



# **CHANGES TO THE ENHANCED REGULATORY FRAMEWORK FOR CORPORATE SERVICE PROVIDERS UNDER THE ACRA (AMENDMENT) ACT 2014, ACRA (FILING AGENTS AND QUALIFIED INDIVIDUALS) REGULATIONS 2015, AND ACRA (AUTHORISED USERS OF ELECTRONIC TRANSACTION SYSTEM) REGULATIONS 2015**

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**Category:** [CNPupdates](#)

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- ACRA Amendment adopts FATF recommendation
- Corporate service providers must conduct due diligence checks
- Registered FAs and registered QIs must comply with fit and proper requirement
- Failure to comply will result in sanctions

## Introduction

From 15 May 2015, Corporate Service Providers (“**CSPs**”) carrying out filing transactions using the electronic filing system administered by the ACRA must first be registered as registered filing agents (“**FAs**”). A registered FA may carry out a transaction with the ACRA only if he acts by or through a registered qualified individual (the “**QI**”). A QI is an individual who meet the criteria (e.g. lawyers and public accountants), and who are employed, engaged or appointed by FAs. CSPs are individuals or business entities which provide services as a business to third parties by acting as a formation agent of legal persons.

These changes were introduced following amendments to the Accounting and Corporate Regulatory Act and the introduction of a new set of Accounting and Corporate Regulatory Authority (Filing Agents and Qualified Individuals) Regulations 2015 (“**Regulations**”). The impetus behind these changes was to put Singapore in a position to comply with the Financial Action Task Force recommendations which set out the global standard for anti-money laundering and counter-terrorism financing.

## Fit & Proper Requirements

A registered FA and QI must comply with the fit and proper requirements, legal obligations under the new Part VIA of the ACRA Act and the relevant terms and conditions imposed by the First and Second Schedules of the Regulations. Fit and proper requirements include having no convictions for any offence involving fraud or dishonesty punishable with imprisonment of 3 months or more, not being bankrupt, not acting in a manner that adversely reflects on the commercial integrity of the applicant and having satisfactory previous conduct and compliance history as a registered FA or QI.

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## AML & CTF Requirements

Under the enhanced regulatory framework, CSPs must conduct the requisite due diligence checks and have robust systems and processes in place aligned with international anti-money laundering and counter-terrorism financing (“**AML**” and “**CTF**”) standards. This will include taking reasonable steps to identify and assess a customer’s AML and CTF risk by performing customer due diligence on all new and existing customers, determining if enhanced customer due diligence may be required for politically exposed persons, understanding the risks of AML and terrorism financing in the countries that a third party that the registered FA wishes to rely on operates in and carry out an ongoing monitoring of business relationships with new and existing customers.

Registered FIs and QIs who fail to comply with these requirements may face cancellation or suspension of their registration as a QI or FA, restricted use of ACRA’s electronic filing system, financial penalties, and/or censure.

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