The Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act

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From drug proceeds to serious crimes

The CDSA bears the year 1992 in its short title. Its origins lie in the international campaign against the drug trade of the late 1980s, which produced the Vienna Convention of 1988 and the creation of the FATF by the G7 in 1989. The statute was first directed at the proceeds of drug trafficking and was later extended to the benefits of other serious crimes, which explains its unwieldy name. The architecture of the Act still reflects this history. Most of its provisions come in pairs, one dealing with the "benefits of drug dealing" and the other with the "benefits from criminal conduct".[12]

The second category is the one that matters for a financial centre. "Criminal conduct" means doing or being concerned in any act that constitutes a serious offence or a foreign serious offence, whether in Singapore or elsewhere. Serious offences are those listed in the Second Schedule. A foreign serious offence is an offence under foreign law whose underlying conduct would have constituted a

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serious offence had it occurred in Singapore.[3] This principle of dual criminality allows Singapore to prosecute the laundering of proceeds of fraud, corruption or tax crime committed abroad, which is where most of the money laundered in a financial centre originates.

The list of serious offences has grown with the international standard. The most important extension for private banking came on 1 July 2013, when a broad range of serious tax crimes became predicate offences for money laundering. Chapter E.II examines that step and its consequences for undeclared assets. Since November 2024 a Third Schedule has added offences that count as foreign serious offences in their own right. It was introduced to designate serious environmental crimes committed abroad, so that police can investigate money in Singapore derived from illegal logging or wildlife trafficking elsewhere.[4]

The laundering offences

The core offences are found in sections 50 to 54. Sections 50 and 51 punish a person who enters into or is concerned in an arrangement, knowing or having reasonable grounds to believe that it helps another person retain or control his criminal benefits. They also cover arrangements that use those benefits to secure funds for that person or to acquire property for him. Sections 53 and 54 punish the person who conceals, disguises, converts or transfers his own criminal benefits or removes them from the jurisdiction. The same sections punish anyone who does so with the benefits of another person, or who acquires, possesses or uses them, while knowing or having reasonable grounds to believe that they are criminal proceeds. Concealing or disguising property includes concealing its nature, source, location, disposition, movement or ownership.[5]

Two features of these provisions deserve emphasis. The first is the mental element. Since the formula “knowing or having reasonable grounds to believe” reaches beyond actual knowledge, a banker or company secretary cannot escape liability by closing his eyes to obvious warning signs. The second is the inclusion of self-laundering in sections 53(1) and 54(1). A fraudster who moves his own proceeds

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through accounts in Singapore commits a laundering offence separate from the fraud itself. This matters for foreign offenders, whose predicate crime may lie outside the reach of Singapore courts while their handling of the money does not.

The penalties are substantial. An individual convicted under sections 51(1) or 54(1) to (3) faces a fine of up to 500,000 dollars, imprisonment of up to ten years, or both. A person other than an individual faces a fine of up to one million dollars or twice the value of the benefits involved, whichever is higher. Since 30 December 2025 an individual convicted of laundering the proceeds of a serious scam offence may in addition be sentenced to caning of up to twelve strokes. A person who handles the proceeds of another can escape caning only by proving that he took reasonable steps to ensure that the property did not represent such proceeds. The provision shows how far the fight against scams, the most visible financial crime for ordinary residents, now shapes the law.

A further offence, introduced in 2018, targets unexplained property. Section 55 punishes a person who possesses or uses property that may reasonably be suspected of representing criminal benefits if he cannot account satisfactorily for how he came by it. The same amendment allowed courts to decide cases involving overseas crimes on the evidence presented by the prosecution, without having to rely on foreign governments or experts, and raised the maximum fines for legal persons.[6]

Rashness, negligence and the money mule

The wave of online scams after 2020 exposed a gap in the law. Many of the bank accounts through which scam proceeds passed belonged to local residents who had sold or lent their accounts to syndicates abroad. Prosecutors often could not prove that these money mules knew or had reason to believe that the money was criminal. An amending Act of 2023, in force since 8 February 2024, therefore added offences at lower levels of fault.[7]

Sections 51(1A) and 54(3A) now punish a person who facilitates or deals with another's criminal benefits rashly or negligently. Rash laundering carries up to five years' imprisonment and negligent laundering up to three years. The new section

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55A goes further. It makes it an offence to enter into an arrangement involving criminal benefits in four defined situations, including where the value involved is disproportionate to the person's known income or where he lets another person operate his payment account without taking reasonable steps to find out why. The accused has a defence if he proves that he had no reason to believe that the property represented criminal benefits. An individual faces up to three years' imprisonment, a legal person a fine of up to one million dollars or twice the benefits.

