PANORAMIC

# SANCTIONS

Singapore

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# Sanctions

Contributing Editors

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## GENERAL FRAMEWORK

### Legislation

What domestic legislation enables economic, financial and trade sanctions to be implemented in your jurisdiction?

Singapore's economic, financial and trade sanctions are implemented through a combination of domestic legislation and administrative measures. As a member of the United Nations (UN), Singapore implements the resolutions passed by the United Nations Security Council through the United Nations Act 2001 (UN Act), which imposes sanctions requirements on non-financial institutions. The UN Act enables the Singapore government to pass necessary regulations to give effect to the decisions of the Security Council of the UN.

Singapore's domestic legislation also includes the Financial Services and Markets Act 2022 (FSMA), which imposes sanctions requirements on financial institutions related to targeted financial measures issued by the Monetary Authority of Singapore (MAS) and the Terrorism (Suppression of Financing) Act (TSOFA), which targets financial sanctions against designated individuals and entities linked to terrorism financing. Variable Capital Companies (VCC) must also comply with targeted financial sanctions issued under the Variable Capital Companies Act 2018 (VCC Act).

In addition, sanctions can also be passed through the issuance of notices by the MAS under the MAS Act. A recent example was the measures targeted at designated Russian banks, entities and activities in Russia, and fund-raising activities benefitting the Russian government in response to Russia's invasion of Ukraine. These measures apply to all financial institutions in Singapore.

**Law stated - 3 February 2025**

### Autonomous versus international regimes

Does the domestic legislation empower your government to implement an autonomous sanctions regime or are only those sanctions adopted by international institutions and organisations imposed?

Domestic legislation empowers the government to implement an autonomous sanctions regime apart from enforcing sanctions by international organisations such as the UN. Singapore applies targeted financial sanctions against designated individuals and entities under the TSOFA and the MAS Act. In addition, VCCs must comply with targeted financial sanctions issued under the VCC Act.

**Law stated - 3 February 2025**

### Types of sanction imposed

What types of sanction are imposed in your jurisdiction?

Singapore imposes arms embargoes and sanctions on missiles or nuclear-related goods, prohibitions on activities relating to certain countries, goods and services or entities, and targeted financial sanctions.

The targeted financial sanctions are diverse and require financial institutions to immediately freeze funds, other financial assets or economic resources of designated individuals and entities and cease entering financial transactions or providing financial assistance or services in relation to designated individuals, entities or items, or proliferation, nuclear or other sanctioned activities.

**Law stated - 3 February 2025**

## Countries subject to sanctions

### Which countries are currently the subject of sanctions or embargoes in your jurisdiction?

Singapore enforces all UN Security Council resolutions imposing sanctions. The present sanctions target the Democratic People's Republic of Korea (DPRK), the Democratic Republic of Congo, Iran, Libya, Somalia, South Sudan, Sudan and Yemen. Please refer to this website address for the current list of designated individuals and entities regulated under the FSMA, the VCC Act, the UN Act and TSOFA.

Singapore has also implemented sanctions against Russia in response to the invasion of Ukraine.

**Law stated - 3 February 2025**

## Non-country specific regimes

### What other sanctions regimes are currently in force in your jurisdiction which are not country specific?

Apart from general sanctions against terrorists and terrorist organisations under the TSOFA, Singapore does not presently have any sanctions regime that is not country-specific.

**Law stated - 3 February 2025**

## Counter-terrorism sanctions

### What sanctions and prohibitions are imposed in your jurisdiction in relation to terrorist activities?

As part of its domestic legislation, the TSOFA suppresses the financing of terrorism and prohibits financial transactions that will benefit terrorists and terrorist entities in the commission of terrorist acts. Sections 3 to 6 of the TSOFA expressly prohibit the provision and collection of property for terrorist acts, provision of property or services for terrorist purposes, use or possession of property for terrorist purposes and dealing with property of terrorists or terrorist entities. Under the TSOFA, a person convicted of contravening sections

3 to 6 will be liable to a maximum fine of S$500,000 or imprisonment for a term not exceeding 10 years, or both.

In addition to prohibiting financial transactions that will benefit terrorists and terrorist entities in the commission of terrorist acts, Part IV of the TSOFA also empowers enforcement agencies to seize, freeze and confiscate terrorist property.

