

RESPONSE TO CONSULTATION PAPER

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Consultation topic:	CONSULTATION PAPER - REQUIREMENTS ON CONTROLS AGAINST MARKET ABUSE
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Confidentiality	
I wish to keep the following confidential:	<i>(Please indicate any parts of your submission you would like to be kept confidential, or indicate if you would like your identity along with your whole submission to be kept confidential. Your contact information will not be published.)</i>

General comments:

ASIFMA¹ would like to thank MAS for giving us the opportunity to respond to this consultation on *Requirements on Controls against Market Abuse* (the “Consultation”). ASIFMA and its members appreciate the intention of MAS proposing the enhancements and stand ready to assist MAS to tackle market abuse in the industry. However, there are a number of issues that ASIFMA and its members would like to bring to your attention. ASIFMA hope that MAS will take our recommendations into account and we hope that our suggestions will help MAS strike the right balance between the need for strong controls and enabling the orderly operation of market activity.

Many of the points below highlight difficulties that financial institutions (“FI”s) may face with the rule or which may result in clients looking to conduct business in alternative jurisdictions due to Singapore requirements being more onerous than those elsewhere. When looking to finalise the proposal and taking into account industry feedback, ASIFMA suggest MAS consider how its broader toolkit could be used to address its concerns in this area. Many of the difficulties faced by FIs and noted below would not be encountered in regulator-to-regulator information requests and cooperation. Such cooperation between regulators is a cornerstone of the global initiative to address these issues and form the basis of IOSCO MoUs and other arrangements, in addition to bilateral regulatory ties that could be further developed.

ASIFMA, on behalf of its members would also like to request an extension of the transition period **from 6 months to at least 12 months** to allow systems and processes to be put in place. Details of our suggestions/clarifications are below for your reference. If you have further queries, please do not hesitate to contact us.

Question 1: MAS seeks comments on the client identification rule.

- Taking into account that there are currently obligations upon FIs requiring the identification of the UBO of accounts maintained with the institution (e.g. for corporate/fiduciary structures), and on the basis that the current regulatory requirements are adhered to (e.g. [MAS Notice 626](#)), ASIFMA would like to get clarity that no further efforts would be required in relation to identifying the same.

¹ ASIFMA is an independent, regional trade association with over 120 member firms comprising a diverse range of leading financial institutions from both the buy and sell side, including banks, asset managers, professional and consulting firms, and market infrastructure service providers. Together, we harness the shared interests of the financial industry to promote the development of liquid, deep and broad capital markets in Asia. ASIFMA advocates stable, innovative, competitive and efficient Asian capital markets that are necessary to support the region’s economic growth. We drive consensus, advocate solutions and effect change around key issues through the collective strength and clarity of one industry voice. Our many initiatives include consultations with regulators and exchanges, development of uniform industry standards, advocacy for enhanced markets through policy papers, and lowering the cost of doing business in the region. Through the GFMA alliance with SIFMA in the United States and AFME in Europe, ASIFMA also provides insights on global best practices and standards to benefit the region.

a) Scope

- ASIFMA would like to know whether FIs are obliged to conduct due diligence on underlying UBO information/client identification details obtained from the account holders.
- In times when a person receives and acts on order and transactions (“O&Ts”) for trading accounts which are owned or controlled by the same FI, ASIFMA would like to seek clarity of MAS whether such situation would fall under the scope of this requirement.
- ASIFMA would like to seek clarification from MAS on the product scope of this client identification rule. ASIFMA and its members understand it is stated in the consultation that the new requirements are proposed to be imposed on FIs in Singapore that undertake the regulated activity of dealing in capital market products (i.e. not only products listed on an approved exchange). Firstly, ASIFMA would like to seek clarity on whether there will be any exemptions from these requirements for dealing with institutional clients (such as banks or other FIs regulated by MAS). Secondly, ASIFMA propose that the scope should be limited to only listed products and exclude other products such as FX, unlisted bonds, and OTC derivatives. ASIFMA would also like to exclude omnibus custody accounts that are used for the purpose of settling trading activities. As our members learned from MAS’ outreach session, MAS agreed that this written agreement can be done via a one-way notification by updating this requirement into the standardized terms of business with clients. This will be possible for listed products such as equities and futures where there are Terms of Business associated with the client account with the bank. However, for other products such as OTC derivatives which are contracted via bilateral master agreement (e.g. ISDA, GMRA), it would be onerous to re-negotiate with individual counterparties or in order to comply with this requirement. Further, the counterparties may not agree to such clause. In addition, ASIFMA would like to seek confirmation that this requirement relates to omnibus accounts that are opened with FIs in Singapore.
 - In times where the FI provides a holistic suite of wealth management services to a client and has attained representations and warranties from its client as per its standard documentation, that they are the ultimate owner of the assets and are operating the account for their personal benefit alone, ASIFMA would like to check if this would be sufficient in meeting the requirements or is the regulatory expectation that formal separate and standalone consent is attained from the client for the same.
- Furthermore, MAS should limit the scope of identifying the UBO to O&Ts executed in omnibus accounts that are booked in Singapore. For clients based outside Singapore