The FATF evaluators of 2026 referred to section 55A(1) as the "Money Mule Offence". They considered it too recent to assess its effectiveness.[8] For financial institutions the provision has an indirect significance. It raises the legal risk of the individuals who lend their accounts. It also rests on the same idea as the rules of due diligence: a person who handles money for others must ask where it comes from.

Foreign predicates and the burden of proof

The case of 2023, examined in Chapter E.VI, revealed a second difficulty. The suspects had brought into Singapore money that had passed through accounts in several other countries. To convict them of laundering, the prosecution had to prove that the property was in fact the benefit of criminal conduct, which often required evidence from foreign victims and authorities. The Act already provided that the prosecution need not prove the particulars of the predicate offence. It was also sufficient to show that the accused knew or had reason to believe that the property derived from some offence, without identifying which one.[9]

The Anti-Money Laundering and Other Matters Act, passed in August 2024, went a step further. New subsections of section 56 provide that the prosecution need not prove, as a physical element of the offence, that the property is in fact criminal benefits. It suffices to prove beyond reasonable doubt that the accused knew or had reasonable grounds to believe that he was dealing with criminal proceeds.[10] The amendment shifts the focus of a laundering prosecution from the origin of the money to the state of mind of the person handling it. For the financial centre the change reduces the dependence of Singapore's courts on the cooperation of foreign states, which is often slow and sometimes absent.

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Confiscation, cash movements and tipping-off

Confiscation was the original purpose of the Act, as its title shows. A court that convicts a person of a drug dealing or serious offence may order him to pay an amount corresponding to the benefits he derived from crime. The CDSA also contains a regime for the reporting of physical currency and bearer negotiable instruments carried into or out of Singapore. A person who moves cash above the prescribed amount across the border without making a report commits an offence. On conviction, the excess may be confiscated. The prescribed amount is 20,000 dollars or its equivalent in foreign currency. The FATF evaluators found the legal framework of this regime solid but its enforcement weak. Out of 439 cases of false declaration or failure to declare, the authorities had linked only one offender to broader criminality.[11]

The last element of the criminal framework is the prohibition of tipping-off. A person who knows or has reason to suspect that an investigation is under way, or that a suspicious transaction report has been made, commits an offence by disclosing information likely to prejudice the investigation. The penalty is a fine of up to 250,000 dollars, imprisonment of up to three years, or both. Lawyers advising their clients and legal counsel advising their employers are exempt, unless the disclosure serves an illegal purpose. For a relationship manager in a private bank, the rule means that a client whose account has been reported may not be told why his instructions are being delayed.[12]

Notes

1. Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992, s 1 (text of the current revised edition as reproduced from Singapore Statutes Online by LawPlayer SG, accessed November 2026): “This Act is the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992.”. ↩
2. United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, Vienna, 20 December 1988; creation of the FATF at

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the G7 summit in Paris in July 1989; On the enactment of the Drug Trafficking (Confiscation of Benefits) Act in 1992 and its extension to other serious crimes and renaming in 1999, see the legislative history in Singapore Statutes Online. ↩

3. CDSA, s 2(1), definitions of "criminal conduct", "foreign serious offence" and "serious offence" (LawPlayer SG reproduction of the current text, accessed November 2026). ↩