**Law stated - 3 February 2025**

## Anti-boycott laws

### Are any blocking or anti-boycott laws in place in your jurisdiction?

No, Singapore does not have any blocking or anti-boycott laws in place.

**Law stated - 3 February 2025**

## Scope of application

### Who must comply with sanctions imposed in your jurisdiction? Do sanctions have extra-territorial effect?

Generally, all Singaporean citizens and residents, as well as non-Singaporean individuals and entities physically present in Singapore or those conducting business or engaging in financial transactions in Singapore must comply with the sanctions imposed in the country.

The scope and extraterritorial reach in respect of Singapore's domestic legislation depends on each specific law. For example, the UN Act and TSOFA apply to transactions in Singapore and provide for extraterritorial application. The UN Act expressly applies to all Singaporean citizens, regardless of their location and whether outside or within Singapore. Likewise, section 34 of the TSOFA provides for extra-territorial jurisdiction for offences under sections 3, 4 or 5 of the TSOFA that are committed outside Singapore by Singaporean citizens or any person.

**Law stated - 3 February 2025**

## Competent sanctions authorities

### Which government authorities in your jurisdiction are responsible for implementing and administering sanctions?

The implementation and administration of sanctions in Singapore involve a coordinated effort among several government authorities, each with specific roles and responsibilities. The MAS plays a leading role in implementing and administering economic and financial sanctions, particularly the FSMA. The Police Force primarily administers and enforces the UN Act and TSOFA. Customs is responsible for enforcing trade sanctions and the Ministry of Home Affairs is responsible for matters relating to the designation of terrorists.

**Law stated - 3 February 2025**

### Business compliance

Are businesses in your jurisdiction required to put in place any systems or controls in order to ensure compliance with sanctions?

Some sector-specific regulations and guidelines may inform specific businesses on the type of systems and controls that ought to be implemented. For example, the MAS has issued Notice 626 (Prevention of Money Laundering and Countering the Financing of Terrorism) under which all financial institutions operating in Singapore are subject to mandatory anti-money laundering (AML) obligations must put in place robust controls to detect and deter the flow of illicit funds through Singapore's financial system. These controls include the need for financial institutions to identify and know their customers (including beneficial owners), conduct regular account reviews, and monitor and report any suspicious transactions. The AML Committee of the Law Society of Singapore also guides members on AML and countering the financing of terrorism requirements that apply to lawyers.

**Law stated - 3 February 2025**

### Guidance

Has your government issued any guidance on compliance with the sanctions framework in your jurisdiction?

The MAS has issued a circular on ensuring effective detection of sanctions-related risks- . The circular sets out additional guidelines for financial institutions to enhance their processes, thus ensuring that they have robust mechanisms in place to effectively detect and manage sanctions-related risks. For example, the circular encourages financial institutions to maintain strong board and senior management oversight over risks related to sanctions, also to continue strengthening their capabilities in detecting these risks. Financial institutions are also encouraged to review their anti-money laundering and combating the financing of terrorism frameworks against this circular and take appropriate steps to enhance them if needed.

Furthermore, the Singapore Exchange Regulation has also posted guidance regarding its expectations of issuers concerning sanctions-related risks on the Singapore Exchange's (SGX) website. For example, SGX expects issuers to have put adequate safeguards in place to address and mitigate these risks. If an issuer is subject to sanctions or engages in a sanctioned activity, it should suspend trading in its listed securities and immediately announce all relevant risk exposure.

**Law stated - 3 February 2025**

## ECONOMIC AND FINANCIAL SANCTIONS

### Asset freezes

In what circumstances may a person become subject to asset freeze provisions in your jurisdiction? What dealings do asset freeze provisions generally restrict in your jurisdiction?

Singapore is a member state of the UN and therefore strives to implement UN Security Council (UNSC) Resolutions. UNSC Resolutions impose targeted financial sanctions against specific individuals and entities identified to be contributing to a particular threat to or breach of international peace and security. The MAS effects these sanctions through regulations, namely (1) the Financial Services and Markets Regulations (FSM Regulations) issued under section 192 of the FSMA; and (2) the Variable Capital Companies (Sanctions and Freezing of Assets of Persons) Regulations (VCC Regulations) issued under section 83(1)(b) of the VCC Act. These regulations apply to financial institutions and variable capital companies in Singapore respectively. For example, once an individual or entity specified in UNSC Resolutions has their assets in the possession, custody or control of a financial institution in Singapore, the institution must freeze those assets.