and whose trades with FI are not booked in Singapore by that FI, if these overseas FI clients refuse such clauses, it is easy for them to request, and for FI to agree, to shift the sales coverage of such clients to a non-Singapore office in a jurisdiction without such requirements. This would have a negative impact on further developing the financial markets in Singapore.

- ASIFMA would like to clarify if “any other law enforcement agency” under Paragraph 3.3 of the Consultation refers to law enforcement agency in Singapore only or the definition also refers to offshore agencies.
- ASIFMA would like MAS to clarify if the obligation of disclosing UBO/client identification would fall on the executing broker (i.e trading member with the exchange) or on the clearing member (in the case of a third-party clearing arrangement).
- ASIFMA would like to request the information of beneficial owners be limited to one level above the client of the O&Ts, as envisioned by MAS’ intention to differentiate the requirements from that contained in SFA04-N02. To that end, ASIFMA also recommend that different terms (e.g. “client identity information”) should be applied, as opposed to UBO, to avoid confusion. The reason ASIFMA are requesting the above is due to contractual difficulties faced by firms, burdens around overcoming third country confidentiality and secrecy requirements and also difficulties in obtaining information being requested. For further information of the obstacles, please see point c) and d) below.

b) Risk of tipping off

- ASIFMA would like to seek specific guidance/instructions from the MAS on how the FI can approach its clients for the UBO information without compromising the confidentiality of the investigation or be liable for a tipping-off offence.
- ASIFMA would like MAS’ clarification on how UBO information of the fund can be obtained in the situation where the client is a fund and the fund investors are the unitholders of the fund. Also, where omnibus accounts are managed by fund managers, one of the concerns is that the FI may inadvertently compromise the confidentiality of the investigation and may be liable for a tipping-off offence, particularly under section 48 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act. Furthermore, the FI will have no control and oversight over whether the FI’s client will pass on any confidential/sensitive information relating to the request from the law enforcement agency to its client who is the UBO and who may be the subject of the investigation, notwithstanding that the FI may impose an obligation of confidentiality on its client in the client agreement. In

light of this, MAS should consider exempting omnibus accounts which are managed by fund managers.

- ASIFMA note that the [SGX and MAS joint Trade Surveillance Practice Guide](#), published in August 2019, states at Paragraph 2.22 that “[T]o assist in [a regulator’s] review of trading activities, regulators may request for information from brokers relating to the brokers’ clients. Brokers are expected to provide such information promptly and not reveal the regulatory requests to third parties, including the clients. ASIFMA would like to suggest that statutory safeguards be provided to the FI where the UBO may have been tipped-off of a potential investigation concerning him/her due to the FI approaching its client to collect UBO information pursuant to a request from MAS or other law enforcement agencies, as long as the FI has acted in good faith and taken reasonable care in maintaining confidentiality to an appropriate degree.

