The Monetary Authority of Singapore as integrated regulator

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From central bank to single supervisor

After Parliament had passed the Monetary Authority of Singapore Act in 1970, MAS was formed on 1 January 1971. According to its own account of its history, the Act gave the new authority power to regulate the financial services sector of the country.[1] The founding and the early years of MAS are the subject of Chapter C.V. For the regulatory architecture, the important point is that MAS acquired its supervisory powers over several decades, one sector at a time.

Insurance was the first addition. In April 1977 the Government decided to bring the regulation of the insurance industry under MAS. The regulatory functions under the Securities Industry Act of 1973 followed in September 1984. The last institutional step came on 1 October 2002, when the Board of Commissioners of Currency merged with MAS, which thereby also became the issuer of Singapore's notes and coins.[2] The same day saw the remaining provisions of the Securities and Futures Act and the Financial Advisers Act come into operation, so that 1 October 2002 marks the completion of both the integrated authority and its modern statutory base.[3]

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Singapore thus arrived at integrated supervision earlier than most financial centres and by a different route. The United Kingdom created its Financial Services Authority by merging separate regulators, while Switzerland created FINMA in 2009 by combining the Federal Banking Commission, the insurance office and the anti-money laundering authority.[4] In Singapore the central bank itself absorbed the supervisory functions. MAS today describes itself as "Singapore's central bank and integrated financial regulator" and adds that it works with the industry to develop Singapore as an international financial centre.[5]

The statutory objects and the priority of soundness

Section 4 of the MAS Act sets out four principal objects. The Authority is to maintain price stability conducive to sustainable growth, to foster a sound and reputable financial centre and promote financial stability, to ensure prudent and effective management of the official foreign reserves and to grow Singapore as an internationally competitive financial centre. The list of functions in section 4(2) mirrors these objects. Among them is the duty "to conduct integrated supervision of the financial services sector and financial stability surveillance".[6]

The combination of supervision and development in a single body invites an obvious objection. A regulator that is also charged with growing the industry it supervises may be tempted to soften its rules or overlook misconduct for the sake of growth. Section 4(1A) addresses this conflict directly. When it gives effect to its objects, the Authority is to act on the basis that the object of a sound and reputable financial centre prevails over the object of growing the financial centre.[7] The provision is short, but it gives the courts, the industry and MAS itself a rule of precedence that the statutes of many other regulators lack.

The rule matters most at the moments when it is tested. After the money laundering case of 2023, which Chapter E.VI examines, MAS reported that most of the institutions connected with the case had anti-money laundering policies in place but had not implemented them effectively.[8] The penalties and prohibition orders that

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followed, described in the last section of this chapter, show the priority clause at work. Soundness and reputation came first, even though the targets included some of the largest private banks in the city.

Governance and supervisory method

MAS is a statutory board with a Board of Directors responsible for policy and general administration, which keeps the Government informed of its policies. Its chairman is a member of the Cabinet. In June 2026 the post was held by Gan Kim Yong, Deputy Prime Minister and Minister for Trade and Industry.[9] The day-to-day management lies with the managing director, a career official, who in 2026 was Chia Der Jiun. The close link with the Government distinguishes MAS from central banks with constitutional independence, a point to which the comparison with Switzerland returns.

The method of supervision has been explained in a series of monographs. In April 2004 MAS published *Objectives and Principles of Financial Supervision in Singapore*, which described its approach as proactive and risk focused. The monograph also stated that "in seeking financial stability, MAS does not aim to totally prevent failure of any financial institution". A second monograph of April 2007 set out the framework for impact and risk assessment. Under it, MAS calibrates the intensity of supervision to each institution's potential impact on the supervisory objectives and to the quality of its risk management, using a risk assessment system called CRAFT, the Common Risk Assessment Framework and Techniques.[10]

This approach explains several features of the Singapore system that foreign practitioners often notice. Large local banks and systemically relevant foreign branches receive close and continuous attention, while smaller institutions see their supervisors less often and are expected to rely on their own control functions. The board and senior management stand at the centre of the model, which prepared the ground for the individual accountability guidelines of 2020. MAS also states openly that it will not prevent every failure. The client of a small fund manager in Singapore therefore cannot assume that supervision guarantees the solvency or honesty of the firm.