Additionally, under the TSOFA, all persons within Singapore as well as Singaporean citizens outside Singapore must freeze any assets related to terrorists. These terrorists are designated as such by the Inter-Ministry Committee on Terrorist Designation (IMC-TD) according to obligations under UNSC Resolution 1373.

Asset freeze provisions under the FSM Regulations, VCC Regulations and TSOFA generally prohibit the relevant institutions or persons from making these assets available, whether directly or indirectly, to or for the benefit of the designated person.

**Law stated - 3 February 2025**

## General carve-outs and exemptions

### Are there any general carve-outs or exemptions to the asset freeze provisions in your jurisdiction?

Yes. Under the FSM Regulations and VCC Regulations, the asset-freeze provisions do not apply to assets determined by the MAS to be necessary in certain circumstances. These include assets necessary for the payment of basic expenses, such as payment for food, rent, mortgages, medicine, taxes and insurance premiums. These also include assets necessary exclusively for paying reasonable professional fees: see, for example, Regulation 5(3) FSM (Sanctions and Freezing of Assets of Persons – Democratic Republic of the Congo) Regulations.

The Terrorism (Suppression of Financing) (General Exemption) Order 2013 similarly excludes the making available of funds for basic expenses, as well as the use of funds for basic expenses.

**Law stated - 3 February 2025**

## List of targeted individuals and entities

### Do the competent sanctions authorities in your jurisdiction maintain a list of individuals and entities blocked under asset freeze restrictions?

Yes. The MAS maintains separate lists on its website for the individuals and entities blocked under asset freeze restrictions under the FSM Regulations and VCC Regulations. The First Schedule of TSOFA also sets out a list of terrorists and terrorist entities designated by the

IMC-TD. Furthermore, as a result of Russia's invasion of Ukraine, the MAS imposed targeted financial sanctions against four designated Russian banks: see Annex A of MAS' Notice of Financial Measures in Relation to Russia.

Periodically, the MAS releases private control lists containing the names of designated individuals and entities to financial institutions. These lists, however, are not accessible to the public.

**Law stated - 3 February 2025**

## Other restrictions

### What other restrictions apply under the economic and financial sanctions regime in your jurisdiction?

In response to Russia's invasion of Ukraine, the MAS has imposed financial measures targeted at designated Russian banks. For example, a financial institution is prohibited from dealing with designated Russian banks by establishing business relations with or undertaking any financial transactions for them, entering into any financial transaction, providing any financial assistance, or transferring any assets or resources to them. Furthermore, a financial institution must also freeze the assets of these banks if these assets come into the institution's possession, custody or control in Singapore.

**Law stated - 3 February 2025**

## Licensing – scope

### Are the competent sanctions authorities in your jurisdiction empowered to issue a licence to permit activities which would otherwise violate economic and financial sanctions? If so, what is the extent of their licensing powers and in what circumstances will they issue a licence?

Yes. The regulations under the UN Act, which imposes sanctions requirements on non-financial institutions in Singapore, allow the Minister for Law to exempt any person or activity from the provisions of those regulations. However, the exemption must be (1) consistent with the UNSC's intention under UNSC Resolutions 1373 and 1390; and (2) considered by the Minister to be appropriate in the circumstances (see section 12 UN (Anti-terrorism Measures Regulations)).

Furthermore, section 189 of the FSMA empowers the MAS to exempt any financial institution from the provisions of the FSMA by way of regulations or upon application by the financial institution. The MAS may specify any relevant conditions or restrictions that accompany its exemption. However, where the MAS issues an exemption by regulation, it must prescribe certain mandatory conditions. For example, it must include a condition relating to the criteria that must be satisfied for the institution to grant any credit facility to any individual in Singapore, or a condition relating to the standards to be maintained by the institution when carrying on a business of granting any credit facility to any individual in Singapore.

Section 7 of the TSOFA also empowers the Minister for Home Affairs to exempt any person in Singapore, or any citizen of Singapore outside Singapore, from (1) the prohibition against the

provision of property and services for terrorist purposes pursuant to section 4(1)(b) TSOFA; and (2) the prohibition against dealing with property of terrorists in respect of any activity or transaction specified under section 6 TSOFA. However, the exemption may be subject to any terms and conditions as prescribed by the Minister.