4. Monetary Authority of Singapore, *Response to Feedback Received – Consultation Paper to Designate Tax Crimes as Money Laundering Predicate Offences in Singapore* (2013), para. 1.1: the consultation paper of 9 October 2012 set out "the scope of tax crimes that Singapore will be designating as money laundering ('ML') predicate offences with effect from 1 July 2013"; CDSA, s 2(1), definition of "foreign serious offence", para. (b): "includes any offence specified in the Third Schedule" [Act 24 of 2024 wef 14/11/2024] (LawPlayer SG reproduction, accessed November 2026); Monetary Authority of Singapore, *National Anti-Money Laundering Strategy*, 30 October 2024, Table 1: "Introduction of a Third Schedule to the CDSA, designating foreign serious environmental crimes as ML predicate offences.". ↩

5. CDSA, ss 50(1) and 51(1) (LawPlayer SG reproduction, accessed November 2026): arrangements by which the retention or control of another person's benefits "is facilitated (whether by concealment, removal from jurisdiction, transfer to nominees or otherwise)" or by which those benefits are used to secure funds or acquire property for that person; CDSA, ss 53(1)–(3) and 54(1)–(3) (LawPlayer SG reproduction, accessed November 2026); CDSA, s 54(4) (LawPlayer SG reproduction, accessed November 2026). ↩

6. CDSA, s 51(5) and (7) and s 54(5) and (7) (LawPlayer SG reproduction, accessed November 2026); CDSA, s 51(8)–(10) and s 54(8)–(9), inserted by Act 21 of 2025 with effect from 30 December 2025 (LawPlayer SG reproduction, accessed November 2026); CDSA, s 55(1) and (2) (LawPlayer SG reproduction, accessed November 2026): fine up to $150,000 or imprisonment up to three years for individuals, fine up to $300,000 for others; Monetary Authority of Singapore, *National Anti-Money Laundering*

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Strategy, 30 October 2024, Table 1 (2018 amendment introducing this offence); Monetary Authority of Singapore, *National Anti-Money Laundering Strategy*, 30 October 2024, Table 1, entry "CDSA 2018". ↩

7. Monetary Authority of Singapore, *National Anti-Money Laundering Strategy*, 30 October 2024, Table 1, entry "CDSA 2023": amendments "especially in relation to cyber-enabled fraud" covering "new ML offences including rash and negligent money laundering", which "would enable LEAs to prosecute persons for a ML offence at lower levels of culpability". ↩

8. CDSA, s 54(3A) and (6), inserted by Act 15 of 2023 with effect from 8 February 2024 (LawPlayer SG reproduction, accessed November 2026): fine up to $250,000 or imprisonment up to five years for rash conduct, fine up to $150,000 or imprisonment up to three years for negligent conduct; CDSA, s 55A(1) and (2), inserted by Act 15 of 2023 with effect from 8 February 2024 (LawPlayer SG reproduction, accessed November 2026); CDSA, s 55A(3)–(6) (LawPlayer SG reproduction, accessed November 2026); FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, Executive Summary, para. 32: some alternative measures "(like CDSA S55A(1), the 'Money Mule Offence') were recently introduced and it is premature to assess effectiveness". ↩

9. CDSA, s 56(1) and (2) (LawPlayer SG reproduction, accessed November 2026). ↩

10. CDSA, s 56(5)–(10), inserted by Act 24 of 2024 with effect from 14 November 2024 (LawPlayer SG reproduction, accessed November 2026); Monetary Authority of Singapore, *National Anti-Money Laundering Strategy*, 30 October 2024, Table 1, entry "CDSA 2024": "It will be sufficient for the Prosecution to prove beyond a reasonable doubt that the money launderer knew or had reasonable grounds to believe that he was dealing with criminal proceeds."; Inter-Ministerial Committee on Anti-Money Laundering, *Report*, October 2024: "the passage of the Anti-Money Laundering and Other Matters Act (AMLOM Act) in August 2024". ↩

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11. CDSA, ss 58, 60(1) and 64 (LawPlayer SG reproduction, accessed November 2026); FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, Executive Summary, para. 37; FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, para. 528: any person moving cash in or out of the country "in excess of SGD 20 000" must make an online declaration. ↩
12. CDSA, s 57(1) and (2) (LawPlayer SG reproduction, accessed November 2026); CDSA, s 57(3)–(5) (LawPlayer SG reproduction, accessed November 2026). ↩

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