

Bloomberg issued Pofma order over article on GCB transactions in Singapore

Correction orders also issued to three other outlets for carrying its false statements

Goh Yan Han
Political Correspondent

News organisation Bloomberg has been issued correction directions under the fake news law following its Dec 12 article on good class bungalow (GCB) transactions in Singapore.

The Edge Singapore, The Independent Singapore and The Online Citizen have also been issued correction orders for carrying in part or in full the statements published in the Bloomberg piece.

Mr Edwin Tong, Minister for Culture, Community and Youth and Second Minister for Law, had instructed for these orders under the Protection from Online Falsehoods

and Manipulation Act (Pofma), said the Ministry of Law (MinLaw) in a statement on Dec 23.

The ministry said the false statements in Bloomberg's article "attack the transparency of property transactions in Singapore".

"Together, these falsehoods give the impression that Singapore does not have a robust legal framework to require disclosure of information to the Government in GCB transactions," it said.

"It is in the public interest that these falsehoods are addressed so that public confidence in the Government is not undermined," it added.

The Bloomberg piece, with the headline, "Singapore mansion deals are increasingly shrouded in

secrecy", had covered GCB deals inked from January to early December, measured by value.

The article stated that its findings were from data compiled by Bloomberg News and List Sotheby's International Realty.

The article also mentioned property transactions involving Law and Home Affairs Minister K. Shanmugam and Manpower Minister Tan See Leng.

Both said in Facebook posts on Dec 16 that they would be taking legal action against Bloomberg and other media outlets for publishing statements concerning their property transactions, which they consider libellous.

The Straits Times understands that they have since issued letters of demand in relation to the article, after taking legal advice.

MinLaw said the Bloomberg piece communicated several falsehoods.

It had claimed there are no publicly available government records of GCB sale transactions if caveats are not lodged.

MinLaw said all information on property ownership and transfers, including for all GCBs, is available on the Integrated Land Information Service portal managed by the Singapore Land Authority (SLA).

This is regardless of whether a caveat was lodged for the sale transaction.

The ministry also said caveats are not intended for tracking property transactions or ensuring transparency, but are voluntarily lodged by parties wishing to protect their interest in a property.

The Bloomberg article also falsely stated that the identity of the ultimate beneficial owner of a GCB sale transaction need not be disclosed to the Government, it added.

Responding, the ministry said the Government mandates strict disclosure of the identities and citizenship of purchasers and ultimate beneficial owners in all landed residential property transactions, including for GCBs.

This is regardless of whether a caveat is lodged, and whether the purchase is made by an individual, entity or a vehicle such as a trust, company or shell company.

The Government adopts a strict approach to the ownership of landed residential properties by foreigners, said MinLaw.

Under the Residential Property Act 1976, foreign individuals who seek to acquire such properties, including permanent residents and foreign entities, must obtain approval.

There have been no such approvals given to any foreign purchasers in any capacity, personal or otherwise, to acquire any GCBs since 2021, said MinLaw.

As part of the sale process for landed residential properties including GCBs, SLA requires the purchaser's identity and citizenship to be declared to SLA when lodging the instrument of transfer at the Land Titles Registry, it added.

The purchaser's solicitor must also certify that all information in this instrument is correct and all relevant provisions of the Residential Property Act have been complied with.

Solicitors are also required to provide a copy of the trust deed to SLA for all landed residential property transactions made through trust arrangements, after which SLA checks and verifies the identity of the ultimate beneficial owner.

Where the purchaser or beneficial owner is a company, the applicant has to meet strict requirements before obtaining a Clearance Certificate to purchase the property, said MinLaw.

For example, the company has to be incorporated in Singapore and all directors have to be Singapore citizens or entities.

Bloomberg's article had also stated that the primary responsibility to combat money laundering in property transactions is left to property agents and other service providers.

ON TAKING ACTION

Together, these falsehoods give the impression that Singapore does not have a robust legal framework to require disclosure of information to the Government in GCB transactions. It is in the public interest that these falsehoods are addressed so that public confidence in the Government is not undermined.



MINISTRY OF LAW

MinLaw said it is the Government that has the primary responsibility to combat money laundering in property transactions, and it has put in place a robust anti-money laundering framework to counter such risks in property transactions.

The Government also requires regulated "gatekeepers" in the private sector who are involved in property transactions to comply with anti-money laundering requirements by conducting checks to identify and verify the identities of their customers, including beneficial owners, said the ministry.

Where there are higher risks, gatekeepers must also verify the sources of wealth of their customers, it said.

Financial institutions involved are required to know the customers and purpose of the transactions, and as needed, the sources of the funds.

"The requirements are strict and similar to standards in leading financial centres. Obligations are also imposed on lawyers handling the transactions, real estate sales-

persons and estate agencies. These requirements and obligations are under law," said MinLaw.

These gatekeepers are also required to have processes in place to identify and promptly file a Suspicious Transaction Report with the Suspicious Transaction Reporting Office in the police's Commercial Affairs Department upon detecting any suspicious activities that may be linked to criminal conduct in their interactions with their customers.

The Government is then responsible for analysing the information reported and taking enforcement action, said MinLaw.

Under the correction direction, Bloomberg will have to insert a notice with a link to the Government's clarification on the article on its website, and its social media posts on Facebook and X.

In a Facebook post at about 7pm, Bloomberg put up the correction notice. It added, however, that it "respectfully disagrees" with the Pofma direction.

It said: "(Bloomberg) reserves its right to appeal and challenge the correction direction. We stand by our reporting."

The Edge Singapore, which republished the Bloomberg article fully, will also have to carry the correction notices on its website and Facebook account.

A check on the afternoon of Dec 23 showed there was a correction notice on its site, stating that the original article has been deleted.

The Independent Singapore and The Online Citizen, which had carried some of Bloomberg's false statements in their own articles on their websites, will also be required to put up the notice, said the ministry. They will also have to do the same on Facebook and Instagram, where they had reposted their articles.

Both have carried the correction notices. The Independent Singapore has also taken down its article.

gyanhan@sph.com.sg