Circular No : URA/COH/Circular-2026-02

Our Ref: URA/COH/Circular

Date: 07 July 2026

CIRCULAR TO PROFESSIONAL INSTITUTES

Who should know
Developers

Effective date
With immediate effect

Risk-proportionate approach in prevention of money laundering (ML), proliferation financing (PF) and terrorism financing (TF) for developers' property sales

1. Property developers in Singapore play important roles as gatekeepers in detecting and deterring attempts to use real estate transactions for illicit purposes. They are required to have adequate anti-money laundering, countering proliferation and terrorism financing (AML/CP&TF) controls in place, in accordance with the requirements and guidelines set out by the Controller of Housing (COH), which are aligned with international standards.

2. In implementing AML/CP&TF controls, including customer due diligence and screening processes, property developers are advised to do so in a ***risk-proportionate manner*** that is commensurate with the nature and complexity of the property transactions and in consideration of each purchaser's risk profile.

Customer Due Diligence (CDD) and Enhanced Customer Due Diligence (ECDD) checks

3. For the vast majority of purchasers who are not assessed to be of higher ML, TF or PF risks, developers are only required to conduct Customer Due Diligence (CDD) checks. These include standard measures to identify and verify the identity of the purchasers and beneficial owners, as well as to screen these persons. ***Source of wealth (SOW) and source of funds (SOF) checks are not required for such purchasers.***

4. For purchasers assessed to be of higher ML, TF or PF risks[1], developers are required to perform Enhanced Customer Due Diligence (ECDD) checks entailing SOW and SOF checks. These purchasers include foreign Politically Exposed Persons (PEP), as well as individuals from or in a country or jurisdiction that the Financial Action Taskforce has called for countermeasures, or identified to have inadequate AML/CP&TF measures, or notified by COH.

5. Developers are reminded that should there be any suspicion of illicit activities or funds, developers should file a Suspicious Transaction Report with the Suspicious Transaction Reporting Office as soon as is reasonably practicable after it comes to the developers' attention.

6. Developers should ensure that their purchasers are not listed in the Sanctions Lists[2]. Developers should cease dealings with purchasers if they are sanctioned. In this regard, developers could subscribe to the Monetary Authority of Singapore's website[3] and the United Nations Security Council Consolidated Lists[4] to stay updated on the latest list of Designated Individuals and entities.

7. Developers may engage a third party that is an AML/CP&TF regulated entity to conduct the required CDD/ECDD checks at the point of sales, provided the engagement and reliance meet the requirements set out in the regulations.

Targeted and risk-proportionate source of wealth establishment

8. In conducting ECDD checks to establish the SOW, and SOF of the purchaser, developers should take appropriate and reasonable means to independently corroborate information obtained from the purchasers against documentary evidence or public information sources. Developers should ensure that their SOW and SOF checks are risk-proportionate, reasonable, and take into account the unique circumstances and profile of each purchaser. Developers are advised not to adopt a one-size-fits-all approach and to instead consider the following risk principles of relevance, materiality and prudence:

    a. Developers can focus on obtaining relevant and pertinent information (e.g. income tax statement, audited accounts) ***without*** the need to obtain unnecessary information such as long-dated financial or employment records.

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[1] Developers are required to perform ECDD where the relevant person in any transaction is (i) a foreign Politically Exposed Person (PEP), a family or close associate of a foreign PEP; (ii) a resident of or originates from a relevant country; (iii) a person that the Controller or other relevant authorities have notified the developer to be a person who presents a higher risk of ML, PF or TF; (iv) a relevant person (including a domestic or international organisation PEP, family member or close associate of a domestic or international organisation PEP) that developers have assessed may present a higher risk of ML, PF or TF.

[2] "Sanctions Lists" refers to the lists of designated individuals and entities defined in the Terrorism (Suppression of Financing) Act 2002, United Nations Act 2001 or lists of persons / entities suspected of, or at risk of, facilitating ML, PF or TF who is specified by the Controller in any written notice issued by the Controller.

