b) applies only if the contract is for betting held, promoted, organised, administered or operated by that person or organisation for or on behalf of that other person or organisation.

(3E) In subsection (3A) —

"contract" excludes a contract for or which involves —

- (a) the lending of any money or other valuable thing for such gaming or wagering;
- (b) the extension of any form of credit for such gaming or wagering; or
- (c) the giving of security in respect of the act referred to in paragraph (a) or (b);

"private body" has the same meaning as in any notification made under the Common Gaming Houses Act (Cap. 49) which exempts gaming conducted in premises owned or used by a private body;

"private lottery" has the same meaning as in the Private Lotteries Act (Cap. 250);

"totalisator", "Singapore Totalisator Board", "turf club" and "approved scheme" have the same meanings as in the Singapore Totalisator Board Act (Cap. 305A).



## Related amendments to Income Tax Act

**202.** The Income Tax Act (Cap. 134) is amended —

(a) by inserting, immediately after subsection (7) of section 12, the following subsections:

“(8) There shall be deemed to be derived from Singapore any commission or other payment paid to a junket promoter for arranging a junket with a casino operator in Singapore which is —

(a) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore; or

(b) deductible against any income accruing in or derived from Singapore.

(9) In this section, “casino operator”, “junket” and “junket promoter” have the same meanings as in the Casino Control Act (Cap. 33A).”;

(b) by inserting, immediately after section 45G, the following section:

**“Application of section 45 to commission or other payment of junket promoter**

45H.—(1) Subject to subsection (2), section 45 shall apply in relation to the payment of any commission or other payment by any person to a junket promoter not known to him to be resident in Singapore for arranging a junket with a casino operator in Singapore as section 45 applies to any interest paid by a person to another person not known to him to be resident in Singapore and, for the purpose of such application, any reference in that section to interest shall be construed as a reference to such commission or payment.

(2) For the purpose of this section, the deduction of tax under section 45 shall be at the rate of 3%.

(3) In this section, “casino operator”, “junket” and “junket promoter” have the same meanings as in the Casino Control Act (Cap. 33A).”; and

(c) by deleting the words “or 45E (1) (a)” in section 46 (1) (a) and substituting the words “, 45E (1) (a) or 45H”.

## THE SCHEDULE

Section 7 (2)

### CONSTITUTION AND PROCEEDINGS OF AUTHORITY

#### Appointment of Chairman and other members

1. —(1) The Chairman and other members shall be appointed by the Minister.

(2) The Minister may appoint the Chief Executive to be a member of the Authority.

#### Tenure of office of members

2. A member shall hold office on such conditions and for such term, as the Minister may determine.

#### Deputy Chairman

3. —(1) The Minister may appoint any member to be the Deputy Chairman of the Authority.

(2) At any time when the Chairman is absent or otherwise incapable of acting and no temporary Chairman has been appointed, the Deputy Chairman may exercise any of the functions of the Chairman.

#### Temporary Chairman

4. The Minister may appoint any member to be a temporary Chairman during the temporary incapacity from illness or otherwise, or during the temporary absence from Singapore, of the Chairman.

#### Temporary members

5. The Minister may appoint any person to be a temporary member during the temporary incapacity from illness or otherwise, or during the temporary absence from Singapore, of any member.

### **Revocation of appointment**

6. The Minister may, at any time, revoke the appointment of the Chairman or the Deputy Chairman or any member without assigning any reason.

### **Resignation**

7. Any member may resign from his appointment at any time by giving notice in writing to the Minister.

### **Chairman may delegate functions**

8. The Chairman may, by instrument in writing, authorise any member to exercise any power or perform any function conferred on the Chairman by or under this Act.

### **Vacation of office**

9. The office of a member shall be vacated if the member —  
(a) has been absent, without leave of the Authority, from 3 consecutive meetings of the Authority; or  
(b) becomes in any manner disqualified from membership of the Authority.

