What went wrong

Dr Alexander Ressos, TEP
Of Counsel, KGP Legal LLC
Attorney-at-Law (Switzerland and Germany), Solicitor (England & Wales and Hong Kong)

The Inter-Ministerial Committee established in October 2023 to review the case published its report on 4 October 2024.[1] Its findings, together with the facts in the statements of facts, identify the control failures that matter for this book.

The first failure was source-of-wealth verification at the banks. Several accused opened private-banking accounts with declared wealth from "online gaming", "e-commerce" or "property investment" supported by financial statements, tax documents and bank references that were forged or issued by companies the accused controlled. The banks accepted the documents at face value. Where a bank did ask questions, the accused moved to a bank that did not. The committee's conclusion was that the standard of corroboration had been inadequate for the risk presented by newly wealthy customers from higher-risk sectors with multiple nationalities.[2]

The second failure was the gatekeepers. Corporate service providers incorporated companies with nominee directors for the accused and did not understand what the companies did. Real-estate agents and developers sold properties worth tens of millions of dollars with minimal inquiry into the buyers' funds. Precious-metals and luxury-goods dealers accepted large cash payments. Each gatekeeper saw one piece and no one saw the whole. The committee's response was to raise the standards for each sector and to improve the information available to them.

The third failure was the interaction between immigration, tax incentives and AML. Several accused had obtained employment passes through companies with no real business and had applied for or obtained single-family-office tax incentives under ss. 13O and 13U of the Income Tax Act 1947 on the strength of the same fabricated wealth. The incentive application process, which sits with MAS's financial centre development function and outside its supervisory function, had not been designed as an AML checkpoint.[3]

The fourth failure was speed. The accused had been in Singapore for several years and had accumulated the assets over that period. Suspicious transaction reports had been filed by several institutions, in some cases well before the arrests. The investigation that led to the raids began in 2021 and took two years to assemble. The committee's conclusion was that intelligence had existed but had not been joined up quickly enough, which is the gap that the COSMIC platform and the information-sharing amendments in the 2024 Act were designed to close.

Copyright © 2026 Dr Alexander Ressos, TEP – Of Counsel, KGP Legal LLC. SingaporeIQ is an information website and gives no legal advice. For Singapore law advice through KGP Legal LLC, please write to alexander.ressos@kgplegal.com.sg

Notes

1. Inter-Ministerial Committee on Anti-Money Laundering, Report, 4 October 2024, chaired by the Second Minister for Finance, with recommendations addressed to financial institutions, corporate service providers, real estate agents, developers, precious stones and metals dealers and the gatekeeping agencies.
2. Inter-Ministerial Committee Report, 4 October 2024, Part on financial institutions, findings on source-of-wealth corroboration and on the use of forged documents.
3. Inter-Ministerial Committee Report, 4 October 2024, Part on single family offices; MAS, Consultation Paper on a Proposed Framework for Single Family Offices, 31 July 2023, and Response to Feedback, 2024. See Part M, Chapter V for the tax side.

Copyright © 2026 Dr Alexander Ressos, TEP – Of Counsel, KGP Legal LLC. SingaporeIQ is an information website and gives no legal advice. For Singapore law advice through KGP Legal LLC, please write to alexander.ressos@kgplegal.com.sg