Anti-Money Laundering: The CDSA, MAS Notices and the FATF Evaluations

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A financial centre that accepts money from the whole world must be able to explain where that money came from. Singapore has built its answer in layers over more than three decades. The first layer is a criminal statute that makes the laundering of criminal proceeds an offence and allows the state to confiscate them. The second consists of the notices of the Monetary Authority of Singapore, which oblige banks, fund managers, trust companies and other institutions to know their customers and to watch their transactions. The third is a reporting system that channels suspicions to a financial intelligence unit inside the police. Above these layers sits the international standard of the Financial Action Task Force, whose evaluators visit Singapore at intervals and grade the country in public.

This chapter describes each of these layers and the way they work in practice. It begins with the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act, the statute known by its initials as the CDSA. It then examines the notices on customer due diligence, the system of suspicious transaction reports and the two most recent mutual evaluations of 2016 and 2026.

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The last section turns to the reforms that followed the money laundering case of 2023. The case itself, together with the 1MDB affair and the penalties that MAS imposed on individual institutions, is the subject of Chapter E.VI. The designation of tax crimes as predicate offences belongs to Chapter E.II, sanctions to Chapter H.IV and corporate criminal liability to Chapter H.V.

The Geneva volume devotes a chapter of its Part H to the same subject, under the title of the fight against money laundering and politically exposed persons. Sharing the same international standard and many of the same clients, the two centres confront the same dilemma. A wealth management centre lives on discretion, while an anti-money laundering regime lives on disclosure. How each centre reconciles the two says much about its institutions. The comparison at the end of this chapter takes up that question.

Essentials

Singapore criminalises money laundering in the CDSA, which began in 1992 as a statute against drug proceeds and now covers a long list of serious offences committed in Singapore or abroad. Since 2024 the Act also punishes rash and negligent laundering and certain forms of money mule conduct. A further amendment in force since November 2024 relieves the prosecution of proving that laundered property is in fact criminal proceeds. MAS Notice 626 and its counterparts for other sectors require customer due diligence, enhanced measures for politically exposed persons and the corroboration of source of wealth. Anyone who suspects in the course of business that property is linked to crime must report to the Suspicious Transaction Reporting Office, which received 85,988 reports in 2024. The FATF evaluation published in May 2026 placed Singapore under regular follow-up, while criticising low penalties and weaknesses in the transparency of beneficial ownership.

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