### **Filling of vacancies**

10. If a member resigns, dies or has his appointment revoked or otherwise vacates his office before the expiry of the term for which he has been appointed, the Minister may appoint another person for the unexpired period of the term of office of the member in whose place he is appointed.

### **Disqualification from membership**

11. No person shall be appointed or shall continue to hold office as a member if he —  
(a) is of unsound mind;  
(b) is an undischarged bankrupt or has made any arrangement or composition with his creditors; or  
(c) is convicted of an offence involving dishonesty, fraud or moral turpitude and has not received a free pardon.

### **Disclosure of interest by members**

12. —(1) A member who is in any way, directly or indirectly, interested in —  
(a) a transaction or project of the Authority; or  
(b) a transaction or project involving a casino operator or an associate of a casino operator,  
shall disclose the nature of his interest at the first meeting of the Authority at which he is present after the relevant facts have come to his knowledge.  
(2) A disclosure under sub-paragraph (1) shall be recorded in the minutes of the meeting of the Authority and, after the disclosure, that member shall not take part in any deliberation of the Authority with respect to that transaction or project.  
(3) For the purpose of determining whether there is a quorum, a member shall be treated as being present at a meeting notwithstanding that under sub-paragraph (2) he cannot vote or has withdrawn from the meeting.

### **Salaries, fees and allowances payable to members**

13. There shall be paid to the Chairman and other members, out of the funds of the Authority, such salaries, fees and allowances as the Minister may from time to time determine.

### **Meetings and proceedings of Authority**

14. —(1) The Chairman shall summon meetings as often as may be required.  
(2) At every meeting of the Authority, a quorum shall consist of 3 members.

(3) A decision at a meeting of the Authority shall be adopted by a simple majority of the members present and voting except that in the case of an equality of votes the Chairman or member presiding shall have a casting vote in addition to his original vote.

(4) The Chairman or in his absence the Deputy Chairman shall preside at all meetings of the Authority.

(5) Where both the Chairman and the Deputy Chairman are absent at a meeting, such member as the members present may elect shall preside at that meeting.

(6) Where not less than 4 members of the Authority request the Chairman by notice in writing signed by them to convene a meeting of the Authority for any purpose specified in the notice, the Chairman shall, within 7 days from the receipt of the notice, convene a meeting for that purpose.

(7) The Authority may act notwithstanding any vacancy in its membership.

(8) Subject to the provisions of this Act, the Authority may make rules to regulate its own procedure generally, and, in particular, the holding of meetings, the notice to be given of such meetings, the proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.

### Validity of acts

15. The acts of a member shall be valid notwithstanding any defect in his appointment or qualifications.

### LEGISLATION HISTORY

#### Act 10 of 2006 — Casino Control Act 2006

Date of First Reading	:	16 January 2006 (Bill No. 3/2006 published on 17 January 2006)
Date of Second and Third Readings	:	14 February 2006
Date of commencement	:	1 June 2006 (section 2 only)

**CASINO CONTROL ACT**

**(CHAPTER 33A)**

**CASINO CONTROL (PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING) REGULATIONS 2009**

In exercise of the powers conferred by section 200 of the Casino Control Act, the Casino Regulatory Authority of Singapore, with the approval of the Minister for Home Affairs, hereby makes the following Regulations:

**PART I**

**PRELIMINARY**

1 Citation and commencement

2 Definitions

**PART II**

**CASH TRANSACTIONS IN CASINOS**

3 Duty to file cash transaction report

4 Prohibited transactions

5 Offences

**PART III**

**CUSTOMER DUE DILIGENCE AND RECORD-KEEPING**

6 When customer due diligence measures to be taken

7 No anonymous accounts or fictitious names

8 Identification measures for opening of patron account

9 Verification of identity for opening of patron account

10 Identification and verification of identity of beneficial owners

11 Identification and verification of identity for cash transaction of \$10,000 or more

12 Identification and verification of identity for deposit of \$5,000 or more

13 On-going monitoring of transactions

14 Enhanced customer due diligence for politically exposed persons

15 Where customer due diligence measures cannot be completed

16 Copy of suspicious transaction report to be given to Authority

**PART IV**

**INTERNAL POLICIES, ETC., AND TRAINING**

17 Internal policies, procedures and controls

18 Training

**CASINO CONTROL ACT  
(CHAPTER 33A)**

**CASINO CONTROL (PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING) REGULATIONS 2009**

In exercise of the powers conferred by section 200 of the Casino Control Act, the Casino Regulatory Authority of Singapore, with the approval of the Minister for Home Affairs, hereby makes the following Regulations:

**PART I  
PRELIMINARY**

**Citation and commencement**

1. These Regulations may be cited as the Casino Control (Prevention of Money Laundering and Terrorism Financing) Regulations 2009 and shall come into operation on 21st October 2009.

**Definitions**

2. In these Regulations, unless the context otherwise requires —

"authorised employee", in relation to any function, means an employee of a casino operator authorised by the casino operator to perform that function;

"beneficial owner", in relation to a patron account, means —

(a) in the case of a patron account opened in the name of a body corporate or unincorporate, an individual who ultimately owns or controls that body corporate or unincorporate; or

(b) a person on whose behalf the patron account is opened or the transactions in the patron account are conducted;

"cash" means currency notes and coins (whether of Singapore or of a foreign country) which are legal tender and circulate as money in the country of issue;

"cash transaction report" means a report of a significant cash transaction required under regulation 3(1);

"foreign country" means a country or territory outside Singapore;

"identifying information" means all of the following information:

(a) full name, including any alias used;

(b) date of birth, for an individual, or date of incorporation or registration, for a body corporate or unincorporate;

(c) address, which shall be —

(i) for an individual, the address of his usual place of residence; or

(ii) for a body corporate or unincorporate, the address of its principal place of business or office;

(d) contact number or numbers;

(e) nationality, for an individual, or place of incorporation or registration, for a body corporate or unincorporate;

(f) identification number, which shall be —

(i) for an individual, an identity card number, a passport number, a taxpayer identification number or the number of any other document of identity issued by any government as evidence of the individual's nationality or residence and bearing a photograph of the individual; or

(ii) for a body corporate or unincorporate, a registration number or the number of any other document issued by any government certifying the incorporation or existence of the body corporate or unincorporate;

(g) the type of identifying document referred to in paragraph (f) and its expiry date, if any;

"patron" means any person who —

(a) opens a patron account with a casino operator; or

(b) is involved in a cash transaction with a casino operator within its casino premises, whether or not that person participates in gaming in the casino;

"patron account" means a credit account, a cheque cashing account, a deposit account or any other account opened by or on behalf of a patron with a casino operator;

"significant cash transaction" means a single cash transaction referred to in regulation 3(1)(a) or collectively, the multiple cash transactions referred to in regulation 3(1)(b);

"suspicious transaction report" means a report disclosing any knowledge, suspicion or other matter made under section 39 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A);

"Suspicious Transaction Reporting Officer" has the same meaning as in the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act.

## **PART II CASH TRANSACTIONS IN CASINOS**

### **Duty to file cash transaction report**

3. —(1) A casino operator shall, before the end of the applicable reporting period, file with a Suspicious Transaction Reporting Officer a cash transaction report of the following in accordance with paragraph (2):

- (a) every cash transaction with a patron involving either cash in or cash out of \$10,000 or more in a single transaction;
- (b) multiple cash transactions which the casino operator knows are entered into by or on behalf of a patron, the aggregate of which is either cash in or cash out of \$10,000 or more in any gaming day.

(2) A cash transaction report shall —

(a) be in the form provided by the Suspicious Transaction Reporting Office established within the Commercial Affairs Department of the Singapore Police Force; and

(b) contain full and accurate information relating to the significant cash transaction being reported as specified in the form.

(3) Any casino operator filing a cash transaction report shall, at the time the report is filed or immediately thereafter, submit a copy of the report to the Authority.