c) Overcoming third country confidentiality and secrecy requirements

- Paragraph 3.3 of the Consultation, it is stated that *“The agreement should incorporate the necessary consent or waiver to enable the [UBO] information to be provided notwithstanding any privacy or secrecy law in the jurisdiction where the client resides or operates, where such law exists (emphasis added).”* ASIFMA would like to highlight that this requirement might not be feasible as it is likely that only the appropriate authority or regulator of the relevant jurisdiction where the client resides or operates will have the power to waive any privacy or secrecy requirements for the client to provide such UBO information to the FI pursuant to a request from the MAS or other law enforcement agencies. The client may not be in a capacity to consent to such waiver in the agreement (in particular if the client of the FI is another FI), unless such waiver of privacy/secrecy is permitted by applicable laws and regulations of the jurisdiction where the client resides or operates, such as instances where the client is the UBO and is in a position to consent to disclose his/her personal information. As such, ASIFMA would first want to seek clarity on practical implementation and inclusion of this clause “notwithstanding privacy or secret law” as set out in Paragraph 3.3 of the Consultation. ASIFMA would also like to suggest that the wording of this paragraph should be “subject to all applicable laws and regulations, including the relevant jurisdiction where the client resides or operates”, instead of *“notwithstanding any privacy or secrecy law in the jurisdiction where the client resides or operates”* as stated in the Consultation. This should also apply to the agreement clause as proposed in Paragraph 3.4 of the Consultation which gives the clients of the FI the option to provide client identity information directly to MAS or the requesting law enforcement agency. In the absence of conciliatory provisions, third country FIs and clients may be unable to sign such agreements and may therefore need to conduct business with alternative service providers in alternative jurisdictions.

d) Information being requested

- It is set out in Paragraph 3.4 of the Consultation that FIs should have agreements allowing clients to provide info to the requesting law enforcement agency. ASIFMA would like to seek clarity as it is not clear whether even if there is such a clause, how enforceable it would be on the UBO in view that (a) the UBO is not a party to the agreement and for most agreements clauses will not extend to such parties who are not part of the agreement; and (b) neither is the requesting law enforcement agency. ASIFMA would like MAS to consider in this regard that there will be provisions made for direct disclosure in its requirements and such direct disclosure should discharge FIs from any relevant UBO disclosure obligations, rather than this being included in a contractual agreement between an FI and its client.
- ASIFMA would like to seek clarity on what level of details of UBO/client identity information clients are required to provide when requested (e.g. by providing an exhaustive list of information MAS expects to be collected under this rule or any helpful guidance). For example, the [Hong Kong Client Identity Rule Policy](#) issued by SFC in April 2003 specifically requires relevant licensed corporations to disclose the identity, address and contact details of (i) the person ultimately responsible for originating the instruction in relation to a transaction; and (ii) except in the case of a fund or discretionary account, the person that stands to gain the commercial or economic benefit of the transaction and/or bear its commercial or economic risk.
- FIs should only be required to provide MAS or the requesting law enforcement agency with client identity information and the related information that the FI possesses to the extent that doing so is in compliance with the KYC requirements in the relevant MAS AML/CFT Notices and Guidelines. If there is a need to provide further details of the UBO where the FI may not have such information, ASIFMA are of the view that MAS or the requesting law enforcement agency should approach the FI's client directly. Additionally, in the event that the counterparty is a locally regulated FI by MAS and where UBO information has been shared with MAS, leveraging of such information should be considered. Given that MAS or the requesting law enforcement agency may not have jurisdiction over such client, one method is to use an agreement as proposed in Paragraph 3.4 of the Consultation. The agreement would have to state that the information would still be available even after the agreement (for the provision of services) is terminated.

e) Timing and enforcement

There will be practical difficulties in ensuring that the required UBO information is provided, and provided timely, by the FI's client as it is outside the FI's control. The case is different where the FI has a record of such information and will thus have direct

influence over how quickly such information can be furnished to the requesting law enforcement agency upon request.

- In the event a client is providing information directly to MAS or other law enforcement agencies, ASIFMA recommend that the obligation to adhere to the client identification rule be satisfied when the request for information has been sent to that client and acknowledged within the imposed timeframe. FIs will use reasonable efforts to obtain the acknowledgement and receipt of the request in order to discharge this requirement.
- In all other cases, when the client may not comply with a request to provide UBO information or is uncontactable or unresponsive, FIs may need more time to collect the information requested by MAS or other law enforcement agencies or may not be able to provide such information. Delays are also expected given differing bank holidays in different jurisdictions. As such, ASIFMA request MAS to extend the days proposed (i.e. 5 business days) either generally or in difficult circumstances (with some indication as to what these are) for the provision of information to MAS or any other law enforcement agencies in such circumstances or to otherwise clarify the meaning of “in enforcing the rule, MAS will take into consideration whether the FI has acted in good faith and with reasonable care to comply with the requirement”. For instance, does MAS expect that the FI would seek contractual enforcement of an agreement (noting that such procedures will likely take much longer than 5 business days, and may result in additional publicity, costs and triggering disclosure requirements to third country regulators)? ASIFMA would also like to seek clarification on the implication for FIs for subsequent O&Ts in the event that clients do not comply by providing such UBO information.
- ASIFMA would like to clarify if the MAS would therefore consider the receiving FI’s obligation to have been adequately fulfilled where:
 - The agreement between the FI and its client has incorporated an obligation on their clients to provide required UBO information directly to a requesting law enforcement agency upon request.
 - The request to provide required UBO information to the requesting law enforcement agency was issued to the client within 5 days of receiving the request from the applicable competent authority and the client is provided 5 days from the point of notice from the FI to respond the applicable competent authority.

