Individual accountability and conduct

Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland and Germany),
Solicitor (England & Wales and Hong Kong)
Of Counsel, KGP Legal LLC
alexander.ressos@kgplegal.com.sg
www.ressos.com.sg

The Guidelines on Individual Accountability and Conduct

On 10 September 2020 MAS issued Guidelines on Individual Accountability and Conduct. They set five outcomes that financial institutions are expected to achieve. Senior managers responsible for the institution's core functions are to be clearly identified. They are to be fit and proper and held responsible for the actions of their employees and the conduct of the business under their purview. The governance framework is to support their roles with a clear and transparent management structure. Material risk personnel are to be fit and proper and subject to effective risk governance, incentive structures and standards of conduct. Finally, the institution is to have a framework that promotes and sustains the desired conduct among all employees.[1]

The guidelines took effect on 10 September 2021, one year after their issue. They apply to all financial institutions regulated by MAS, with a short list of exceptions such as exempt financial advisers and certain foreign market operators. Institutions with fewer than fifty employees must also achieve the five outcomes but are not

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ordinarily expected to adopt the more detailed guidance.[2] Material risk personnel are individuals whose decisions or activities can significantly affect the safety and soundness of the institution or cause harm to a significant segment of its customers. In a private bank, this category typically includes senior relationship managers, heads of desks and the heads of compliance and risk.

The guidelines take the form of supervisory expectations. They rely on the supervisory relationship, the fit and proper criteria and MAS's power to act against individuals. In practice, institutions map the responsibilities of each senior manager, document them and present them to MAS during inspections. The maps then serve as evidence when something goes wrong.

Prohibition orders under the FSMA

The harmonised prohibition order regime in Part 3 of the FSMA, in force since 31 July 2024, gives these guidelines their enforcement edge. Under section 7, MAS may issue a prohibition order against any person who is not fit and proper. The order may prohibit that person, permanently or for a specified period, from carrying on regulated activities or performing relevant functions in a financial institution. Relevant functions include handling funds or assets, risk taking, risk management and control as well as critical system administration. An order may also bar a person from managing an institution, acting as its director or becoming a substantial shareholder.[3]

The regime reaches further than its predecessors in three respects. It applies across all sectors. It can be used against persons abroad with a past, present or prospective nexus to the Singapore financial industry. It may also take account of misconduct before 31 July 2024. MAS fixes the duration case by case, considering culpability, harm, precedent and the public interest, so that a senior position may increase culpability. A person may appeal to the Minister within thirty days.[4] Orders issued under the old provisions of the FAA, the Insurance Act and the SFA remain in force until they expire or are revoked.

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The enforcement toolkit

MAS's enforcement monograph lists the actions available to it. They are referral for criminal prosecution, civil penalty action, withdrawal or suspension of a licence or regulatory status, removal from office, prohibition orders, compositions, reprimands and warnings or letters of advice. With the exception of prosecution, which lies with the Attorney-General as Public Prosecutor, MAS may take all of these actions in its own name. A composition is in substance a financial penalty, offered in lieu of prosecution for misconduct of low or moderate seriousness. If the offer is refused, criminal proceedings may follow. Reprimands may be issued, for example under section 334 of the SFA, when MAS is satisfied that a person is guilty of misconduct and that a reprimand is necessary in the public interest.[5]

The statistics show how this toolkit is used. In the eighteen months from 1 January 2025 to 30 June 2026, MAS recorded 19 criminal convictions, financial penalties and compositions of 29 million dollars, civil penalties of 307,000 dollars, 23 prohibition orders and three licence revocations. It also recorded 43 reprimands, 150 warnings, 38 letters of advice and 352 supervisory reminders.[6] The distribution is typical. Formal sanctions are relatively few, while most supervisory corrections take the form of reminders, warnings and letters that never become public.

Accountability in practice: the actions of July 2025

The actions of 4 July 2025 showed how the accountability framework is applied to individuals. Besides composition penalties of 27.45 million dollars on nine institutions, MAS issued prohibition orders against four individuals at one of the smaller firms. It found that its chief executive and chief operating officer had failed as senior managers to ensure that anti-money laundering controls kept pace with the growth of the business. Three senior managers of a trust company and two former team heads of a bank were publicly reprimanded. Nine relationship managers and supervisors received private reprimands.[7] The detailed findings belong to Chapter E.VI.

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The lesson for senior managers is clear. Beyond the relationship managers who had opened and serviced the accounts, MAS identified the executives responsible for the control environment and held them answerable for failures they had not personally committed. That is the core idea of individual accountability. A manager answers for the systems under his or her purview, even without personal wrongdoing, if those systems were allowed to fall behind the business.

Notes

1. Monetary Authority of Singapore, *Guidelines on Individual Accountability and Conduct* (mas.gov.sg, published 10 September 2020), Outcomes 1–5. ↩
2. Monetary Authority of Singapore, *Guidelines on Individual Accountability and Conduct*, 10 September 2020: effective date 10 September 2021; "Applicability of the Guidelines" (all FIs regulated by MAS, with ten listed exceptions); para. on FIs "with fewer than 50 headcount"; definition of material risk personnel in Outcome 4. ↩
3. Monetary Authority of Singapore, "FAQs on Issuance of a Prohibition Order under the Financial Services and Markets Act 2022" (mas.gov.sg, accessed November 2026), on ss. 6 and 7(1)–(2) FSMA, the effective date of 31 July 2024 and the application to misconduct before that date. ↩
4. Monetary Authority of Singapore, "FAQs on Issuance of a Prohibition Order under the Financial Services and Markets Act 2022" (accessed November 2026), on persons overseas, duration, seniority and appeals under ss. 13–14 FSMA. ↩
5. Monetary Authority of Singapore, *Enforcement Monograph*, July 2025, paras 3.5 and 6.1–6.2. Monetary Authority of Singapore, *Enforcement Monograph*, July 2025, paras 6.17–6.18. ↩
6. Monetary Authority of Singapore, "Enforcement" (mas.gov.sg/regulation/enforcement, accessed November 2026), headline figures of the *Enforcement Report 2025/2026*, published 7 October 2026, covering 1 January 2025 to 30

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June 2026; criminal convictions, warnings and letters of advice include cases under the MAS–CAD joint investigation arrangement. ↩

7. Monetary Authority of Singapore, "MAS Takes Regulatory Actions against 9 Financial Institutions for AML-Related Breaches", 4 July 2025: prohibition orders of six and five years against the chief executive and chief operating officer of Blue Ocean Invest, who "failed as senior managers to ensure that the AML/CFT policies and controls … kept pace" with the firm's growth, and of three years against two relationship managers. Monetary Authority of Singapore, "MAS Takes Regulatory Actions against 9 Financial Institutions for AML-Related Breaches", 4 July 2025, on the reprimands of senior managers of Trident Trust Company (Singapore) and former team heads of UOB and the private reprimands of nine relationship managers and supervisors. ↩

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Author contact: Dr Alexander Ressos, TEP · contact@ressos.com

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