The FATF mutual evaluations

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Singapore in the FATF

Singapore joined the FATF in 1992, three years after its foundation. It is also a member of the Asia/Pacific Group on Money Laundering, the regional body that conducts evaluations jointly with the FATF in the region. Both bodies took part in the evaluation of 2026, which was published as a joint report. Singapore held the presidency of the FATF from July 2022 to June 2024. At home, policy is set by the AML/CFT Steering Committee, formed in 1999. It is co-chaired by the permanent secretaries of the Ministries of Home Affairs and Finance and by the managing director of MAS.[12]

A mutual evaluation assesses two things. Technical compliance measures whether a country's laws and regulations meet each of the 40 FATF Recommendations, on a scale from compliant through largely and partially compliant to non-compliant. Effectiveness measures whether the system delivers results in eleven immediate outcomes, from risk understanding to the prosecution of money laundering and the confiscation of assets. It is graded as high, substantial, moderate or low.[3] Since the effectiveness ratings require statistics and case studies, they are harder to achieve. A country with excellent laws may still be found to apply them weakly.

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The evaluation of 2016

The fourth-round report on Singapore appeared in 2016. It found a strong legal and institutional framework to fight money laundering and terrorist financing. In technical compliance Singapore was rated compliant with 18 Recommendations, largely compliant with 16 and partially compliant with six, among them the Recommendations on the transparency of legal persons and of legal arrangements. On the basis of these results Singapore was placed under enhanced follow-up. By the time of the next evaluation it had obtained four upgrades, including those for transparency. The government had responded with a register of controllers for companies and with the public-private partnership known as ACIP. That partnership was set up in April 2017 and brings together banks, regulators and law enforcement.[4]

The fifth round: the report of 2026

The fifth round uses a revised methodology with a stronger emphasis on effectiveness and a shorter six-year cycle. The assessors visited Singapore from 1 to 18 July 2025. After the FATF Plenary had adopted the report in February 2026, it was published on 6 May 2026. The government emphasised the finding that Singapore had "a robust and effective framework and process to counter money-laundering". It also stressed that Singapore had been placed under regular follow-up, the track for members that performed well, which marked an improvement on the enhanced follow-up of 2016.

The ratings bear out an improvement. In effectiveness, Singapore achieved a substantial level in seven of the eleven outcomes: risk and coordination, international cooperation, supervision of financial institutions, supervision of non-financial businesses, financial intelligence, confiscation and terrorist financing prosecutions. Four outcomes were rated moderate: beneficial ownership, laundering investigations and prosecutions, terrorist financing preventive measures and financial sanctions, and proliferation financing sanctions. No outcome was rated high or low. In technical compliance, Singapore was rated compliant with 24

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Recommendations and largely compliant with 14. The two partial ratings concerned once again the transparency of legal persons and legal arrangements, on which Singapore had obtained upgrades during the follow-up to the report of 2016.[5]

What the evaluators praised

The evaluators described Singapore as a globally significant financial centre with low violent crime, high wealth and high trust in institutions. They added that its money laundering risks were "disproportionate" to its domestic crime rate, because the criminals who seek to misuse its system generally sit abroad. They singled out the case of 2023 as a demonstration of the quality of Singapore's law enforcement. The inter-ministerial committee that followed was, in their view, "the clearest manifestation" of Singapore's willingness to try new measures.

Coordination between agencies was called a key strength. The evaluators praised the investments in technology, data integration and automation since 2016, which had greatly increased the financial information available to investigators. They found that MAS's work to make institutions understand their risks and obligations was a strength of the system. Financial institutions and virtual asset service providers had a solid understanding of their risks. On asset recovery, the authorities had seized about 6 billion Singapore dollars during the review period. Between 2020 and 2024 they had confiscated 3.9 billion, with a ratio of confiscation to seizure of 61 per cent.[6]

What the evaluators criticised

The criticism concerned three areas. The first was the pattern of prosecutions. Law enforcement opened 11,189 laundering investigations in five years, more than 80 per cent of them triggered by victims' complaints about cyber-enabled fraud. Of these, 7,594 were referred to the Attorney-General's Chambers, but only 682 natural persons were prosecuted. The conviction rate in prosecuted cases was a good 82 per cent. Most convictions, however, concerned low-level money mules, and most resulted from guilty pleas. Investigations into tax crimes, corruption and trade-based

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laundering were significantly fewer, although these are among Singapore's key threats. Since 2016 the prosecution service had added one prosecutor for a fourfold rise in laundering investigations.[7]