Finally, upon the application of a financial institution, section 178 of the MAS Act 1970 allows the MAS to exempt certain transactions or business relations from transactions that may otherwise attract sanctions. This exemption may be subject to any conditions or restrictions as prescribed by the MAS.

**Law stated - 3 February 2025**

## Licensing – application process

### What is the application process for an exemption licence? What is the typical timeline for a licence to be granted?

The relevant legislation does not provide a specific process for applying for a licence. However, to obtain the requisite approvals, applications for licences should be made in writing to the relevant ministries or MAS as appropriate.

**Law stated - 3 February 2025**

## Approaching the authorities

### To what extent is it possible to engage with the competent sanctions authorities to discuss licence applications or queries on economic and financial sanctions compliance?

MAS regularly engages with financial institutions in dialogues to cultivate mindsharing and awareness, understand operational challenges and share good practices. These dialogues are, therefore, useful for financial institutions to discuss and clarify any issues relating to sanctions compliance and licence applications. MAS also has a designated contact point for enquiries on the interpretation and applicability of its regulations at webmaster@mas.gov.sg.

**Law stated - 3 February 2025**

## Reporting requirements

### What reporting requirements apply to businesses who hold assets frozen under sanctions?

FSM Regulations and VCC Regulations require financial institutions and VCCs to provide MAS with any information they have about transactions or proposed transactions concerning frozen assets. They must also provide any further information relating to the frozen assets, transaction or proposed transaction that the MAS may require (see, eg, Regulation 6 FSM (Sanctions and Freezing of Assets of Persons – Democratic Republic of the Congo) Regulations).

Similarly, under section 8 of the TSOFA, persons in Singapore and Singaporean citizens based outside Singapore must inform the Commissioner of Police about information on frozen assets of designated terrorists. The Commissioner of Police may also require further information or particulars as they think fit.

**Law stated - 3 February 2025**

## TRADE SANCTIONS

### General restrictions
What restrictions apply in relation to the trade of goods, technology and services?

An importer or exporter of goods, technology and services in Singapore is required to check whether such importation or export is subject to control via a Singapore government Harmonised System / Competent Authorities Product Search Engine. If so, it would be required to obtain the relevant licence from the competent authorities concerned. Generally, the trading in goods that the Singapore government determines to pose a threat to health, security, safety and social decency is controlled. Special import licences are required for strategic goods, hazardous chemicals, radioactive materials, films and videos, arms and ammunition, prescription drugs and the like. Goods as diverse as rubber, timber, granite, satellite dishes and receivers are subjected to export control and licensing. By contrast, there is a list of prohibited goods for import and export that can be found on the Singapore Customs website.

Furthermore, as a member of the UN, Singapore also implements the United Nations Security Council (UNSC) Resolutions, which impose sanctions that prohibits activities relating to certain countries, goods and services, or entities. Specifically, the import into, export from, trans-shipment and transit through Singapore of certain goods that contravene the said sanctions are prohibited under Regulation 6(1)(b) of the Regulation of Imports and Exports Regulations.

**Law stated - 3 February 2025**

### General exemptions
Do any exemptions apply to the general trade restrictions?

Exemptions from general trade restrictions may be granted in respect of 'controlled goods' as described above. In Singapore, such exemptions are granted by way of permits issued by the Director-General of Customs and with the approval of the relevant 'competent authorities' for the importing, exporting or trans-shipping of the specific type of controlled goods (Regulations 3(1), 4 and 5 of the Regulation of Imports and Exports Act 1995 (RIER)). Such 'competent authorities' are specified in the Harmonised System /Competent Authorities Product Search Engine. For instance, trading in medicines and pharmaceuticals is regulated by the Health Sciences Authority, while the import and export of arms and fireworks are regulated by the Singapore Police Force.

**Law stated - 3 February 2025**

## Targeted restrictions

### Have the authorities in your jurisdiction imposed any trade sanctions against dealing with any particular individuals or entities?

As a member of the UN, Singapore implements UNSC resolutions. Consequently, import into, export from, trans-shipment and transit through Singapore of goods that contravene UNSC sanctions are prohibited under Regulation 6(1)(b) of the RIER. Currently, there are three key trading bans in place.

First, Singapore prohibits dealing with the Democratic People's Republic of Korea or any of its individuals or entities in importing or exporting arms, goods and technology related to nuclear programmes, electronics, precious stones, etc. The Seventh Schedule of the RIER, read with Regulation 6(2)(c), strictly prohibits the import, export, trans-shipment or transit of these goods.