Question 2: MAS seeks comments on the proposed requirement for FI to record communication concerning O&T placed in customers' trading accounts.

- In general, ASIFMA and its members view that the 5-year retention period is too long and is not aligned with what other regulators are doing. For instance, according to Paragraph 4.4 of the Consultation, it is stated that all records are to be kept for 5 years including (i) instant messages and (ii) voice recordings. Please see below similar requirements for your reference.
 - (i) Instant messages - The SFC in Hong Kong issued a [circular](#) in May 2018 and stated that *“All order messages should be fully recorded and properly maintained for a period of not less than two years”*.
 - (ii) Voice recordings
 - According to the [Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission](#) issued by the SFC in 2016, it is stated that *“Where order instructions are received from clients through the telephone, a licensed or registered person should use a telephone recording system to record the instructions and maintain telephone recordings as part of its records for at least six months”*.
 - The Singapore Foreign Exchange Market Committee (SFEMC) published a [guideline](#) on Conduct and Market Practices for the Wholesale Financial Markets in April 2018 which a number of FIs in Singapore are already making reference to. In the guideline, it is stated that *“In general, records of communications should be kept for at least two months*. If MAS decides to go with the originally proposed timeline (i.e. 5 years), ASIFMA would suggest MAS to work with SFEMC to avoid divergence of requirements which would create operational burdens to FIs.
 - In addition to the above references, our members also highlight that it is costly to record communications for a period of 5 years as they would need to be warehoused. It is over and above other jurisdictions and therefore, this extra regulatory cost can be a deterrence for FIs conducting business in Singapore. Additional time, effort and cost are also needed if FIs subsequently need to retrieve these records if required for investigations.
 - With reference to the aforementioned points, ASIFMA would like to request MAS to review and shorten the required retention period.

- On the scope of this enhancement, ASIFMA would like to seek clarity on whether there would be any exemptions for dealing with institutional clients (e.g. banks or other FIs regulated by MAS).
- According to Paragraph 6.10 and 6.11 of [MAS Notice 626](#), banks in Singapore are required to identify and verify the identity of natural persons appointed to act on a customer's behalf by obtaining their full name, residential address and passport number etc, which is aligned with the international standard set forth in [The FATF Recommendations](#) on wire transfers. The proposed requirement set by MAS which also requires to obtain contact number would exceed the above international standard and hence, present challenges to banks in Singapore in terms of imposing such requirements on counterparty in other jurisdictions. In addition, some of these banks may not be willing to provide the information due to data privacy concerns in other regulatory jurisdictions. The operational challenges are magnified by the fact that collectively, banks process millions of payments each day. In view of the above, MAS should align Paragraph 6.3(b) of this consultation paper with Paragraph 11 of [MAS Notice 626](#).
- ASIFMA request MAS to limit the scope of voice recording to O&Ts received by Singapore based sales. There are various business models involving overseas sales where it would be operationally challenging to impose such requirements on teams outside of Singapore. This includes approved arrangements under Paragraph 9 of the Second Schedule to the SFA, overseas based appointed representatives and the follow-the-sun models (e.g. for clients contracted with FI's overseas entities, the Singapore office is likely only part of the chain in a follow-the-sun model, and FI's Singapore sales receive O&T from these clients generally only during Asian time zones).
- ASIFMA would also like to seek clarification from MAS whether it will be in scope for this requirement if the person receives and acts on orders and trades for trading accounts which are owned or controlled by the same FI.
- ASIFMA would like to seek clarity on the definition of "instructing" in Paragraph 4.4 of the Consultation. For example, generally, FIs (e.g. relationship managers) take instructions from individuals who are authorized to operate the account ("Person A"). Hence, hypothetically speaking, even if the FI is to receive any indication from a person who is connected to the account ("Person B") that there is a desire to place an O&T in the account, that indication will not be treated as instruction. The FI is then required to get the formal instruction to place the trade from Person A. Based on this example, ASIFMA would like to ask whether MAS is now requiring the FI to treat Person B as a "person instructing the O&T" and to ensure that the conversation between the FI and Person B is to be recorded.

