

3. When customer due diligence measures must be carried out

(1) Subject to section 4 of this Schedule, a financial institution or a DNFBP must carry out customer due diligence measures in relation to a customer in the following circumstances—

- (a) subject to subsection (2), **before** establishing a business relationship with the customer;
- (b) before carrying out for the customer an occasional transaction involving an amount equal to or above \$120,000 or an equivalent amount in any other currency, whether the transaction is carried out in a single operation or in several operations that appear to the financial institution or the DNFBP to be linked; [*See exception (1A), (1B) at the right*]

Exception

See the exception below at subsection (2) and flowchart the follows.

- (1A) Subject to section 4 of this Schedule and despite subsection (1)(b), a financial institution must carry CDD measures in relation to a customer **before** carrying out for the customer an occasional transaction that is—
 - (a) a wire transfer involving an amount equal to or above \$8,000 or an equivalent amount in any currency; or
 - (b) a virtual asset transfer involving virtual assets that amount to no less than \$8,000, * whether the transaction is carried out in a single operation or in several operations that appear to the financial institution to be linked.

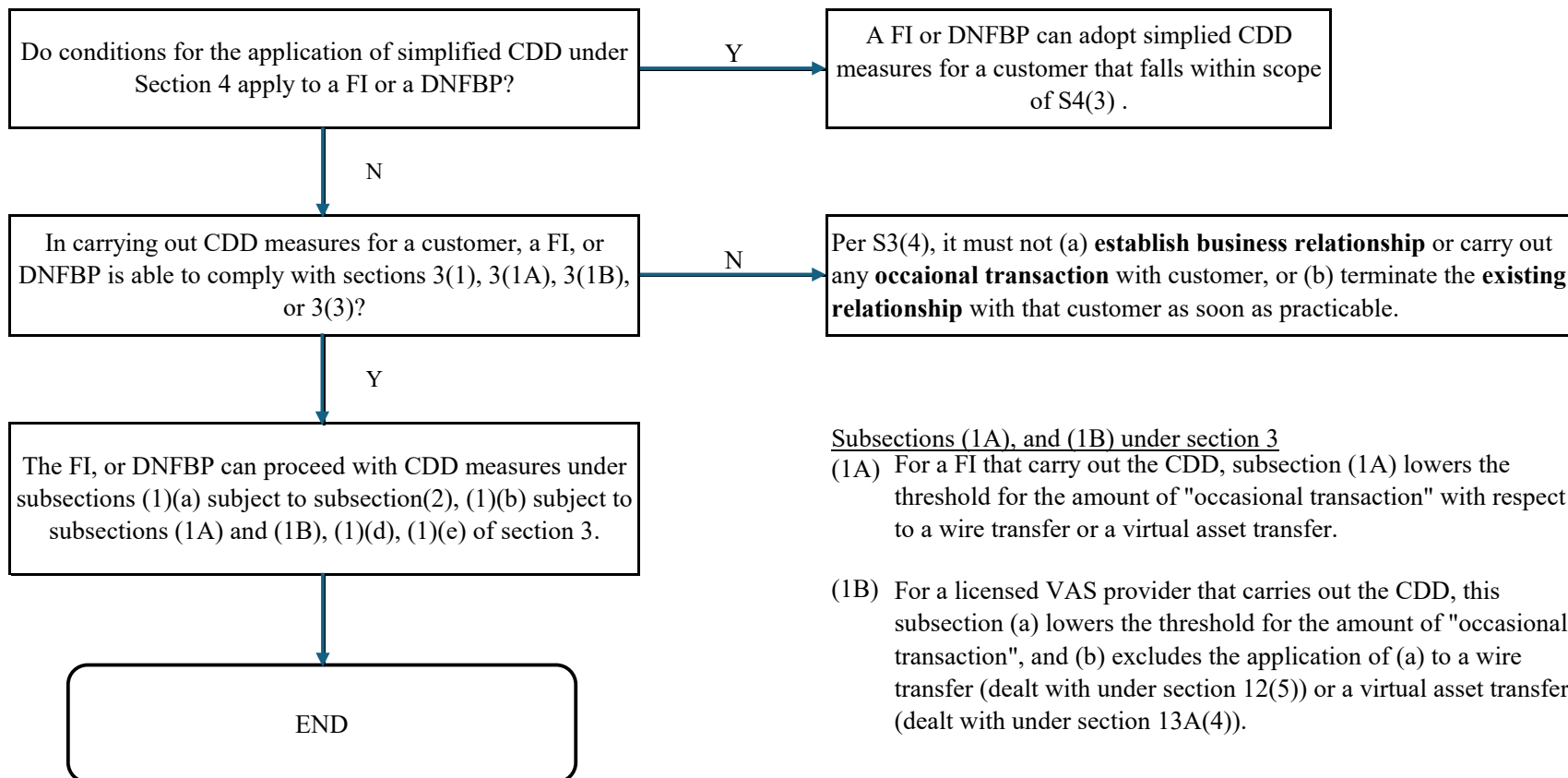
- (1B) Subject to section 4 of this Schedule and despite subsection (1)(b), a licensed VAS provider must carry out CDD measures in relation to a customer **before** carrying out for the customer an occasional transaction that—
 - (a) involves an amount equal to or above \$8,000 or an equivalent amount in any other currency; and
 - (b) is not a wire transfer # or a virtual asset transfer #, whether the transaction is carried out in a single operation or in several operations that appear to the licensed VAS provider to be linked.