The second area was the level of penalties. On average, persons convicted of money laundering received thirteen months' imprisonment. Prison terms of more than four years were imposed in only 5 per cent of convictions. MAS imposed 15 financial penalties on institutions between 2020 and 2024 and five curtailments or revocations of licences. The evaluators acknowledged that MAS had stepped up its actions in 2025, including the penalties of 27.45 million dollars on nine institutions in July of that year. They nevertheless found that the amounts were not commensurate with the breaches or with the size of the institutions.[8]

The third area was transparency. Singapore has a central register of beneficial owners at the Accounting and Corporate Regulatory Authority, but it does not verify the information at the point of filing. It relies on corporate service providers to identify beneficial owners correctly. For trusts, Singapore relies on access through the trust company, bank or professional involved. The evaluators concluded that the accuracy of beneficial ownership information was "questionable". Penalties for breaches were not yet dissuasive, since higher penalties had been enacted only recently. The finding bears directly on the trusts and holding structures examined in Chapter E.IV and on the variable capital company, whose beneficial owners are not recorded in the central register.

The evaluators summed up their findings in a sentence that every compliance officer in Singapore should read. The challenges were being met "by a competent and coordinated Singapore regime that is willing to try new solutions", but the system "must be sharper in producing demonstrable and consistent risk-based results".[9]

Notes

1. FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, title page and citing reference: "FATF (2026), Mutual Evaluation Report of Singapore, FATF, Paris and APG, Sydney"; *Money Laundering National Risk Assessment*

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Singapore 2024, para. 1.5: Singapore "held the FATF Presidency for the term July 2022 to June 2024"; FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, Chapter 1 ("The AML/CFT SC was formed in 1999"); *Money Laundering National Risk Assessment Singapore 2024*, para. 1.6 (co-chairs). ↩

2. Singapore became a member of the FATF in 1992; see FATF, country page "Singapore" (fatf-gafi.org). ↩
3. FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, "How to read this mutual evaluation report" and note to the ratings table. ↩
4. Inter-Ministerial Committee on Anti-Money Laundering, *Report*, October 2024, box on the FATF: in its 2016 evaluation the FATF assessed Singapore "to have a strong legal and institutional framework to fight money laundering and terrorism financing"; FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, introductory note on the previous evaluation: 18 C, 16 LC and 6 PC in 2016, "Singapore was placed in enhanced follow-up", four re-ratings since (R.25 from PC to C, R.23 and R.24 from PC to LC, R.3 from LC to C); FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, Annex A, on R.24 and R.25: "Singapore was rated partially compliant with R.24 in its 2016 MER" and "partially compliant with R.25 in the 2016 MER"; *Money Laundering National Risk Assessment Singapore 2024*, para. 4.6.5: "ACIP was set up in April 2017 to bring together stakeholders from industry and government". ↩
5. FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, "How to read this mutual evaluation report" ("operating on a six-year cycle"); FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, Executive Summary, para. 1; FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, Roadmap of key recommended actions, paras 1 and 3 (on-site visit "from 1-18 July 2025", adoption by the FATF Plenary in February 2026, "Singapore is placed in regular follow-up"); Monetary Authority of Singapore, "Singapore has a robust framework for combatting financial crime, according to international body", media release, 6 May 2026 (mas.gov.sg, accessed November 2026): "robust and effective framework and process to counter

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money-laundering", regular follow-up for members that performed well, an improvement on the 2016 evaluation; FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, "Ratings for effectiveness and technical compliance": IO.1, IO.2, IO.3, IO.4, IO.6, IO.8 and IO.9 substantial; IO.5, IO.7, IO.10 and IO.11 moderate; FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, "Ratings for effectiveness and technical compliance": R.24 and R.25 partially compliant; count of compliant (24) and largely compliant (14) ratings made by the author from the table. ↩

6. FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, Executive Summary, Key Findings (a) and para. 2; FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, Executive Summary, Key Findings (b); FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, Executive Summary, Key Findings (d) and para. 7; FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, Executive Summary, para. 16; FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, Executive Summary, paras 34–35. ↩

7. FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, Executive Summary, paras 30–31; FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, Executive Summary, para. 31; FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, Executive Summary, para. 30, and para. 467. ↩

8. FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, para. 484; FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, para. 271. ↩

9. FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, Executive Summary, paras 24–25; FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, Executive Summary, Key Findings (i); FATF and APG, *Mutual Evaluation Report of Singapore*, May 2026, Executive Summary, Key Findings (j). ↩

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