

PANORAMIC **SANCTIONS**

Singapore



LEXOLOGY

Sanctions

Contributing Editors

Alexandra Melia and Elliot Letts

Stephoe LLP

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Contributors

Singapore

Drew & Napier LLC

 DREW & NAPIER

Randolph Khoo

randolph.khoo@drewnapier.com

Mahesh Rai

mahesh.rai@drewnapier.com

Voon Jiet Chia

voonjiet.chia@drewnapier.com

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 - 19 March 2024

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 - 19 March 2024

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 - 19 March 2024

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: <https://www.mas.gov.sg/regulation/anti-money-laundering/targeted-financial-sanctions/lists-of-designated-individuals-and-entities>.

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

Law stated - 19 March 2024

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 - 19 March 2024

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 - 19 March 2024

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 - 19 March 2024

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 - 19 March 2024

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 - 19 March 2024

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 - 19 March 2024

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 - 19 March 2024

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 - 19 March 2024

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 - 19 March 2024

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 - 19 March 2024

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 - 19 March 2024

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 - 19 March 2024

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 - 19 March 2024

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 - 19 March 2024

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 - 19 March 2024

TRADE SANCTIONS

General restrictions

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

The trade of goods, technology and services in Singapore is regulated by various competent authorities. An importer or exporter is required to check whether the relevant goods are subject to control via the [Harmonised System / Competent Authorities \(HS/CA\) product code search engine](#)

and to obtain licences from the competent authorities if required. Generally, the trading of goods that the Singaporean government determines to pose a threat to health, security, safety and social decency is controlled. Special import licences are thus required for goods, such as strategic items, hazardous chemicals, radioactive materials, films and videos, arms and ammunition, and prescription drugs. Items such as rubber, timber, granite, satellite dishes and receivers are subjected to export control and licensing. A list of prohibited goods for [import](#) and [export](#) can be found on the Singaporean Customs website.

Furthermore, as a member of the UN, Singapore also implements UNSC Resolutions that impose sanctions prohibiting activities that relate to certain countries, goods, services or entities. Specifically, the import into, export from, trans-shipment and transit through Singapore of certain goods that contravene these sanctions are prohibited under Regulation 6(1)(b) of the [Regulation of Imports and Exports Regulations](#).

Law stated - 19 March 2024

General exemptions

Do any exemptions apply to the general trade restrictions?

The main form of general trade restriction is through tariffs. There are specialised trade schemes that provide exemptions or simplified procedures for the import, storage, handling and re-export of goods under specific trade arrangements. One such example concerns allowing approved goods and services tax (GST)-registered businesses in the aerospace industry to import goods into Singapore with GST suspended and to remove qualifying aircraft parts from the Airport Logistics Park of Singapore or other free trade zones with GST suspended under the [Approved Import GST Suspension Scheme](#). There is also the [Approved Third Party Logistics Company Scheme](#), which is targeted at logistics companies that provide logistics management services to overseas clients who use Singapore as a logistics hub. Under this scheme, companies do not have to pay GST when importing goods or when removing imported goods and do not need to charge GST when removing and supplying imported goods locally.

Law stated - 19 March 2024

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 Regulation of Imports and Exports Regulations (RIER). Currently, there are three key trading bans in place.

First, Singapore prohibits dealing with the DPRK 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, all items listed as 'military goods' and all items listed as electronics, computers, telecommunications and information security under the [Strategic Goods \(Control\) Order 2021](#) are banned from being transferred to Russia.

Law stated - 19 March 2024

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 obtained from Customs. The circumstances under which a licence can be obtained differ depending on the type of goods and the country that an individual or entity intends to trade with.

Imports, exports, trans-shipment and transit of all goods through Singapore from or to the DPRK must [only be done with a permit](#). While there is a list of goods prohibited under the Seventh Schedule of the RIER, non-prohibited goods can be traded. Parties intending to trade non-prohibited goods must apply for a permit at least three working days before the intended shipment date to or from Singapore. Additionally, if the shipment is permitted under exceptions outlined by UNSC Resolutions, the applying party must submit documents, like

a letter of authorisation by a UN programme, to show that the shipment falls under the exceptions.

Transfer of nuclear-related items, material, equipment, goods and technology to Iran must be done through a dedicated ['procurement channel'](#) endorsed through the UNSC Resolution 2231(2015). Hence, only certain nuclear-related items can be exported to Iran provided there is a prior in-principle approval by the UNSC. While the UNSC is the ultimate body that can provide a permit, the primary body to approach within Singapore is Customs as it facilitates the process of gaining approval from the UNSC.

Parties must hold a [strategic goods permit](#) to export, re-export, tranship, broker, bring in transit, intangibly transfer or electronically transmit any strategic good 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. The permit will be provided by Singaporean Customs.

Law stated - 19 March 2024

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 must 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 HS/CA product code search engine. The procedure for obtaining a licence or advance notification, or both, from the relevant competent authority, depends on the type of controlled goods involved.

Next, they must obtain a customs in-nonpayment (temporary consignment (TCI)) permit via TradeNet for [imports](#) and customs out permit for [exports](#).

