Simplified CDD

Dr Alexander Ressos, TEP
Of Counsel, KGP Legal LLC
Attorney-at-Law (Switzerland and Germany), Solicitor (England & Wales and Hong Kong)

PSN02 allows simplified CDD where the firm has assessed the risk of a customer, product or transaction as low, provided the assessment is documented and consistent with the enterprise-wide risk assessment. It is unavailable where there is any suspicion of money laundering or terrorism financing or where a higher-risk factor is present.[1] The Guidelines name the usual candidates: Singapore government entities, financial institutions regulated by MAS or by a foreign supervisor applying FATF-consistent standards, and companies listed on exchanges with disclosure requirements. In the DPT sector the practical application is narrow. A Singapore-licensed counterparty exchange qualifies, a foreign exchange licensed in a FATF-member jurisdiction may qualify after assessment, an unregulated offshore exchange never does. Simplified CDD never means no CDD. The firm must still identify and verify the customer, but may reduce the frequency of updates and the depth of inquiry into purpose and source.

Notes

1. MAS Notice PSN02, para. 7 (simplified customer due diligence).

Copyright © 2026 Dr Alexander Ressos, TEP – Of Counsel, KGP Legal LLC. SingaporeIQ is an information website and gives no legal advice. For Singapore law advice through KGP Legal LLC, please write to alexander.ressos@kgplegal.com.sg