(4) For the purposes of sub-paragraph (b) of paragraph (1), a casino operator is taken to have the knowledge referred to in that sub-paragraph, until the contrary is proved, if an officer, a director, or an employee of the casino operator, acting within the scope of his employment —

(a) knows that such multiple cash transactions by or on behalf of a patron have occurred; or

(b) has such knowledge from examining the books, records, logs, information retained on magnetic disk, tape or other machine-readable media, or in any manual system, or similar documents and information, which the casino operator maintains pursuant to any requirement under written law or in the ordinary course of its business, and which contain information that such multiple cash transactions by or on behalf of a patron have occurred.

(5) For a period of 5 years from the date of filing a cash transaction report, the casino operator shall keep a copy of the cash transaction report filed and any supporting documentation and records relating to the transaction or transactions the subject of the cash transaction report, which shall be produced to the Authority or to a Suspicious Transaction Reporting Officer on demand.

(6) In paragraph (1) —

"applicable reporting period" means the period ending 15 days after —

(a) the date on which the single cash transaction in paragraph (1)(a) takes place; or

(b) in the case of multiple cash transactions in paragraph (1)(b), the date the last transaction of the multiple cash transactions takes place;

"cash in" means a transaction involving the receipt of cash paid by or on behalf of a patron to a casino operator, and includes —

(a) cash received by the casino operator in exchange for chips;

(b) a deposit of cash (whether at the casino or at a branch office of the casino operator) to be credited into the patron's account with the casino operator;

(c) cash received in settlement of any debt owed by the patron to the casino operator or for the redemption of any cheque held by the casino operator; and

(d) cash inserted into a gaming machine;

"cash out" means a transaction involving the payout of cash by a casino operator to or on behalf of a patron, and includes —

(a) cash paid by the casino operator to redeem chips;

(b) cash paid (whether at the casino or at a branch office of the casino operator) upon a withdrawal made from the patron's account with the casino operator;

(c) cash paid by the casino operator as a complimentary item; and

(d) cash paid by the casino operator as winnings in any tournament, contest, or other draw or game,

but does not include the payment of cash winnings derived from a jackpot obtained on a gaming machine;

"gaming day" means a 24-hour period which constitutes a normal business day of a casino, being the same period by which the casino keeps its books and records for business, accounting and tax purposes.

### **Prohibited transactions**

4. For the purpose of preventing any transaction which may be connected with or may facilitate money laundering or the financing of terrorism, the following transactions shall be prohibited:

(a) any transaction by a casino operator with a patron involving the conversion of money from one form to another without being used for gaming, including —

(i) the receipt of cash for transmittal of all or part of that sum through telegraphic transfer for or on behalf of a patron;

- (ii) cash payments made to or on behalf of a patron of funds received through telegraphic transfers; and
- (iii) the cashing of cheques or other negotiable instruments; and
- (b) any receipt by a casino operator of money the purpose or ownership of which cannot be ascertained within a period of 7 days from the date of the receipt.

### **Offences**

5. —(1) Any casino operator which fails to comply with regulation 3(1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$20,000.
- (2) Any casino operator which carries out a transaction prohibited under regulation 4 shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000.

## **PART III CUSTOMER DUE DILIGENCE AND RECORD-KEEPING**

### **When customer due diligence measures to be taken**

6. —(1) A casino operator shall perform the applicable customer due diligence measures by complying with the regulations in this Part wherever applicable, when —
- (a) a patron establishes a patron account with the casino operator;
  - (b) a patron enters into a cash transaction involving \$10,000 or more in a single transaction with the casino operator;
  - (c) a deposit of \$5,000 or more in a single transaction is made into a deposit account;
  - (d) the casino operator has a reasonable suspicion that any patron is engaged in money laundering or terrorism financing activities; or
  - (e) the casino operator has doubts about the veracity or adequacy of any information previously obtained about a patron.
- (2) Any casino operator which fails to perform —
- (a) the applicable customer due diligence measures under this Part; or
  - (b) the applicable record-keeping measures required under regulation 3(5) and the provisions in this Part,
- shall be liable to disciplinary action under section 54 of the Act.