Singaporean 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 after Customs has received a completed application with supporting documents. However, processing time varies depending on the nature of the items, destination or parties involved in the transaction.

Law stated - 19 March 2024

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.

Law stated - 19 March 2024

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 must 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 TSOFA, every person in Singapore and every Singaporean citizen outside Singapore must be informed of property and financial transactions belonging to terrorists and acts of terrorism financing. They can directly report to the Singaporean Police or file an STR. Failure to do so 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.

Otherwise, there is generally no obligation to report violations to authorities. In the trade industry, this reporting is encouraged since it helps contribute to maintaining the integrity of Singapore's trading system. Violations regarding failures to report customs duties or 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, it would be better to cooperate with the authorities and report the incident as such reporting may be considered when deciding on whether enforcement action is to be taken and the form of this action.

Law stated - 19 March 2024

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 Customs that investigates. Customs also works closely with local enforcement agencies and international counterparts in investigating different forms of illicit trade.

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

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

Financial violations will be assessed by the MAS. The MAS has a wide range of investigatory powers. The Financial Institutions (Miscellaneous Amendments) Bill was introduced on 10 January 2024 to enhance these powers. If passed, the MAS would have enhanced powers for compelling individuals to attend interviews and record written statements, enter premises without a warrant and prior notice if there are reasonable grounds that the premises are occupied by a person who is investigated concerning 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 the ability to use the evidence obtained by other agencies under the Criminal Procedure Code 2010 for investigations. These powers are very broad.

Law stated - 19 March 2024

Penalties

What are the potential penalties for violation of sanctions?

If there is a contravention of the [TSOFA](#), the individual may 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, the accused entity may 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 UNSC according to section 15(1) of the [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 sanctions for financial institutions. For instance, under section 20 of the Banking Act 1970, the MAS may 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 this revocation is in line with the public interest.

Violations of trade sanctions also attract penalties. For minor offences under the Customs Act and the Regulation of Imports and Exports Act, Singaporean Customs may offer to compound the offences where the fine is no more than S\$5,000 per offence. For key offences, like importing, exporting or transshipping illicit goods without a permit, according

to Regulation 3(1) of the Regulation of Imports and Exports Regulations, a first conviction leads to a fine, imprisonment or both. The fine is one not exceeding S\$100,000 or three times the value of the goods, whichever is greater, and the imprisonment term is up to two years. For the subsequent convictions, the fine prescribed is up to 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, a transfer of strategic goods without a valid strategic goods permit under section 5 of the SGCA is a criminal offence and the individual will be subject to a fine, imprisonment, or both.

Law stated - 19 March 2024

Recent enforcement actions

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

In 2023, there was a case involving two men behind companies registered in Singapore [illegally selling and exporting more than S\\$1 million worth of alcoholic beverages and soft drinks](#) to the DPRK. Since this was in contravention of the sanctions imposed by the UN resolutions, to which Singapore is a party to, the men were sentenced to imprisonment. The company was also fined for breaching the UN sanctions.

Another enforcement case in 2022, arose from sanctions relating to the Ukraine-Russia conflict. The MAS prohibits financial institutions in Singapore from doing business or offering financial services to four Russian entities, the Russian government, the Central Bank of the Russian Federation, and Ukraine's breakaway regions of Donetsk or Luhansk. Following this, the Singapore Exchange Regulation (SGX RegCo) [suspended the admission to trading of PJSC Gazprom global depositary receipts \(GDR\)](#). SGX RegCo noted that the share trading halt was imposed because the Russian government was an ultimate controlling party in Gazprom and had a controlling interest.

Two key lessons can be drawn from these cases. First, it is important to be updated and current on the relevant financial or trade sanctions imposed by the relevant authorities. For instance, commercially traded goods from or to the DPRK were only banned on 8 November 2017. Hence, although it was legal for the two men in the 2023 case to trade non-alcoholic drinks at the start of 2017, they should have stopped the moment the prohibition was announced.

Second, regulatory authorities are challenged to have effective monitoring and screening tools. It was through effective monitoring that the SGX identified Russia's interest in Gazprom as there was both direct and indirect shareholding involved. Effective monitoring and screening are also extremely essential in trade relationships. Customs only managed to identify the illegal exports by the two men in the 2023 case when investigating other entities for suspected export of prohibited goods to the DPRK though the exports had been ongoing since 2017.

Law stated - 19 March 2024

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 is primarily why sanctions against states like the DPRK, Iran and Russia were imposed. There are emerging concerns about whether Singapore will impose sanctions against Myanmar and Israel due to the conflicts in both states. Thus far, Singapore has only prohibited the flow of arms into Myanmar since that is the only prohibition imposed by the UN General Assembly. Nonetheless, it remains to be seen if there will be sufficient political pressure to persuade Singapore to impose sanctions against Myanmar. As for Israel, there have been no resolutions passed by the General Assembly yet. However, there is increasing political pressure and a myriad of opinions over the conflict raising questions as to how Singapore will respond with its sanctions laws and policies.

Law stated - 19 March 2024