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Acts, regulations, notices and guidelines

The rules that MAS applies come in four layers. At the top stand the Acts of Parliament, such as the Banking Act or the Securities and Futures Act. Below them are regulations made by MAS or the Minister under powers in those Acts. The third layer consists of notices, which MAS issues under statutory powers and whose breach is an offence. The anti-money laundering notices are the best-known examples. Each breach of four of them could attract a fine of up to one million dollars per offence.[11]

Guidelines form the fourth layer. They are not legally binding in the same way, but MAS takes compliance with them into account when it assesses an institution or an individual. The Guidelines on Fit and Proper Criteria (FSG-G01), for example, apply to all relevant persons carrying out any activity regulated by MAS. They expect those persons to be competent, honest, of integrity and of sound financial standing. The current version was revised on 30 May 2025 and took effect on 30 June 2025.[12] Frequently asked questions, circulars and information papers complete the picture. For practitioners, these lower layers often matter more than the statutes, because they contain the operational detail that examiners check.

Notes

1. Monetary Authority of Singapore, “Our History” (mas.gov.sg/who-we-are/our-history, accessed November 2026): “The passing of the MAS Act gave MAS the authority to regulate the financial services sector in Singapore”, leading to “the formation of MAS on 1 January 1971”. ↩
2. Monetary Authority of Singapore, “Our History” (accessed November 2026): “In April 1977, the Government decided to bring the regulation of the insurance industry under MAS”; “The regulatory functions under the Securities Industry Act (1973) were also transferred to MAS in September 1984.”. Monetary Authority of Singapore, “Our History” (accessed November 2026), on the merger with the Board of Commissioners of Currency on 1 October 2002. ↩

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3. Monetary Authority of Singapore, "Media Release for the Implementation of the SFA and FAA", 11 September 2002 (mas.gov.sg): full commencement of the SFA and the FAA on 1 October 2002. ↩

4. *Genève, place financière internationale*, chapter E.IV, section "L'architecture du droit suisse des marchés financiers", citing the FINMA Act of 22 June 2007 and the FINMA press release of 9 December 2008: FINMA began operating on 1 January 2009 by combining the Federal Banking Commission, the Federal Office of Private Insurance and the Anti-Money Laundering Control Authority. ↩

5. Monetary Authority of Singapore, "Who We Are" (mas.gov.sg/who-we-are, accessed November 2026). ↩

6. Monetary Authority of Singapore Act 1970, s. 4(1)(a)–(d), as reproduced from Singapore Statutes Online by LawPlayer (lawplayer.com/sg/act/MASA1970/4, accessed November 2026; the official text on sso.agc.gov.sg prevails). Monetary Authority of Singapore Act 1970, s. 4(2)(b), as reproduced by LawPlayer (accessed November 2026). ↩

7. Monetary Authority of Singapore Act 1970, s. 4(1A), as reproduced by LawPlayer (accessed November 2026), with the annotation [31/2017] indicating an amendment in 2017. ↩

8. Paul Yuen, General Counsel, Monetary Authority of Singapore, "The Singapore Story: Attracting Capital, Enabling Enterprise, Sustaining Trust", keynote address at the Dentons Rodyk Dialogue, 28 October 2026 (mas.gov.sg). ↩

9. Monetary Authority of Singapore, "Who We Are" (accessed November 2026), on the role of the Board of Directors and the managing director, Chia Der Jiun. Gan Kim Yong, Deputy Prime Minister and Minister for Trade and Industry, and Chairman of the Monetary Authority of Singapore, "Singapore as a Trusted Connector in a Changing World", address at the ABS Annual Dinner, 25 June 2026 (mas.gov.sg). ↩

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10. Monetary Authority of Singapore, "MAS Spells Out Its Supervisory Approach", media release, 19 April 2004. Monetary Authority of Singapore, "MAS Issues Monograph", media release, 23 April 2007, on *MAS' Framework for Impact and Risk Assessment of Financial Institutions*: "The board and senior management play the central role for proactive oversight and governance". ↩
11. Monetary Authority of Singapore, "MAS Takes Regulatory Actions against 9 Financial Institutions for AML-Related Breaches", media release, 4 July 2025 (text as reproduced by Mondo Visione, mondovisione.com, accessed November 2026): breaches of MAS Notices 626, 1014, SFA04-N02 and TCA-N03 are offences carrying a maximum fine of S$1 million per offence under s. 27B(2) of the MAS Act or s. 16(4) of the FSMA. ↩
12. Monetary Authority of Singapore, "Guidelines on Fit and Proper Criteria" (FSG-G01) (mas.gov.sg, accessed November 2026): revised 30 May 2025, effective 30 June 2025, applicable to "all relevant persons carrying out any activity regulated by MAS", including banks, insurers, capital markets intermediaries, financial advisers, trust companies and digital token service providers. ↩

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