

Mr. Speaker Sir,

Thank you for allowing me to join this debate.

In recent years, Singapore has ramped up its efforts to counter money laundering and financing of terrorism, responding to high-profile cases that exposed potential weaknesses in sectors like precious metals and precious stones.

The business community in Singapore welcomes the introduction of the Prevention of Proliferation Financing and Other Matters Bill. This bill demonstrates Singapore's dynamic regulatory approach which fortifies the legal

framework while emphasizing regulatory compliance, international collaboration, and the importance of transparent and ethical practices within the industry.

Though the bill focuses on diverse professions from Legal, Money Lenders and Pawn brokers to sectors such as the precious stones and precious metal, the benefits will be similar in nature for all.

Through this amended bill companies within these sectors will be able to

1. Differentiate themselves in the market by demonstrating a strong commitment to preventing money laundering and the financing of terrorism that can enhance a company's reputation through building trust with customers, partners, and regulators.
2. By adhering to the updated regulations and increasing internal controls, businesses within these industries can mitigate the risk of being involved in illicit activities unknowingly.

I also believe that

3. The facilitation of information

sharing with foreign authorities presents an opportunity for businesses to engage in more robust international collaboration. This can lead to better global practices and potentially open new markets and partnerships that value stringent compliance standards.

With these amendments most businesses will have Increased transparency and public disclosure requirements which may mean that any non-compliance or legal issues could be more visible and damaging to a company's reputation. This in turn should lead to a reduction in matters of

money laundering and financing of terrorism.

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However, we have to recognize that the impacted sectors will also face some challenges. There will be a significant increase in Compliance Costs including the establishment of a compliance officer role as well as an increase in operational costs related to the development of specific training programs and investment in new monitoring systems.

This Bill also extends the regulatory burden to a broader range of professional services, not just financial

institutions. For the Legal profession, I expect Legal practitioners and law firms will now be required to take active measures in monitoring transactions to prevent the financing of terrorism.

The Pawnbrokers industry will also need to establish more robust programs to prevent the financing of terrorism. The amended bill requires development of policies to identify, assess, and understand risks associated with each transaction. This could be challenging, especially for smaller pawnbrokers with limited resources.

For the Money Lending Business, if a significant number of moneylenders face difficulties in

renewing licenses due to these new regulations, there could be a reduction in available lending options in the market, limiting choices for borrowers.

Now, I would like to take this opportunity to seek some clarifications on this Bill:

- 1) Since some Business owners, especially SMEs, might face challenges when adopting the proposed changes and regulations how long will such businesses be given for implementation of these new rules?

- 2) What additional resources or assistance programs will the government, provide to help affected businesses understand as well as comply with new regulations?
- 3) Could I please request the SPS share with this House any instances thus far that Singapore's security and policing authorities have faced in detecting efforts to use precious stones and metals in financing terrorism?
- 4) Finally, I would appreciate if the SPS could share the key concerns raised by the various industry players namely the pawnbrokers, the dealers in precious metals in the Ministry's consultation process in finalising this Bill.

Sir, I do believe that Singapore must uphold and strengthen the trust premium that we have built up over the years. In offering a stable and

transparent business environment, we have attracted multinationals and investors from around the world. They have set up corporate headquarters and regional offices in Singapore,

building up our talent and business ecosystem.

We MUST continue to stay abreast of international developments to counter threats such as money laundering, terrorism financing, and proliferation financing. To do so, we need robust policies and eoordination within sectors to build capabilities in businesses,

especially local SMEs, to adapt to evolving compliance and regulatory requirements.

Together, we can defend and strengthen Singapore's status as a premier business and financial hub.

Mr Speaker Sir, notwithstanding my request for some clarifications, I believe this Bill is necessary in strengthening our fight against money laundering and financing terrorism.

I stand in support of the Bill.

Thank you.