- ASIFMA also want to seek clarity from MAS on the use of instant messaging tools. What reasonable measures should FIs undertake to be seen as suffice? The industry would welcome a further guideline on the use of these tools.
- ASIFMA would appreciate that MAS provides sufficient details as to the type of communications which have to be recorded, especially for those which “do no result in an actual transaction”. Numerous formal and informal meetings can take place with clients, and it is not clear at the outset of a meeting, whether potential transactions will be discussed. It is not practical to record every formal and informal communication with clients. While ASIFMA understand MAS’ intent to record all O&T communications, ASIFMA would like to request this requirement to exclude general marketing or other communications which, until additional steps are taken, do not result in an actual transaction.
- It would appear that the intent as primarily detailed within 4.4, would be to ensure that the FI has a reasonable level of knowledge of who has placed the specific order(s) regardless of the channel. That said, in the instance that a client provides an instruction via a personal electronic device, and they are unable to receive phone calls via a recorded line from the FI representative (e.g. they are currently on a plane and using Wi-Fi access to communicate), would the proposed call back need to be performed immediately prior to order placement or would it be permissible on a risk based approach for the FI to have exceptional processes in place to proceed with a time sensitive order and subsequently complete the call back at the earliest available opportunity? This would ensure that clients are accorded flexibility in communication channels, and utilise alternate means to proceed with the immediate trade (i.e. validate the instruction which comes from a number that is registered in the FI’s systems. The associated underlying risk of this would be similar to that of instructions received via emails).

Question 3: MAS seeks comments on the proposal to require FIs to record the Device ID of all O&Ts placed via mobile trading applications.

- ASIFMA would like to learn more from MAS about the reasons Device IDs are needed for all O&Ts placed via mobile trading application given that clients must login their client accounts to place O&T instructions and also, what benefits can be gained from the identification of the Device ID.
- ASIFMA would like to seek clarification from MAS whether it will be in scope for this requirement if the person receives and acts on orders and trades for trading accounts which are owned or controlled by the same FI.
- ASIFMA would also like to seek clarity on the scope of application of this requirement, in particular whether it applies only to FIs’ proprietary mobile trading applications

offered to clients, or even extending to third-party owned mobile trading applications (e.g. Bloomberg Mobile Application). If the latter is also in scope, ASIFMA would like to confirm if this requirement would apply to FIs' traders using the third-party mobile application or also the FIs' counterparties.

- ASIFMA request MAS to define “mobile applications” to reflect the application’s primary use and purpose is to allow users to modify O&Ts, and that it excludes proprietary vendor tools or applications that are web-based.
- ASIFMA would like to understand where two-factor authentication security has been implemented on mobile trading applications, whether MAS would consider this as providing sufficient comfort on the users logging into their client accounts, and as such dispense with the requirement to have the Device ID recorded given that the IP address for each session can be traceable.
- ASIFMA would like to seek MAS’ clarification that the requirement does not extend to FIs dealing with accredited investors, institutional investors and expert investors.
- As similar requirements are not seen in other jurisdictions, and it is anticipated that there may be difficulties in obtaining the Device ID for third-party owned mobile applications, our members are still assessing the potential technical challenges to implement such system to their operation models. ASIFMA would also request the requirements to capture and record commence with online stockbrokers’ mobile applications used by their external clients to modify O&Ts. Any challenges and issues in meeting the requirements can then be addressed before considering the viability of rolling this obligation out to other FIs.

Questions 4: MAS seeks comments on the proposal to require FIs to maintain a centralised, electronic register containing a list of all payments made in cash or by non-account holders, and the stipulated details associated with such payments.

- ASIFMA and its members have not seen similar requirements in other jurisdictions and worry that such stringent requirements would dampen Singapore to strive for a favourable business environment.
- ASIFMA would like to seek clarification from MAS whether it will be in scope for this requirement if the person receives and acts on orders and trades for trading accounts which are owned or controlled by the same FI.
- ASIFMA would like to raise that, for third-party payments, the due diligence requirements of personal details (e.g. ID of the third-party, including national identity number, residential address and contact number), FI would have difficulties to obtain this information and result in funds being kicked back and negative client experience.

Examples include (i) if the third-party who is a family member/partner, client may find the request too intrusive and will not agree to providing such details; and (ii) business partner, who is not willing to provide such information just to make a payment.

