

FINANCIAL INSTITUTIONS GROUP | TECHNOLOGY, MEDIA AND TELECOMMUNICATIONS | WHITE COLLAR CRIME

Protection from Scams Bill Passed in Parliament

Introduction

The Protection from Scams Bill ("**Bill**") was passed in Parliament on 7 January 2025. The Bill will empower specified officers to issue a Restriction Order ("**RO**") to banks to restrict the banking transactions of an individual, if there is reason to believe that the individual will make transactions to a scammer.

The Bill seeks to tackle the increasing number of scams where individuals willingly transfer monies to scammers, such as government official impersonation scams, investment scams and internet love scams. From January to September 2024, such self-effected transfers accounted for 86% of all scams reports and 94% of losses.

The Bill was first put up for public consultation from August to September 2024, and had its first reading in Parliament on 11 November 2024. In the Opening Speech at the second reading of the Bill ("**Opening Speech**") by Ms Sun Xueling, Minister of State, Ministry of Home Affairs and Ministry of Social and Family Development, it was stated that around 90% of the respondents to the public consultation expressed support for the proposals in the Bill. Since the first reading, there have also been minor amendments to the Bill to accommodate feedback on its scope and to clarify its operation.

This Update provides an overview of the key features of the Bill, including its scope of application, when an RO will be issued and how an RO functions.

Features of the Bill

What types of scams are covered?

The Bill, in its initial iteration, only covered scams that are conducted via remote communication (calls, SMSes, or online communications etc.). Following feedback on how scams are conducted in practice, the scope of the Bill has been extended beyond remote scams to more traditional cheating cases, which involve physical interactions and where the other party is known to the victim in real life. However, as stated by Ms Sun in the Opening Speech, the threshold to issue ROs in such cases will be higher, requiring clear and incontrovertible evidence that a relevant offence is disclosed.

What does an RO do?

The Bill empowers specified officers (such as Police officers or Commercial Affairs officers) to issue ROs to banks to restrict an individual's banking transactions, if there is reasonable belief that the individual will make money transfers to scammers.

- **Scope** – ROs may cover the following banking facilities: (i) Suspension of transfer or withdrawal of money from the victim's bank account; and (ii) Suspension of all credit (including credit card transactions, personal loan facilities).
- **Allowance** – Specified officers may vary the RO temporarily to allow the victim to have access to the money in his bank accounts for legitimate purposes, such as for daily living, medical bills or insurance premiums.
- **Operation** – Operationally, the RO will be issued to the seven Domestic Systemically Important Banks ("DSIBs") in Singapore. The RO will also be issued to a non-DSIB bank, if there is reasonable suspicion that the victim will effect transfers to a scammer from a non-DSIB account. It has been clarified that ROs currently do not cover other entities such as cryptocurrency exchanges, remittance companies and e-wallet providers.
- **Penalty** – Any bank that contravenes an RO without reasonable excuse may be liable to a fine of up to S\$3,000.

How long is an RO valid?

An RO will be issued for a maximum period of 30 days in the first instance. A specified officer may cancel the RO ahead of the 30-day limit if the victim is no longer at risk.

An RO may be extended for up to 30 days at a time, up to a maximum of five extensions, if the specified officer assesses that more time is required to persuade the victim against making money transfers to the scammer.

When will an RO be issued?

An RO will only be issued if:

- The specified officer has reason to believe that the victim will make money transfers to a scammer, withdraw money and give it to a scammer, or apply for or draw down from any credit facility with the intention of benefitting a scammer; and
- The RO is necessary for the protection of the victim, having regard to the time required to implement any risk-reducing measures and all relevant circumstances. The Police will consider factors such as whether the victim: (i) is still in communication with the scammer; (ii) has transferred monies to the scammer; (iii) continues to believe the scammer; and (iv) is likely to transfer money to a scammer.

It has been clarified that RO will only be issued as a last resort, after other options for protecting the victim have been exhausted.

Can an RO be disputed?

Appeals may be made to the Commissioner of the Police against the specified officer's decision to issue the RO. Such appeals may be made by the subject victim of the RO and/or joint account holders of bank accounts subject to the RO.

The decision of Commissioner of the Police is final.

Concluding Words

The Bill represents a groundbreaking tool in the arsenal of weapons against scammers, providing authorities with novel powers to protect an individual when they are about to fall victim to a scam, in situations where they cannot be convinced of the scam in question. Though the Bill has drawn attention for the broad scope of the powers, the Government has clarified that it will only be used as a last resort, and that there are safeguards in place.

The Bill is also notable for the obligation on banks to comply with the terms of the RO, imposing a financial penalty for non-compliance. Banks should thus take note of the potential restrictions in an RO, the duration of an RO, as well as the extensions and variations that may occur.

For further queries, please feel free to contact our team.

Click on the following links for more information:

- [Protection from Scams Bill](#)
- [Opening Speech at the Second Reading of the Bill](#)
- [Wrap-up Speech at the Second Reading of the Bill](#)

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