



The Monetary Authority of Singapore

TRUST COMPANIES ACT (ACT 11 OF 2005)

**NOTICE ON EFFECTING ARRANGEMENTS THROUGH
LICENSED TRUST COMPANIES OR EXEMPT PERSONS
UNDER SECTION 15(1)(a) AND 15(1)(b) OF THE ACT**

Notice No: TCA-N01
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NOTICE ON EFFECTING ARRANGEMENTS THROUGH LICENSED TRUST COMPANIES OR EXEMPT PERSONS UNDER SECTION 15(1)(a) AND 15(1)(b) OF THE ACT

1. This Notice is issued pursuant to section 76(1) of the Trust Companies Act 2005 (Act No. 11 of 2005) (“the Act”).

APPLICABILITY OF THIS NOTICE

2. This Notice applies to—
- (a) a Relevant Person who enters into an arrangement with a Specified Person where the activity (“the Activity”) that is carried out by the Specified Person is effected under an arrangement between the Specified Person and the Relevant Person; and
 - (b) a Specified Person.

DEFINITIONS

3. For the purposes of this Notice –
- “Activity” means the trust business that a Specified Person is permitted to carry out under an arrangement with Relevant Person under Regulations 4(1)(d) and 4(1)(e) of the Trust Companies (Exemption) Regulations 2005;
- “Relevant Person” means a licensed trust company or a person exempted under section 15(1)(a) or (b) of the Act; and
- “Specified Person” means a person exempted under Regulation 4(1)(d) or (e) of the Trust Companies (Exemption) Regulations 2005.
4. The expressions used in this Notice shall, except where expressly defined in this Notice or where the context otherwise requires, have the same meanings as in the Act.

OBLIGATIONS OF RELEVANT PERSON

5. For any Activity effected by a Specified Person pursuant to an arrangement between the Specified Person and the Relevant Person, the Relevant Person shall -

(a) ensure that the Specified Person has adequate procedures to comply with any written direction issued by the Authority on the prevention of money laundering or countering the financing of terrorism in respect of any person in connection with the Activity;

(b) ensure that the Specified Person is competent and has the relevant qualifications to provide the trust business services;

(c) make checks to determine if the Specified Person is a fit and proper person having regard to the following criteria –

(i) whether the Specified Person is an undischarged bankrupt in Singapore or elsewhere;

(ii) whether execution against the Specified Person in respect of a judgment debt has been returned unsatisfied in whole or in part;

(iii) whether the Specified Person has, in Singapore or elsewhere, entered into a compromise or scheme of arrangement with his creditors, being a compromise or scheme of arrangement that is still in operation;

(iv) whether the Specified Person has been convicted of an offence whether in Singapore or elsewhere; and

(v) whether there is reason to believe that the Specified Person will not conduct himself professionally or act in an ethical manner in the Activity that will be carried out by the Specified Person;

(d) maintain, for six years, documentation or records evidencing compliance of paragraph 5 (a), (b) and (c) of this Notice such that the relevant authorities in Singapore and the internal and external auditors will be able to judge reliably the transactions of the Relevant Person with the Specified Persons and the compliance with the Notice.

6. Where the Relevant Person becomes aware that the Specified Person has furnished information that is false or misleading in any material particular, the Relevant Person shall take immediate steps to –

(a) notify the Authority of its discovery; and

(b) terminate the arrangement with the Specified Person.

OBLIGATIONS OF SPECIFIED PERSON

7. The Specified Person shall furnish to the Relevant Person such information as may be required for the Relevant Person to comply with paragraph 5.

8. The Specified Person shall use due care to ensure that the information furnished to the Relevant Person under paragraph 7 is not false or misleading in any material particular.

CONTRAVENTION OF REQUIREMENTS IMPOSED

9. Contravention of any requirement imposed under this Notice is an offence and attracts the penalty specified in section 66 of the Act.

EFFECTIVE DATE

10. This Notice shall take effect on 1 February 2006.