MINDLINK GROUPS

Annex E: Suggested Template for EA's ML/PF/TF Risk Assessment of Past Transactions

Purpose

This template serves to guide estate agents (EAs) in conduct risk analysis on their past property transactions. An EA can choose to adopt the tables and criteria or have its own methodology for conducting the required risk analysis, which best suits its business needs.

This guide helps the EA to understand the nature of its transactions and hence the types of transactions that may pose higher ML/PF/TF risks, so that the appropriate steps to mitigate such risks can be put in place. It includes both sale and lease transactions, as ML/PF/TF may be unwittingly facilitated by the EA and/or its RESs through these transactions.

The tables and criteria, including review of data over the past 3 years and the values of S$3 million, 3 properties and S$10,000, are suggested figures. They serve as a guide to help the EA identify potential higher risk transactions.

Section A: Sale & Purchase Transactions Risk Assessment (Tables 1 & 2)

Risk Indicators for Sale & Purchase Transactions
• Physical cash transactions • Transactions ≥ S$3 million • Multiple property transactions (≥3 properties per customer) • Foreign buyer/seller involvement • Use of complex corporate structures • Refer to Annex A for the list of other Red flag indicators
Guidance Note on Using Tables 1 & 2 to Conduct Sale & Purchase Transactions Analysis
1. "Total Transaction Value" refers to total value of property sales and purchases transacted in a specified year. 2. "Physical cash" refers to transactions in which physical cash were used (e.g. for payment of the option fee). Cheques and cashier orders are not considered physical cash for this purpose. 3. "S$3 million or higher" refers to those transactions in which the property had been transacted at S$3 million or higher. 4. "3 or more properties" refers to the transactions in which an individual or a corporate or business entity had transacted 3 or more properties for that year 5. "Number of sales and purchases" in Table 2 includes information of transactions involving both sellers and buyers. 6. "Foreigners" includes Singapore Permanent Residents. 7. Upon completing Tables 1 & 2, EAs should consider if the breakdown of the information reveals any trends or patterns of transactions which may require detailed analysis of the individual transactions within the trend or pattern.

Table 1 – Overview of Sale and Purchase Transactions (3-Year Period)

Year	Number of Transactions	Total Transaction Value (S$)	Number of Higher Risk Transactions*
20_ _			
20_ _			
20_ _			

Higher-risk transactions: Those meeting one or more risk indicators.

Table 2 – Detailed Sale and Purchase Transactions Analysis for Past 3 Years: 20XX (One table for each year)

Customer Type	Nationality	Risk Indicator	Residential	Commercial	Industrial	Foreign
Individual	Local	Physical cash				
		S$3 million or higher				
		3 or more properties				
	Foreigner	Physical cash				
		S$3 million or higher				
		3 or more properties				
Entity	Local	Physical cash				
		S$3 million or higher				
		3 or more properties				
	Foreigner	Physical cash				
		S$3 million or higher				
		3 or more properties				

Section B: Lease Transactions Risk Assessment (Tables 3 & 4)

Risk Indicators for Lease Transactions
• Monthly rental ≥ S$10,000 • Multiple property leases (≥3 properties per customer) • Foreign tenant/landlord involvement • Unusual payment methods • Short-term/frequent turnover • Refer to Annex A for the list of other Red flag indicators
Guidance Note on Using Tables 3 & 4 to Conduct Lease Transactions Analysis
1. "Annual Rental Value" refers to the annual value of the lease (monthly rental amount multiplied by 12) transacted in a specified year. 2. "S$10,000 or higher" refers to the transactions in which the property had been leased for a monthly rental value of S$10,000 or higher. 3. "3 or more properties" refers to the transactions in which an individual or a corporate or business entity had transacted 3 or more properties for that year 4. "Number of leases" in Table 4 includes information of transactions involving both tenants and landlords. 5. "Foreigners" includes Singapore Permanent Residents.

6. HDB residential rental transactions are not required to be included for transaction analysis in Tables 3 & 4.

7. Upon completing Tables 3 & 4, EAs should consider if the breakdown of the information reveals any trends or patterns of transactions which may require detailed analysis of the individual transactions within the trend or pattern.

Table 3 – Detailed Lease Transactions Analysis (3-Year Period)

Year	Number of Transactions	Annual Rental Value (S$)
20_ _		
20_ _		
20_ _		

Table 4 –Details of Lease Transactions Analysis for 20XX (One table for each year)

Customer Type	Nationality	Risk Indicator	Residential	Commercial	Industrial	Foreign
Individual	Local	S$10,000 or higher				
		3 or more properties				
	Foreigner	S$10,000 or higher				
		3 or more properties				
Entity	Local	S$10,000 or higher				
		3 or more properties				
	Foreigner	S$10,000 or higher				
		3 or more properties				