

MAS DIRECTS BANK TO SHUT DOWN IN SINGAPORE OVER SERIOUS BREACHES OF ANTI-MONEY LAUNDERING REQUIREMENTS

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MAS directs bank to shut down in Singapore over serious breaches of anti-money laundering requirements.

As one of the leading financial centres in Asia, Singapore is committed to uphold the confidence in the financial system with zero tolerance over serious breaches of AML requirements. The Monetary Authority of Singapore (MAS) imposed financial penalties amounting to \$13.3 million for 41 breaches of AML regulations and has served BSI Bank Limited notice to shut down for serious breaches of AML requirements (MAS Notice 1014 – Prevention of Money Laundering and Countering the Financing of Terrorism), poor management oversight of the bank's operations, and gross misconduct by some of the bank's staff.

MAS found repeated weaknesses in BSI's control regime, poor and ineffective oversight by the senior management, blatant disregard for compliance and control requirements as well as MAS' regulations, numerous acts of gross misconduct by certain staff, and multiple breaches of AML regulations. At the same time, the [Swiss Financial Market Supervisory Authority FINMA](#) seized CHF 95 million of profit and also opened criminal proceedings against the BSI parent company, BSI SA. MAS is working closely with the Swiss Financial Market Supervisory Authority to oversee the closure of BSI Bank in Singapore. Previously, [the US Department of Justice](#) announced that BSI SA to pay \$211 million penalty in return for the department's agreement not to prosecute BSI for tax-related criminal offenses. MAS has referred to the Public Prosecutor the names of six members of BSI Bank's senior management and staff to evaluate any committed criminal offences. They are the CEO, Deputy CEO, Head of Wealth Management Services,

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Senior Private Bankers, and Wealth Planner. One out of six names referred to the Public Prosecutor has been charged. The Public Prosecutor tendered charges such as money laundering, cheating, perverting the course of justice, allegedly concealing a portion of the fees received, and other charges.

MAS will set up a dedicated unit to fight money laundering and strengthen enforcement. The new unit will be responsible for regulatory policies relating to money laundering and other illicit financial risks. A dedicated supervisory team will monitor these risks and carry out onsite supervision of how more than 1,500 financial institutions. MAS's recent moves send a clear signal to financial institutions not to disregard the importance of following AML requirements and MAS regulations closely.

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