### **No anonymous accounts or fictitious names**

7. A casino operator shall not open or maintain any anonymous patron account or any patron account in the name of a fictitious person.

### **Identification measures for opening of patron account**

8. —(1) A casino operator shall establish the identity of each patron who opens a patron account with the casino operator, in accordance with these Regulations and its system of internal controls.
- (2) Before opening a patron account, an authorised employee shall obtain and record, at the minimum, the following information:
- (a) the patron's identifying information and signature;
  - (b) the amount of the initial deposit into the patron account (including the type of foreign currency and conversion rate, if applicable);
  - (c) the date the patron account is opened; and
  - (d) the name and signature of the authorised employee who approved the opening of the patron account.
- (3) Where the patron is a body corporate or unincorporate, the casino operator shall, apart from identifying the patron —
- (a) take reasonable measures to understand the ownership and control structure of the patron; and
  - (b) establish the identities of the persons having executive authority in the body corporate or unincorporate, including but not limited to, all the directors or partners thereof.

### **Verification of identity for opening of patron account**

9. —(1) A casino operator shall, before opening a patron account for a patron —
- (a) verify the identity of the patron, and the persons referred to in regulation 8(3) where applicable, using reliable and independent sources; and
  - (b) retain a copy of all documents used in verifying the matters in sub-paragraph (a).

(2) A casino operator shall not allow any debit or withdrawal from a patron account to be made without a licensed special employee having, on at least one prior occasion, had face-to-face contact at the casino premises with the patron in whose name the patron account is opened and verified his identity.

#### **Identification and verification of identity of beneficial owners**

10. Where there is one or more beneficial owner in relation to a patron account, the casino operator shall take reasonable measures to obtain information sufficient to identify and verify the identity of every beneficial owner of the patron account.

#### **Identification and verification of identity for cash transaction of \$10,000 or more**

11. A casino operator shall, before carrying out any cash transaction involving \$10,000 or more in a single transaction with a patron —

- (a) establish the identity of the patron and record the patron's identifying information; and
- (b) verify the patron's identity using reliable and independent sources.

#### **Identification and verification of identity for deposit of \$5,000 or more**

12. —(1) Where a deposit of \$5,000 or more in a single transaction is made into a patron's deposit account, the casino operator shall —

- (a) establish the identity of the person making the deposit; and
- (b) where the deposit is made in person —
  - (i) record the identifying information of the person making the deposit; and
  - (ii) verify his identity using reliable and independent sources.
- (2) The casino operator shall, in addition, keep the following records in respect of every deposit referred to in paragraph (1):
  - (a) the date of the deposit;
  - (b) the amount of the deposit;
  - (c) the account number of the deposit account into which the deposit was made;
  - (d) the identifying information of the patron;
  - (e) the type of instrument by which the deposit is made, or whether the deposit is made in cash or chips;
  - (f) the name of the issuer of the instrument, if any;
  - (g) all reference numbers (including the number of any cheque, bank draft, money order or other instrument); and
  - (h) the name and special employee licence number of the authorised employee who carried out the transaction.

#### **On-going monitoring of transactions**

13. —(1) A casino operator shall continually monitor the transactions in each of its patron accounts to ascertain whether the transactions are consistent with the casino operator's knowledge of the patron, his income profile and his source or sources of funds.

(2) A casino operator shall periodically review the adequacy of information it has obtained in respect of patrons and beneficial owners of patron accounts and ensure that the information is kept current, particularly for categories of patrons that the casino operators may assess to present a higher risk of money laundering and terrorism financing.

