Circular No.: AMLD 01/2018

08 January 2018

The Chief Executive Officers of All Financial Institutions

Dear Madam / Sir

USE OF MYINFO AND CDD MEASURES FOR NON FACE-TO-FACE BUSINESS RELATIONS

MAS supports the use of technology by financial institutions (FIs) to improve the customer onboarding experience while adequately assessing and managing money laundering and terrorism financing (ML/TF) risks.

2 This Circular provides guidance regarding FIs' use of MyInfo as a verified source of identification information. It also highlights considerations relating to the use of non-face-to-face (NFTF) verification measures, and provides further examples of NFTF measures that FIs may employ as additional checks to manage the risk of impersonation.[1]

(i) Use of MyInfo as Verified Identity Information

3 MyInfo has been made available for private sector use from end-2017. In line with Singapore's Smart Nation initiative, FIs will be able to use the MyInfo platform for customer identification and verification.

- MAS considers MyInfo to be a reliable and independent source for the purposes of verifying the customer's name, unique identification number, date of birth, nationality and residential address.[2]

- Where MyInfo is used, MAS will not require FIs to obtain additional identification documents[3] to verify a customer's identity, and will also not expect FIs to separately obtain a photograph of the customer.[4]

[1] The examples listed here are in addition to those listed in the Guidelines to the relevant AML/CFT Notices, in relation to *CDD Measures for Non-Face-to-Face Business Relations*.

[2] Where FIs require additional customer information such as other personal attributes or data in order to provide financial services to the customer and the information can also be obtained from MyInfo, FIs may access and obtain the information on MyInfo subject to the customer's consent.

[3] Including, for example, customer's NRIC or passport.

[4] FIs which decide to retain the photograph requirement for other reasons, such as to fulfill Group compliance requirements, may continue to do so.

- FIs should maintain proper records of data – including data obtained from MyInfo – as per the requirements set out in the MAS Notices.

4 For the avoidance of doubt, FIs should continue to subject customers who are not enrolled on MyInfo (e.g. non-Singapore residents) or who do not consent to the use of MyInfo for account opening/establishing business relations to the existing Customer Due Diligence ("CDD") requirements of the applicable MAS' Notices on Prevention of Money Laundering and Countering the Financing of Terrorism ("MAS Notices") and Guidelines to the MAS Notices ("MAS Guidelines").

(ii) Clarification on CDD Measures for Non-Face-to-Face Business Relations[5]

5 Where identity is obtained electronically through other NFTF means, including through transmission of scanned or copy documents, FIs should apply additional checks to mitigate the risk of impersonation. MAS Guidelines provide illustrative examples of what such measures could be. The examples are non-exhaustive and FIs can apply any one of those measures, so long as the FI has assessed it to be appropriate to mitigate the risk. In addition to the existing examples in the MAS Guidelines, FIs can also consider applying the following measures:

a. holding real-time video conference that is comparable to face-to-face communication, in addition to providing electronic copies of identification documents;

b. verifying the identity of a customer through a document the customer has signed with a secure digital signature using a set of Public Key Infrastructure-based credentials issued by a certified Certificate Authority under the Electronic Transaction Act; and

c. using new technology solutions [6] including, but not limited to, biometric technologies (e.g. fingerprint or iris scans, facial recognition), which should be linked incontrovertibly to the customer.

6 FIs that rely on new technology solution(s) to perform NFTF CDD should ensure that these solutions continue to facilitate CDD measures that are at least as robust as those performed with face-to-face contact[7]. This should include a once-off independent assessment from a suitably qualified professional[8] to certify, at the first year mark after implementation,

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[5] Licensed Money-changers and Remittance Agents should refer to MAS Notice 3001 on Prevention of Money Laundering and Countering the Financing of Terrorism for the applicable requirements for NFTF business relations. The clarifications on CDD Measures for NFTF Business Relations set out in this Circular shall apply only upon fulfilment of the requirements under Notice 3001.

[6] A technology will be considered new if it is new to, or has yet to be widely adopted, by financial institutions in Singapore for the purposes of onboarding of customers.

[7] In line with the requirements in the relevant MAS AML/CFT Notices, in relation to *CDD Measures for Non-Face-to-Face Business Relations.*

[8] Any suitably qualified professional may perform the independent assessment of new technology solutions for NFTF verification. This can include the FI's Internal Audit (IA) function, where the IA has the necessary expertise to do so. FIs may also engage an External Auditor or independent qualified consultant to conduct the assessment and certification of the effectiveness of the new measure in managing impersonation risk.

the effectiveness of the new technology solution in managing impersonation risk. The independent assessment should be retained by the FI for as long as that technology solution is in use, and for a minimum period of 5 years after it ceases to be in use. MAS may request to review the independent assessment as part of our supervisory process.

7 MAS expects the Board and senior management of FIs to exercise effective oversight of the management of ML/TF risks and controls.

Yours faithfully

(Sent via MASNET/email)

VALERIE TAY
EXECUTIVE DIRECTOR
ANTI-MONEY LAUNDERING DEPARTMENT