The position of a Swiss SRO member with a Singapore MPI: three recurring questions

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Three questions arise so often in this configuration that they deserve direct answers.

The first is whether the Swiss SRO will accept the Singapore programme as the group standard. The SROs assess their members' compliance against their own regulations and do not supervise foreign affiliates. They do, however, review the member's organisation. A member that presents a group programme exceeding the SRO's requirements, with the Swiss annex demonstrating compliance with each regulation, will pass its audit. The point to watch is the Swiss forms. The SRO auditor will look for the Form K or equivalent in every file, so a Singapore-designed onboarding flow that captures the same information in a different format may be queried. Building the Swiss form into the shared process avoids the discussion.

The second is whether MAS will accept Swiss-generated CDD for Singapore customers. It will, under the reliance provision, provided the Singapore entity's file shows its own screening, rating and approval. MAS will not accept a Singapore file that consists of a pointer to the Zug system. The data and documents must be on the

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Singapore entity's systems, accessible to MAS on inspection without the cooperation of the Swiss entity, which in practice means a replicated record with Singapore-side access control.

The third is what happens when the two entities reach different conclusions about the same customer. The Zug AG may regard a customer as acceptable under the Swiss standard while the Singapore MPI, applying the post-2023 source-of-wealth expectations of Chapter V, declines. The group protocol should provide that a decline by either entity is notified to the other and that the other entity reviews its own relationship in light of the reasons. Continued service by one entity after the other's decline should require a documented decision by the group compliance committee. Divergent outcomes are not unlawful. Unexplained divergent outcomes are what inspectors treat as evidence that the group programme is a paper exercise.

Cross-border perspective

You can run a Zug custodian and a Singapore exchange under one compliance programme. Doing so will strengthen your position before both FINMA's SRO system and MAS. The programme must take the stricter rule on each point of divergence and must generate the documentation each regulator expects from a single data collection. It must keep the two entities' screening, monitoring and reporting separate while sharing risk outcomes under a protocol that respects both tipping-off regimes. A group that builds this at the start spends perhaps a fifth more on compliance systems than one that runs two silos. It recovers the difference the first time one regulator's finding is already remediated in the other entity before the second regulator asks.

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