

Registration of precious stones and precious metals dealers

On 17 September 2019, the Ministry of Law (“**MinLaw**”) issued a press release to remind dealers of precious stones and precious metals (“**Regulated Dealers**”) to register their business with the Registrar of Regulated Dealers (“**Registrar**”) under the Precious Stones and Precious Metals (Prevention of Money Laundering and Terrorism Financing) Act 2019 (“**PSPM Act**”) by 9 October 2019.

precious stones, precious metals, precious products or asset-backed tokens (as defined thereunder) are required, amongst other things, to register to be a “registered dealer”.

An “asset-backed token” refers to a token, certificate or other instrument backed by precious stones, precious metals or precious products, but excludes:

- securities or derivatives contracts within the meanings of the Securities and Futures Act (Cap. 289); and
- commodity contracts within the meaning of the Commodity Trading Act (Cap. 48A).

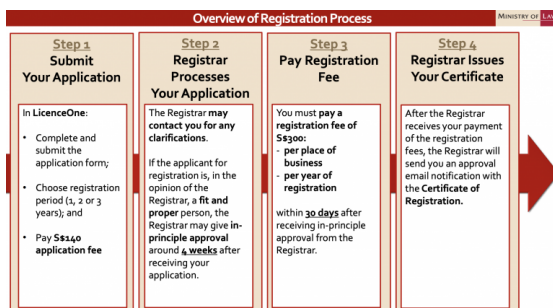
Section 6(1) of the PSPM Act prohibits a person from acting or holding out to be a “regulated dealer” unless the person is a registered dealer.

A “regulated dealer” as defined under the PSPM Act means a person who carries on a business of regulated dealing or carries on a business as an intermediary for regulated dealing. Whereas “regulated dealing” has been defined under the PSPM Act as doing any of the following:

- manufacturing any precious stone, precious metal or precious product;
- importing or possessing for sale any precious stone, precious metal or precious product;
- selling or offering for sale any precious stone, precious metal or precious product;
- selling or redeeming asset-backed tokens; or
- purchasing any precious stone, precious metal or precious product for the purposes of resale.

Application to the Registrar for Registration as Regulated Dealers

Applicants must pay a non-refundable application fee of \$140 upon submission of a new application (or renewal) and a registration fee of \$300 per place of business per year upon notification by the Registrar. Applicants have the option to apply for a specific class of registration, that will determine the period of registration, viz. Class 3 (3 years), Class 2 (2 years) and Class 1 (1 Year).



On 10 April 2019, the PSPM Act took effect to establish the regulatory regime, in particular, anti-money laundering and countering financing of terrorism (“**AML/CFT**”) measures for Regulated Dealers.

Regulatory Scope of the PSPM Act

Under the PSPM Act, any dealer of

End of Transition Period for Existing Regulated Dealers under the PSPM Act

From 10 October 2019, it will be an offence for any person to act as or hold out to be a regulated dealer without registration unless exempted under the PSPM Act. A person who contravenes the said statutory provision shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$75,000 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 \$7,500 for every day or part of a day during which the offence continues after conviction.

Exemptions from the PSPM Act

Financial institutions regulated by the Monetary Authority of Singapore are already covered under other AML/CFT measures and therefore exempted from the PSPM Act. Pawnbrokers are also excluded from the PSPM Act as they are subject to AML/CFT provisions under the Pawnbrokers Act.

AML/CFT measures applicable to Regulated Dealers

Regulated Dealers are required to implement and comply with the following requirements under the PSPM Act and the [Precious Stones and Precious Metals \(Prevention of Money Laundering and Terrorism Financing\) Regulations 2019](#), *inter alia*:

- To perform customer due diligence (“CDD”) measures under prescribed circumstances, in addition to the existing requirement to do so for cash transactions above S\$20,000;
- To submit a copy of the cash transaction reports (“CTR”) to the Registrar, in addition to existing requirements to file a CTR;
- To keep records of transactions where CDD measures are performed, and

information obtained through these CDD measures;

- To submit a copy of the information of suspicious transaction to the Registrar, in addition to the existing requirements under the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act and the Terrorism (Suppression of Financing) Act;
- To conduct ongoing monitoring of transactions by periodically reviewing the information and documents obtained as a result of the CDD measures.

As at 15 September 2019, the MinLaw has received 1,475 applications for registration, with 1,889 unique outlets. For more information on the registration process and the PSPM Act, you may access the following materials on the MinLaw website:

MinLaw press release: [Commencement of Precious Stones and Precious Metals Dealers \(Prevention of Money Laundering and Terrorism Financing\) Act on 10 April 2019](#);
[MinLaw brochure on registration of precious stones and precious metals dealers](#);

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This update is provided to you for general information only and should not be relied upon as legal advice.

For further information on the above, please contact our Blockchain, Cryptocurrency and ICOs practice group .

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