

MAS Imposes Penalties on Standard Chartered Bank and Standard Chartered Trust for AML/CFT Breaches

Singapore, 19 March 2018 ... The Monetary Authority of Singapore (MAS) announced today that it has imposed penalties of S\$5.2 million on Standard Chartered Bank, Singapore Branch (SCBS) and S\$1.2 million on Standard Chartered Trust (Singapore) Limited (SCTS). The penalties were for breaches of MAS' anti-money laundering and countering the financing of terrorism (AML/CFT) requirements.¹ These breaches occurred when trust accounts of SCBS' customers were transferred from Standard Chartered Trust (Guernsey) to SCTS from December 2015 to January 2016.

2 MAS found SCBS' and SCTS' risk management and controls in relation to the transfers to be unsatisfactory. The transfers occurred shortly before Guernsey's implementation of the Common Reporting Standards (CRS) for the Automatic Exchange of Financial Account Information in Tax Matters. The timing of the transfers raised questions of whether the clients were attempting to avoid their CRS reporting obligations. However, SCBS and SCTS did not adequately assess and mitigate against this risk factor, and also failed to file suspicious transaction reports in a timely manner.

3 In determining the regulatory action, MAS has taken into consideration mitigating factors. SCBS had pro-actively notified MAS of its internal review on the trust accounts, and SCBS and SCTS management showed strong commitment to address the deficiencies identified by MAS. Both SCBS and SCTS have taken prompt and substantive remedial measures to strengthen their AML/CFT risk management and controls.

4 MAS' Deputy Managing Director Mr Ong Chong Tee said, "MAS requires financial institutions to adequately assess money laundering risks when deciding whether to accept customers. They should also have in place good systems and processes to monitor customer transactions. We expect financial institutions to remain vigilant by instilling a strong risk culture."

Note to Editor:

The Common Reporting Standard (CRS) is the international standard for the Automatic Exchange of Financial Account Information in Tax Matters (AEOI). Endorsed by the Organisation for Economic Co-operation and Development (OECD) and the Global Forum for Transparency and Exchange of Information for Tax Purposes (GF) in 2014, the CRS sets out the financial account information to be exchanged, the financial institutions required to report, the different types of accounts and taxpayers covered, as well as the customer due diligence procedures to be followed by the financial institutions. To date, more than 100 jurisdictions, including Singapore, have committed to implement the CRS. Singapore will commence AEOI in 2018.

¹ In the case of SCBS, for 21 breaches of MAS Notice 626 - Prevention of Money Laundering and Countering the Financing of Terrorism (Banks), and in the case of SCTS, for 12 breaches of MAS Notice TCA-N03 - Prevention of Money Laundering and Countering the Financing of Terrorism (Trust Companies)