- ASIFMA would like to ask whether MAS would take into consideration for FIs to establish a risk-based approach to document evidence for all payments. The extent of documentary due diligence required should be proportionate to the risk level of customers in order to not create undue burden on both the customers and FIs. FIs should assess the reasonableness of information provided by clients and also the conclusion derived from and documented by sales staff on the purpose of the transfer vis-à-vis the overall conduct of the account to be adequate.
- ASIFMA would like to obtain clarity from MAS on the following:
 - Regarding the “centralized electronic register”, is it acceptable if the register is maintained (e.g. as a Microsoft Excel/Word file) in a shared folder accessible to all relevant employees of the FI?
 - Does “cash” payment only include physical cash; cash paid over the counter, bearer negotiable instruments and exclude cheques or internet banking transfers which are cleared by banks?
 - Would both (i) payments received from clients and (ii) payments made to clients need to be recorded?
- ASIFMA would like MAS to clarify whether the definition of “third-party” includes affiliates and related parties of a client, or, in the context of a trade settlement or margin payment, the seller or buyer of the same transaction who may transfer funds directly from their trading account at FI to the account of the buyer or seller as applicable. It is requested that MAS should exclude affiliates and related parties (including buying and selling counterparties and their settlement agents) from this requirement.
- ASIFMA would like to seek clarity from MAS whether the proposed enhancements in Section 6 “Register of Cash and Third-Party Payments” are applicable to only retail individual clients or to corporate clients as well. If the scope includes corporate clients as well, the requirement would impose operational challenges to FIs. For instance,
 - The threshold amount (i.e. \$20,000) stated in Paragraph 6.3 (b) would be too low for corporate clients and ASIFMA members would like to request MAS to raise the amount.

- In particular for corporate clients, the due diligence checks information fields requested in the Consultation seem to be geared on retail business and may not be relevant in a wholesale business context.
- The information required (identity of payer, including national identity number, residential address and contact number) would also appear to be information relating to individual and not corporate clients.
- ASIFMA would like to seek clarity on what constitutes “non-cash payments”.
- It would be operationally challenging to maintain a central register of third-party payments. This would involve system and process enhancements and voluminous efforts since it is a common practice for clients, especially corporate clients, to arrange a third-party to pay on their behalf. If this is required, the checks can only be performed on post-settlement basis as time and effort will be required to obtain and verify the required information. What is the MAS expected turnaround time to maintain the central register? Our members request a reasonable amount of time to reach out to clients or the third-parties for the required information. Additionally, given a lack of legally binding relationships with these third-parties, there will be practical challenges in acquiring from, and obligating these third-parties to provide, the required data points in the proposed “Register of Cash and Third Party Payments”; it can only be achieved on a best effort basis. Nevertheless, in all cases, the FIs shall consider if the circumstances are suspicious so as to warrant the filing of a suspicious transaction report (STR) in accordance with [MAS Notice 626](#) Paragraph 6.19 to 6.26.
- With regard to the due diligence checks for non-cash payments made by a third-party, ASIFMA would like to highlight that FIs are only able to obtain such information by making enquiry with their clients. Does MAS require FIs to further conduct validation of documents obtained? If this is the case, FIs might not be able to independently verify the information their clients have provided.
- ASIFMA would also like to clarify the scope of the register considering the follow-the-sun model where the Singapore office is only part of the chain in a follow-the-sun model and should be limited to O&Ts booked in Singapore.
- ASIFMA would like to seek clarification from MAS on the level of due diligence that FI are expected to conduct on the third-party.
 - Are banks expected to further conduct validation of documents obtained?
 - In situations where clients or the third-parties refuse to provide the required information, ASIFMA members would like to seek clarification on what the FIs should do.

- In times where third-parties deposit money into accounts via ATM or cheque box, it will be extremely challenging to identify the third-party, not to mention the due diligence checks items. It would be great if MAS can provide further guidance on how to perform due diligence in these scenarios.
- ASIFMA would like to seek clarity from MAS on the implications if information such as (i) Reason for paying in cash and (ii) Source of funds cannot be obtained for the purpose of inclusion in the register. Such situation can be caused by availability of disclosure from client, ability of verification and validation, and to what extent of information/client or even client's client is willing to share with the client or even the FI in question.
- ASIFMA would like to seek MAS' clarification that the requirement does not extend to FIs dealing with accredited investors, institutional investors and expert investors.