#### **Enhanced customer due diligence for politically exposed persons**

14. —(1) A casino operator shall, in addition, perform enhanced customer due diligence measures in relation to politically exposed persons, including but not limited to the following:

- (a) implementing appropriate internal policies, procedures and controls to determine if a patron (or a beneficial owner of a patron account) is a politically exposed person;
- (b) requiring that prior approval be obtained from an employee holding a senior managerial or executive position of the casino operator before establishing dealings with a patron (or a beneficial owner of a patron account) who is a politically exposed person, or before continuing dealings with a patron (or a beneficial owner of a patron account) who subsequently becomes a politically exposed person;
- (c) establishing by reasonable means the source of wealth and source of funds of the politically exposed person; and
- (d) conducting such enhanced monitoring of the transactions of the politically exposed person as the casino operator considers appropriate having regard to its own assessment of materiality and risk.



(2) The casino operator shall keep a record in writing of its findings and decisions in relation to the matters in paragraph (1), which shall be produced to the Authority or to a Suspicious Transaction Reporting Officer on demand.

(3) In this regulation —

"immediate family member", in relation to a politically exposed person, means a spouse, a child, an adopted child, a step-child, a sibling or a parent of the politically exposed person;

"politically exposed person" means —

(a) an individual who is or has been entrusted with any prominent public function in Singapore or in a foreign country;

(b) an immediate family member of such a person; or

(c) an individual who is a close associate of such a person;

"prominent public function" includes the role held by a head of state, a head of government, a government minister, a senior civil servant, a senior judicial or military official, a senior executive of a state-owned corporation or a senior official of a political party.

#### **Where customer due diligence measures cannot be completed**

15. Where —

(a) a casino operator is unable to complete the required customer due diligence measures for any reason; or

(b) a patron is unable or unwilling to provide any information requested by the casino operator, or decides to withdraw the application for the opening of the patron account or withdraw the cash transaction or deposit when requested to provide information,

the casino operator shall not proceed with the opening of any patron account or with any transactions for the patron account, or with any cash transaction or deposit, as the case may be.

#### **Copy of suspicious transaction report to be given to Authority**

16. Any casino operator filing a suspicious transaction report shall, at the time the report is filed or immediately thereafter, submit a copy of the report to the Authority.

### **PART IV INTERNAL POLICIES, ETC., AND TRAINING**

#### **Internal policies, procedures and controls**

17. —(1) A casino operator shall develop and implement internal policies, procedures and controls to detect and prevent money laundering and the financing of terrorism, and communicate these to its employees and officers.

(2) The internal policies, procedures and controls referred to in paragraph (1) shall include those relating to —

(a) the customer due diligence measures required under these Regulations;

(b) the record-keeping requirements under these Regulations and in any directions or codes issued by the Authority;

(c) the detection of unusual or suspicious applications or transactions, and the making of disclosures under section 39(1) of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A) or Part III of the Terrorism (Suppression of Financing) Act (Cap. 325);

(d) the audit of the internal policies, procedures and controls;

(e) the compliance management arrangements; and

(f) the hiring and training of employees.

(3) In formulating the internal policies, procedures and controls referred to in paragraph (1), a casino operator shall take into consideration the money laundering and terrorism financing threats that may arise from the use of new or developing technologies, especially those that favour anonymity.

(4) A casino operator shall ensure that its internal policies, procedures and controls to detect and prevent money laundering and the financing of terrorism extend to all its branch offices, whether in Singapore or elsewhere.

#### **Training**

18. A casino operator shall take all necessary steps to ensure that its employees (whether based in Singapore or elsewhere) are regularly trained on —

(a) the laws relating to the prevention of money laundering and financing of terrorism, and in particular —

(i) the customer due diligence measures required to be carried out;

(ii) the detection and reporting of significant cash transactions; and

- (iii) the detection and reporting of suspicious transactions;
- (b) the prevailing techniques, methods and trends in money laundering and financing of terrorism; and
- (c) the casino operator's internal policies, procedures and controls and the roles and responsibilities of its employees in preventing money laundering and financing of terrorism.

**Made this 16th day of October 2009.**

RICHARD MAGNUS

*Chairman,*

*Casino Regulatory Authority of Singapore.*

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