What a DPT licensee should take from the case

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The committee's report and the 2025 penalties define the standard that MAS now applies to every supervised institution, including DPT licensees. Six points translate directly.

Source of wealth must be corroborated by independent evidence, with the degree of corroboration proportionate to the risk. A declaration and a company's own financial statements are not corroboration. Tax returns, audited accounts of unrelated auditors, bank statements from regulated banks, sale agreements and regulatory filings are.

Documents from higher-risk jurisdictions must be authenticated. The accused used forged Chinese tax documents and bank references. Banks that had verified the documents with the issuing institutions would have detected the forgery. A DPT licensee that onboards corporate customers from such jurisdictions should have a verification procedure for every document that carries weight in the file.

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Multiple nationalities and recent citizenship by investment are risk indicators that require explanation. The committee did not say that such customers should be refused. It said that the combination of a new passport, a weak link to the passport country and declared wealth from a higher-risk sector calls for enhanced due diligence of a depth that was not applied.

Red flags must be followed up and the follow-up documented. Several banks had generated alerts on the accused's accounts and closed them with inadequate reasoning. MAS's penalties cited the quality of alert disposition as a breach.

Information must be joined up. Within a firm, the onboarding team, the monitoring team and the relationship managers must share what they know. Across firms, the COSMIC platform now exists for banks and MAS has signalled that it may be extended. A DPT licensee that is not yet a participant should prepare to be one.

Exit decisions must be made and executed. Several institutions had concluded that a customer was too risky and had then taken months to close the account, during which the funds moved on. The accepted standard after 2025 is that an exit decision is executed within a short, fixed period and that the funds are returned only to the source account.

Singapore perspective

You will be held to the standard of a bank that has read the 2024 committee report, even if your business is a DPT exchange with a fraction of a bank's resources. The practical response is to adopt the committee's findings as a checklist against your own onboarding and monitoring, to document where your controls meet the standard, and to be able to show MAS that you did so before an inspector asked. Firms that treated the report as a banking matter have found that MAS did not.

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