Second, Singapore also imposes restrictions on trading in nuclear-related items with Iran and entities in Iran. Nonetheless, it is possible to use the dedicated 'procurement channel' for the transfer of nuclear-related items, materials, equipment, goods and technology to Iran as long as there is prior in-principle approval from the UNSC.

Third, there is also a ban implemented on the export, transit and trans-shipment of items to Russia that can be directly used as weapons to inflict harm on Ukrainians in the Russia–Ukraine conflict or to contribute to cyber operations. This has been implemented by Singapore despite there being no UNSC resolution passed to that effect, as Singapore acted in concert with other like-minded countries that imposed sanctions and restrictions against Russia. Following this, various defined Military Goods and Electronics, Computers and Telecommunications and Information Security under the Strategic Goods (Control) Order 2021 are banned from being transferred to Russia.

Additionally, the Singapore Customs has a list of other countries (apart from DRRK and Iran) against which there are restrictions on trade. These are also reflected in the Seventh Schedule of the RIER in greater detail.

**Law stated - 3 February 2025**

## Licensing – scope

### In what circumstances may the competent sanctions authorities in your jurisdiction issue a licence to trade in goods, technology and products that are subject to restrictions?

In Singapore, licences to trade are typically issued by the Singapore Customs in the form of permits after the necessary approvals and/or licences have been obtained from the relevant competent authorities. The circumstances under which a permit can be obtained differ depending on the type of goods and the country that an individual or entity intends to trade with.

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A strategic goods permit is required for parties to export, re-export, trans-ship, broker, bring in transit, intangibly transfer or electronically transmit any strategic goods or strategic goods technology. The term 'strategic goods' refers to goods relating to the development, production, and use of nuclear, chemical and biological weapons or missiles capable of delivering these weapons and 'dual-use' goods that have both military and commercial applications.

Under the Strategic Trade Scheme, the Singapore Customs may grant a strategic goods permit to a company that can show that it has a robust internal compliance programme with local export control regulations. Some characteristics of a good compliance programme would include the nomination of a strategic goods control officer, adequate measures to identify threats, and adequate staff and employee training to ensure they are aware of the company's obligations to adhere to export control laws and regulations. Such a company is also required to have a good compliance record with the Singapore Customs and to maintain proper records of all transactions relating to strategic goods that can be readily made available for auditing by the Singapore Customs, before a permit may be issued.

**Law stated - 3 February 2025**

## Licensing – application process

### What is the application process for a licence? What is the typical timeline for a licence to be granted?

First, a trader has to seek approval from the relevant Competent Authority if controlled and prohibited goods are being traded. To determine if goods are controlled or prohibited, a brief search may be done through the Harmonised System /Competent Authority Product Code Search Engine. The procedure for obtaining a licence and/or advance notification from the relevant Competent Authority depends on the type of controlled goods involved.

Next, one has to obtain a Customs In-Non Payment (Temporary Consignment) permit via TradeNet for imports and Customs Out (Temporary Consignment – TCI) permit for exports.

Customs will process the TradeNet declaration within four working hours provided all the documents are in order.

For the export of strategic goods, most individual permit applications will be processed within five working days of the Singapore Customs receiving a completed application with complete supporting documents. However, the actual processing time would vary depending on the nature of the items, destination or the parties involved in the transaction.

**Law stated - 3 February 2025**

## Approaching the authorities

### To what extent is it possible to engage with the competent sanctions authorities to discuss licence applications or queries on trade sanctions compliance?

Singaporean Customs can be contacted through live chat. Alternatively, one can call +65 6355 2000. These channels are operational from SGT 8am to 6pm from Monday to Friday and SGT 8am to 12pm on Saturday.

Other competent authorities that enforce laws and regulations relating to the import, export or trans-shipment of certain controlled goods can be contacted through their respective hotlines, details of which appear in the Harmonised System / Competent Authorities Product Search Engine.

**Law stated - 3 February 2025**

## ENFORCEMENT AND PENALTIES

### Reporting violations
### Is there a requirement to report violations to the authorities? If reporting is not obligatory, is it encouraged in any event?

