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

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## For financial institutions

For banks and other institutions, the reforms since 2023 mean that supervisors now examine the quality of implementation more closely than the existence of policies. Most of the institutions penalised in July 2025 had adequate written policies. Their failures lay in red flags left unexplored, customers rated at too low a risk and alerts from their own systems left unreviewed. The legal risk has also shifted to individuals. MAS has issued prohibition orders against chief executives and relationship managers. The criminal law now punishes negligent laundering as well.[12] A relationship manager who accepts an implausible explanation of a client's wealth risks his career and in serious cases his liberty.

## For clients and their advisers

For clients, the consequence is a longer and more intrusive onboarding process. A family with wealth from an operating business in China, India or Indonesia must expect to document the history of that business, its accounts and the family's tax position. Gifts and inheritances must be traced to the person who made them. Advisers who prepare such files should assume that every statement will be checked against public sources and that an inconsistency may trigger a report. A client cannot be told that a report has been made.

## Checklist for practitioners

- Map every layer of ownership down to the natural persons who own or control the customer, including settlors, protectors and beneficiaries of trusts.
- Screen the customer, beneficial owners, connected parties and persons acting on their behalf for political exposure, and use COSMIC information where the institution participates.
- Establish the source of wealth as the origin of the entire body of wealth, including seed capital, gifts and inheritances, in addition to the assets to be booked.
- Corroborate material sources of wealth and funds with independent documents and public information, and document why any uncorroborated source is acceptable.
- Treat benchmarks and assumptions as tests of plausibility, never as justification for explanations that raise suspicion.
- Review transaction alerts promptly and record the reasoning behind each closure.

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- File a suspicious transaction report as soon as reasonably practicable, including for attempted transactions and declined applications, regardless of amount.
- Take risk-mitigating action on customers already reported, and do not tip them off.
- Retain due diligence and transaction records for at least five years after the relationship or transaction ends.
- Train front-office staff on the offences of rash and negligent laundering and on the personal consequences of ignoring warning signs.

## Notes

1. FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, para. 271: on 4 July 2025 sanctions of SGD 27.45 million against nine FIs, prohibition orders against four individuals "for failing to raise red flags", reprimands against 14 individuals.
2. Monetary Authority of Singapore, "MAS Takes Regulatory Actions against 9 Financial Institutions for AML-Related Breaches", 4 July 2025 (mas.gov.sg; as cited in Chapter E.VI): most institutions had policies in place, breaches arising from poor or inconsistent implementation; prohibition orders against the CEO and COO of Blue Ocean Invest and two relationship managers.

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