

Singapore Regulatory Update – MAS Proposed New Enhanced Enforcement Powers

New Omnibus Act

On 21 July 2020, the Monetary Authority of Singapore (“MAS”) published a consultation paper on a new Omnibus Act for the financial sector. The MAS has recognised the requirement for a financial sector-wide regulatory approach to complement MAS’ entity and activity-based regulation in addressing the emerging risks and challenges that impact the financial sector.

At present, the MAS has the power to issue prohibition orders (“POs”) barring persons from conducting certain activities or from holding key roles in financial institutions for a period of time due to acts of serious misconduct. Currently the MAS may only issue POs under the Securities and Future Act, Financial Advisors Act and the Insurance Act. This means they cannot issue POs to any person regulated under other Acts even if they have committed serious misconduct.

Under the proposed new Act, the scope would be extended to allow the MAS to issue POs against any individual. This will significantly broaden the scope of individuals that could potentially be subject to a PO.

Prohibition Order

The MAS have proposed using the Fit and Proper Criteria as the grounds on which to issue a PO. When considering issuing a PO, the MAS will perform a balanced assessment of all factors relevant to the misconduct to ensure they have a clear understanding of the nature and severity of the misconduct and the impact it may have on the financial industry.

Implication of the New Act

The proposed new powers outlined in the consultation clearly emphasize the fact that the MAS is continuing to focus on how it can contribute to positively impact the culture and conduct throughout the financial sector through the use of additional regulatory powers.

ComplianceAsia reminds financial institutions that in addition to obtaining yearly employee fit and proper declarations, it is vitally important to conduct due diligence on all employees to ensure they continue to meet MAS fit and proper requirements. Further with the upcoming Individual Accountability Guidelines it is important for firms to be developing appropriate governance structures for hiring, internal investigations and staff training programmes.

How we can help

ComplianceAsia’s dedicated AML Services team comprises of experienced professionals from law enforcement, corporate banking, and regulatory compliance. We provide AML/CFT services tailored to our clients’ needs, from independent auditing to full onboarding.

Our dedicated AML Services team can assist with conducting a full fit and proper assessment of your employees, review and analysis of your policies and procedures, perform regular screening and evaluation of sanctions and adverse media hits, conduct a risk assessment based on documents you have collected, carry out end-to-end client onboarding, contact your customers to collect CDD documentation and regularly screen your client list post-onboarding.

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ComplianceAsia offers comprehensive training on ethics and compliance and delivers online training via two formats. For fund managers in Singapore, we have designed a suite of courses to comply with MAS regulation which are distributed by the Investment Management Association of Singapore (IMAS). IMAS provides these courses via a platform that they administer. You can visit their website at www.imas.org.sg/learn and, as either a member or non-member, access the courses we have designed.

For all other financial industry participants, we have courses at www.onlinecompliance.training (OCT).

Upon successful completion of our online courses, you will be entitled to CPD credits.

About ComplianceAsia

ComplianceAsia is the longest established compliance consulting firm in Asia Pacific established in 2003 with key offices in Hong Kong, Shanghai and Singapore. We have an unmatched track record of completing complex compliance consulting projects for financial firms in the APAC region.

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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