If persons know or have reasonable grounds to suspect that any property is connected to criminal activity through the course of their trade, profession, business or employment, they are mandated to file a Suspicious Transaction Report (STR) under section 45 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992. Additionally, under sections 8 and 10 of the Terorrism (Suppression of Financing) Act (TSOFA), every person in Singapore and every Singapore citizen outside Singapore is obligated to inform about property and financial transactions belonging to terrorists and acts of terrorism-financing. They can directly report to the Police or file an STR. Failure to do this may constitute a criminal offence.

Each reporting industry has Anti-Money Laundering and Counter-Terrorism Financing legislation and regulations as mandated by regulators in that industry. These include requirements on customer due diligence, record keeping, internal controls, training and suspicious transaction reporting. Moreover, there are specific guidelines and indicators for each industry that parties can refer to in the detection and reporting of STRs. If the business is not within a regulated industry, individuals can still file an STR through a Generic STR form and have it signed and delivered by post or hand to the Suspicious Transaction Reporting Office.

1. 
    1. Otherwise, there is generally no obligation to report violations to authorities. In the trade industry, such reporting is highly encouraged since it helps contribute to maintaining the integrity of Singapore's trading system where individuals and businesses are intended to conduct trade fairly and pay the correct amount of taxes. Violations of failure to report duty/ goods and services tax and of other illicit trade can be reported through this form. If one has committed, aided or abetted any tax evasion or illicit trade activities, cooperation with the authorities by reporting the given incident might be taken

into account as a mitigatory factor in any enforcement action undertaken by the authorities.

Additionally, the Singapore Customs provides for a Voluntary Disclosure Programme (VDP), where individuals and companies are encouraged to voluntarily disclose errors and omissions in prior declarations. Such voluntary disclosure may be taken into consideration as a potential mitigating factor when determining the quantum of any penalty that might be imposed. Such disclosure would apply to all types of offences under laws and regulations administered and enforced by Singapore Customs. Such disclosure may be made through forms at VDP Form (Individual) and VDP Form (Corporate). Queries regarding the making of voluntary disclosure may also be made by email at customs_vdp@customs.gov.sg.

**Law stated - 3 February 2025**

## Investigations

### Which authorities are responsible for investigating sanctions violations? What is the extent of their investigatory powers?

Typically, for trade violations such as import tax evasion and other violations of Customs law relating to import, export and trans-shipment of goods, it is predominantly the Singapore Customs that investigates. However, Singapore Customs also works closely with local enforcement agencies and international counterparts in investigating different forms of illicit trade.

In Free Trade Zones, Singapore Customs works with the Singapore Police Force and the Immigrations & Checkpoints Authority in investigations based on actionable intelligence on illicit trade. Moreover, there is also cross-border cooperation between Singapore Customs and international counterparts in sharing information on illicit trade.

The Singapore Customs has a wide range of investigatory powers. For instance, under the Customs Act, officers have the power to search premises or vehicles without a warrant if it is an emergency and there is a reasonable cause to believe that the premises contain contraband goods in question.

Financial violations will be assessed by the Monetary Authority of Singapore (MAS). The MAS has a wide range of investigatory powers, especially after the Financial Institutions (Miscellaneous Amendments) Bill that was introduced on 10 January 2024. The MAS's powers include compelling individuals to attend interviews and record written statements, entering premises without a warrant and prior notice if there are reasonable grounds that the premises is occupied by a person who is investigated in relation to Acts under the purview of the MAS, entering and seizing evidence if a person has failed to comply with an order to produce information and ability to use the evidence obtained by other agencies under the Criminal Procedure Code 2010 for investigations. These powers are very broad as well since the MAS can proceed with an investigation even without a warrant and has access to evidence collected by other agencies.

**Law stated - 3 February 2025**

## Penalties

### What are the potential penalties for violation of sanctions?

If there is a contravention of the TSOFA, the individual will be subject to a fine not exceeding S$500,000 or to imprisonment for a term not exceeding 10 years or both under section 6A(a) of the Act. For non-individuals, under section 6A(b) of the Act, upon conviction, it will be liable to a fine not exceeding the higher of S$1 million or twice the value of the property (including funds derived or generated from the property), financial services or other related services, or financial transaction (as the case may be) in respect of which the offence was committed.

Financial institutions must discharge or facilitate any obligation binding on Singapore through a decision of the United Nations Security Council according to section 15(1) of the Financial Services and Markets Act (FSMA). If this is not adhered to or is contravened, the financial institution will be deemed guilty of an offence and will be liable on conviction to a fine not exceeding S$1 million under section 15(5) of the Act.

