



MAS Enforcement Actions Against Rolling Bad Apples (March 2020)

The Monetary Authority of Singapore (“MAS”) is continuing its upward trend of strong public enforcement actions against financial industry participants. As ComplianceAsia has been highlighting for some time, this is a significant change in the regulatory landscape for Singapore. Firms who may have been modelling their compliance programmes in Singapore on the assumption of the MAS’s past more private enforcement arrangements must now be re-considering the regulatory and reputational risk arising from their Singapore operations.

On 19 March 2020 the MAS issued lengthy prohibition orders (“PO’s”) against 6 unrelated cases where individuals had been convicted in the State Courts of Singapore for offences involving fraud and dishonesty. All the PO’s reflect the MAS’s stated intention of removing “rolling bad apples” from the financial industry.

12-year PO issued against Mr Poh Kim Chuan

Mr Poh is prohibited for a period of 12 years from (i) providing any financial advisory services, or acting as a director for, becoming a substantial shareholder of, or taking part in the management of any financial advisory firm under the Financial Advisers Act (Cap. 110) (FAA); and (ii) carrying on business as, or taking part in the management of, any insurance intermediary under the Insurance Act (Cap. 142) (IA) in addition to his 34 months’ imprisonment.

Between 2007 to 2012, Mr Poh misappropriated a total of \$190,822.59 from 32 policyholders. The money was meant for the payment of premiums for existing insurance policies, topping up of policies, buying of new policies as well as payment for renewal of car insurance and road tax.

10-year PO against Mr Chew Kheng Swee

Mr Chew is prohibited for a period of 10 years from (i) providing any financial advisory services; or acting as a director for, becoming a substantial shareholder of, or taking part in the management of any financial advisory firm under the FAA; and (ii) carrying on business as, or taking part in the management of, any insurance intermediary under the IA in addition to 45 months’ imprisonment.

Mr Chew cheated five victims of a total of \$325,310. He deceived the victims into making lump sum premium payments for insurance policies, instead using the money for his own purposes. Additionally, he forged signatures on insurance policy documents to deceive Prudential Assurance Company Singapore (Pte) Ltd into accepting applications for the policies in two victims’ names without their knowledge.

10-year PO against Mr Yap Bin Chun

Mr Yap is prohibited for a period of 10 years from (i) providing any financial advisory services, or acting as a director for, becoming a substantial shareholder of, or taking part in the management of any financial advisory firm under the FAA; and (ii) performing any regulated activities, or acting as a director for, becoming a substantial shareholder of, or taking part in the management of any capital market licensee under the Securities and Futures Act (Cap. 289) (SFA) in addition to 42 months’ imprisonment.

Mr Yap had devised a plan to cheat his client of \$218,100 from his unit trust investments. Knowing that the victim would not be in Singapore for a considerable period of time, Mr Yap obtained signatures from the victim on blank forms. These blank forms were used by Mr Yap to redeem the



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client's unit trust, open a new bank account and apply for a debit card so that he could withdraw the redemption proceeds from the unit trust investment without being detected by the victim.

While being investigated by the Police for the above offence, Mr Yap cheated a second victim of a sum of \$20,000 by falsely stating to the second victim that he required the money for bail.

8-year PO against Mr Lin Weiwen William

Mr Lin is prohibited for a period of 8 years from providing any financial advisory services, or acting as a director for, becoming a substantial shareholder of, or taking part in the management of any financial advisory services firm under the FAA in addition to 16 months' imprisonment.

Mr Lin deceived a client into believing that she would be partially surrendering a policy, but subsequently executed a full surrender instead in order to keep the balance of the funds for himself. He obtained the victim's signatures on various documents to open a new bank account in the victim's name so that he could receive the funds without her knowledge. He then transferred part of the funds to the victim and forged a letter, purportedly issued by the insurer, to give the victim the false impression that a partial surrender of her policy had been completed. Additionally, Mr Lin forged the victim's signature on a cheque linked to the bank account to pay for his personal purchase. In total Mr Lin fraudulently gained \$30,535.

6-year PO against Mr Kelvin Goh Shang Fei

Mr Goh is prohibited for a period of 6 years from (i) providing any financial advisory services, or acting as a director for, becoming a substantial shareholder of, or taking part in the management of any financial advisory firm under the FAA; and (ii) carrying on business as, or taking part in the management of, any insurance intermediary under the IA in addition to 15 months imprisonment.

Mr Goh lied to his client that they would receive vouchers worth \$1,000 if they made a lump sum payment on his policy. The client handed over a cash cheque of \$27,399.90, which Mr Goh used to repay his debts to moneylenders.

6-year PO against Mr Lam Allan

Mr Lam is prohibited for a period of 6 years from (i) providing any financial advisory services, or acting as a director for, becoming a substantial shareholder of, or taking part in the management of any financial advisory firm under the FAA; and (ii) carrying on business as, taking part in the management of any insurance intermediary under the IA in addition to 4 months imprisonment and a fine of \$151,044.60.

Mr Lam willfully made a false entry in a return made under the Income Tax Act (ITA) by declaring that his income for Year of Assessment 2014 was \$123,796 instead of \$401,356. This resulted in an undercharged tax amounting to \$50,348.20. When the Inland Revenue Authority of Singapore (IRAS) asked Mr Lam for documentary evidence of his declared expenses, he used his clients' names, without their knowledge, to forge 36 payment vouchers showing that he paid referral fees to these individuals and forwarded the forged documents to IRAS.

MAS Comments

Ms Loo Siew Yee, Assistant Managing Director (Policy, Payments & Financial Crime), MAS, said, "MAS expects representatives of our financial institutions to act with honesty and integrity at all times. The first five individuals abused the trust that their clients placed in them for their personal



gain, while the last individual forged documents in order to evade taxes. Such dishonest behaviour has no place in Singapore’s financial industry and MAS will take action to exclude individuals who commit such acts from the industry.”

About ComplianceAsia

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With over 70 staff, including compliance experts with experience in dealing with the SFC, HKMA, MAS, CSRC, JFSA and Asian exchanges, we provide independent, unbiased advice on Asian financial industry legislation and regulations. Our international client base consists of asset managers, hedge funds, private equity funds, family offices, broker-dealers, insurers, wealth managers and investment banks.

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