[*] *the amount less than \$8,000 in a virtual asset transfer is dealt with under S13A(4)(b).*

[#] *the terms "wire transfer" and "virtual asset transfer" is defined under S12, and S13A respectively.*

- (c) (Repealed 15 of 2022 s. 33)
 - (d) when the financial institution or the DNFBP suspects that the customer or the customer's account is involved in money laundering or terrorist financing;
 - (e) when the financial institution or the DNFBP doubts the veracity or adequacy of any information previously obtained for the purpose of identifying the customer or for the purpose of verifying the customer's identity.
- (2) Despite subsection (1)(a), a financial institution or a DNFBP may verify the identity of a customer and any beneficial owner of the customer **after** establishing a business relationship with the customer if—
- (a) this is necessary not to interrupt the normal conduct of business with regard to the customer; and
 - (b) any risk of money laundering or terrorist financing that may be caused by carrying out the verification after establishing the business relationship is effectively managed.
- (3) A financial institution or a DNFBP that carries out verification after establishing a business relationship with a customer under subsection (2) must complete the verification as soon as reasonably practicable after establishing the business relationship.
- (4) If a financial institution or a DNFBP is unable to comply with subsection (1), (1A), (1B) or (3), the financial institution or the DNFBP—
- (a) must not establish a business relationship or carry out any occasional transaction with that customer; or
 - (b) if the financial institution or the DNFBP has already established a business relationship with that customer, must terminate the business relationship as soon as reasonably practicable.

3. When customer due diligence measures must be carried out



Subsections (1A), and (1B) under section 3

(1A) For a FI that carry out the CDD, subsection (1A) lowers the threshold for the amount of "occasional transaction" with respect to a wire transfer or a virtual asset transfer.

(1B) For a licensed VAS provider that carries out the CDD, this subsection (a) lowers the threshold for the amount of "occasional transaction", and (b) excludes the application of (a) to a wire transfer (dealt with under section 12(5)) or a virtual asset transfer (dealt with under section 13A(4)).

Subsection (2), subject to subsection (3), under section 3

(2) For a FI or DNFBP that carry out the CDD, it may verify the ID of a customer and any BO of the customer **after** establishing a business relationship with the customer if -

- (a) this is necessary not to interrupt the normal conduct of business with regard to the customer; and
- (b) any risk of money laundering or terrorist financing that may be caused by carrying out the verification after establishing the business relationship is effectively managed.