[3] https://go.gov.sg/massubscriptionlist

[4] https://go.gov.sg/unscsubscription

b. Developers should ***avoid excessive measures*** and requesting for irrelevant information to establish purchasers' SOW/SOF that are disproportionate to COH's requirements and international standards. For example, if SOW originates from low-risk countries or is backed by reliable sources of information such as audited accounts of companies, bank statements, salary slips from established companies, it would be deemed less risky compared to if it originates from higher risk countries/ shell companies or comprises gifts from unrelated parties.

c. Where information obtained is already from reliable and public information sources, there is ***no need*** for triangulation checks against different information sources.

d. There is ***no need*** to attempt to corroborate every single piece of SOW information gathered. It may not be possible or practicable to corroborate some SOW from many years ago for which the information may no longer be easily available. In such cases, developers should focus on corroborating the more material and higher risk SOW and assess whether the residual risk of the uncorroborated wealth is acceptable, and whether additional risk mitigating measures are needed in absence of the corroboration.

e. For transactions involving a single property purchase at price points reflecting market norms, less checks would be expected. This is in line with the risk-proportionate approach.

Partnering REDAS to streamline processes and improve understanding of requirements

9. In consultation with REDAS, COH has revised the Guidelines for Developers on the Prevention of Money Laundering, Proliferation Financing and Terrorism Financing[5], to provide more detailed guidance on the customer due diligence process (refer to Annex A) and simplify the risk assessment template that developers may use to perform a risk analysis of their projects.

10. COH will also partner REDAS to organise seminars/workshops to share guidance and best practices on the AML/CP&TF framework, with the aim of levelling up understanding of the AML/CP&TF regime and compliance standards for developers.

[5] Guidelines are accessible at: https://go.gov.sg/guidelines-for-developers-amlcft-rules

11. We would appreciate it if you could convey the contents of this circular to the relevant members of your organisation. If you or your members have any queries concerning this circular, you may contact us via email at ura_coh_registry@ura.gov.sg.

Thank you.

