Training, screening of staff and culture

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PSN02 requires the firm to screen employees for integrity before hiring and to train them on AML/CFT at induction and regularly thereafter, with content tailored to their roles.[1] For a DPT firm the training must cover the on-chain dimension. Staff must learn how to read an analytics report, how to recognise the scam typologies that reach the front line, how the travel rule works and what tipping-off means in a chat-based customer-support environment. MAS inspectors interview front-line staff and test their knowledge. A support agent who cannot explain why a withdrawal was held has shown the inspector a training failure. One who tells the customer "compliance flagged you" has shown a tipping-off risk in a single sentence.

Culture is harder to inspect but MAS tries. The Individual Accountability guidelines and the enforcement record show where MAS looks. It asks whether compliance has been overruled by the business, whether compensation rewarded volume without regard to risk and whether staff could raise concerns. A DPT start-up whose founders regard compliance as a licensing cost will have a compliance officer who cannot hold the line and a file that shows it. In my experience the founders who do

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best with MAS are those who have accepted that the compliance function is part of the product. The firm's banking relationships, its institutional customers and its licence all depend on it.

Practice note

You can structure a Singapore DPT licensee's compliance function so that it satisfies MAS at the size of a thirty-person firm. Appoint a Singapore-resident compliance officer with analytics competence who reports to the board and has a documented right to block transactions. Give the officer a team of at least two analysts for monitoring and screening, scaled to transaction volume by a documented ratio. Engage an external reviewer annually for the independent audit, with a mandate that tests files end-to-end. Hold a quarterly compliance committee with the board present and minute the discussion of risk assessment, STR statistics, audit findings and regulatory changes. Keep the policy set to a core AML/CFT programme document with annexes for each PSN02 topic. Cross-reference each annex to the notice paragraph it implements. A firm organised this way can answer every question an inspector asks on the day it is asked.

Notes

1. MAS Notice PSN02, para. 16, on employee hiring and training. ↩

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