There are also administrative outcomes for financial institutions. For instance, under section 20 of the Banking Act 1970, the MAS has the power to revoke the licence of a financial institution for reasons such as the institution contravening any provision of the Act, contravening the MAS guidelines or if such revocation is in line with public interest.

There are also penalties for violations of trade sanctions. For minor offences under the Customs Act and the Regulation of Imports and Exports Act, Singapore Customs may offer to compound the offences such that the fine is no more than S$5,000 per offence. For key offences, such as importing, exporting or trans-shipping goods without a permit, according to Regulation 3(1) of the Regulation of Imports and Exports Regulations, the first conviction leads to a fine or imprisonment or both. The fine is not exceeding S$100,000 or three times the value of the goods, whichever is greater and the imprisonment term is not exceeding two years. For the subsequent convictions, there will be a fine not exceeding S$200,000 or four times the value of the goods, whichever is greater, or imprisonment not exceeding three years, or both. For strategic goods, there must be strict compliance with the Strategic Goods (Control) Act (SGCA). Otherwise, there will be penalties imposed. For instance, if there were a transfer of strategic goods without a valid strategic goods permit, under section 5 of the SGCA, it is a criminal offence and the individual will be subject to fine or imprisonment or both.

**Law stated - 3 February 2025**

## Recent enforcement actions

### Have there been any significant recent enforcement cases? What lessons can be learned from these cases?

In 2024, the Singapore government denied a work visa to a US-born CEO of a shipping company, Red Box Energy Services, after it was implicated in breaches of US sanctions on Russia. Red Box was placed under sanctions by the US in May 2024 for reportedly delivering materials used in the connection with a Russian liquefied natural gas project in the Arctic Circle.

In response to a 2023 UN report revealing that Singapore-based entities were major suppliers of weapons to Myanmar's military, Singapore launched a crackdown on arms sales in its territory. The report highlighted that 138 Singapore firms facilitated over S$250 million worth of arms transfers to Myanmar's ruling State Administration Council between 2021 and 2022. Singapore's Ministry of Foreign Affairs emphasised its commitment to preventing arms flow to Myanmar and took steps to investigate potential legal violations. By 2024, arms sales had dropped by 83 per cent, earning praise from Myanmar opposition groups. Additionally, after the US imposed sanctions on two Myanmar banks, the Monetary Authority of Singapore instructed local banks to cease dealings with the Myanmar military regime.

In 2023, Hydronav Services was fined over S$1.1 million for illegally exporting strategic goods comprising of an Unmanned Aerial Vehicle and a multibeam echosounder system to Myanmar without the requisite permits. Investigations also revealed fraudulent activities in conjunction with such illegal exports. These included the making of false declarations and deception concerning the true destination of the goods shipped.

The cases above underscore Singapore's strong commitment to policing violations of sanctions and export control laws, with significant financial and legal penalties imposed for non-compliance. They also highlight the importance of staying informed about regulatory developments, as new geopolitical developments can result in new legislation and rules being implemented. Companies involved in international trade, especially those dealing with sensitive goods or operating in high-risk regions need to closely monitor such developments to avoid adverse consequences.

**Law stated - 3 February 2025**

## UPDATE AND TRENDS

### Emerging trends and hot topics

Are there any emerging trends or hot topics in sanctions law and policy in your jurisdiction?

There is a greater emphasis on global cooperation and coordination in terms of sanctions. Most sanctions imposed by Singapore are influenced by geopolitical developments, resolutions passed by the UNSC and the UN General Assembly as well as the principles of the UN Charter. This was primarily why sanctions against states like the Democratic People's Republic of Korea, Iran and Russia were imposed.

On 26 June 2024, Singapore the Ministry of Foreign Affairs issued comments denouncing Myanmar's military use of lethal force against unarmed civilians and making clear Singapore's current policy of prohibiting the transfer of arms to the Myanmar government and de-authorising the transfer to Myanmar of dual-use items having potential military applications that pose serious risks of inflicting violence against unarmed civilians.

In reaction to the ongoing conflicts in the Middle East, Singapore voted in favour of UN General Assembly Resolution A/ES-10/L.31, which, among other things, calls for Israel to cease its occupation of Palestinian Territory. While some other countries have imposed sanctions on Israel, it remains to be seen whether Singapore will follow suit.

**Law stated - 3 February 2025**