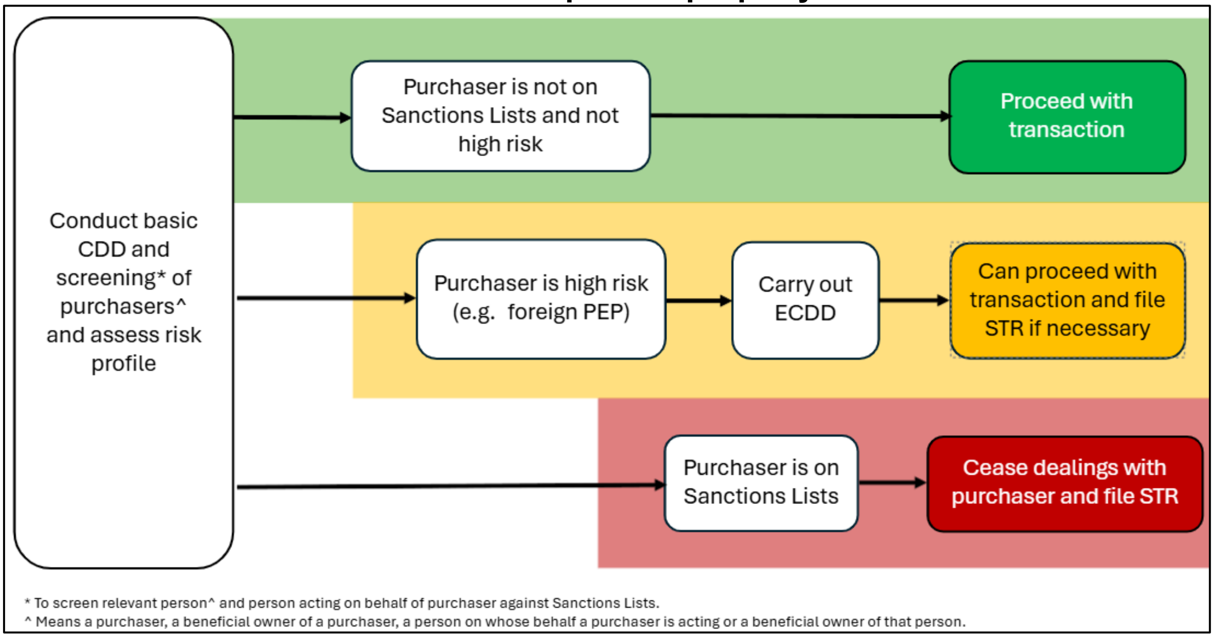
LING HUI LIN (MS)
CONTROLLER OF HOUSING
URBAN REDEVELOPMENT AUTHORITY

<u>**Annex A**</u>

Detailed guidance on customer due diligence process

Refer to the following flow chart, common scenarios and corresponding actions table and useful pointers to guide the performance of customer due diligence checks (CDD).

1. Flow chart for CDD/ECDD checks prior to property transaction



2. CDD/ ECDD scenarios and corresponding actions

Examples of Scenarios	Actions taken	Follow-up action
(1a) Purchaser is a Singaporean couple who are HDB upgraders. (1b) Purchaser is a domestic PEP.	Obtain verifying information and screen the purchasers to confirm there are no matches with Sanctions Lists and adverse news.	If no matches with Sanctions Lists and adverse news, developer may proceed with transaction. If there are matches with Sanctions Lists, developer should cease dealings and file STR. If there are adverse news, developer should conduct a risk assessment on whether they should proceed.
(2a) Purchaser is a national from a relevant country, who is higher risk. (2b) Purchaser is a foreign PEP.	• Obtain verifying information and screen the purchaser to confirm no matches with Sanctions Lists and adverse news. • Carry out ECDD, including checks on SOW/SOF (e.g. obtaining income records and proof of employment). • SOW/SOF checks should be risk-proportionate, as guided under 7.3.3 of the Guidelines.	If no matches with Sanctions Lists and adverse news, developer may proceed with transaction. If there are matches with Sanctions Lists, developer should cease dealings and file STR. If there are adverse news, developer should conduct a risk assessment on whether they should proceed. File STR if there is suspicion of illicit activity.
(3) Purchaser's name matches an individual in the Sanctions Lists.	Obtain verifying information and screen the purchaser to confirm if it is a true match (e.g. name and ID match).	If there are matches with Sanctions Lists, developer should cease dealings and file STR.

3. **Useful pointers for CDD checks:**

Pointer	Key message
(A) Relying on third parties to carry out CDD checks	Developers may engage an AML/CP&TF regulated third-party entity to perform CDD checks at the point of sale The third party must be an AML/CP&TF regulated entity and the engagement and reliance must meet the requirements set out in the regulations. For avoidance of doubt, developers are responsible for CDD/ECDD compliance and obligations.
(B) Risk-proportionate approach to SOW/SOF corroboration	Developers should take targeted and risk-proportionate measures when establishing and corroborating a purchaser's SOW and SOF, rather than adopting a one-size-fits-all approach. Where information is already obtained from reliable sources such as audited accounts, bank statements or salary slips from established companies, there is no need to triangulate against multiple sources or corroborate every piece of information gathered.
(C) Prohibition on transactions	Except where a purchaser is found to be on the Sanctions Lists, there is no prohibition for developers to proceed with a transaction once the required CDD or ECDD measures have been completed. Where a developer knows or has any reason to suspect illicit activities or funds, developers should file a Suspicious Transaction Report with the Suspicious Transaction Reporting Office.

Developers should refer to the *Guidelines for Developers on the Prevention of Money Laundering, Proliferation Financing and Terrorism Financing* for more details on the above pointers.