

Enforcement Actions

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MAS Imposes Composition Penalty of S\$1 million on Bank J. Safra Sarasin Ltd, Singapore Branch for AML/CFT Failures

Singapore, 14 April 2021... The Monetary Authority of Singapore (MAS) has imposed a composition penalty of S\$1 million on Bank J. Safra Sarasin Ltd, Singapore Branch (BJS) for its failures to comply with MAS' Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) requirements. The penalty amount took into consideration BJS's remediation actions to address deficiencies that were identified by MAS.

2 Between March 2014 to September 2018, BJS committed serious breaches of MAS' AML/CFT requirements. These breaches resulted from material lapses in BJS's AML/CFT control processes during customer on-boarding and in the ongoing monitoring of business relations with customers, which had placed BJS at higher risk of being used as a conduit for illicit activities. In particular:

(a) BJS failed to establish, by appropriate and reasonable means, the source of wealth and source of funds of customers and beneficial owners of the customers who presented higher risks of money laundering and terrorism financing. In many cases, BJS relied on the customers' representations without obtaining information to corroborate them;

(b) BJS also failed to adequately inquire into the background and purpose of unusually large or unusual patterns of customer transactions that had no obvious economic purpose.

3 MAS has required BJS to appoint an independent party to validate the effectiveness of the bank's remediation measures and report the findings to MAS.

4 Ms Loo Siew Yee, Assistant Managing Director (Policy, Payments & Financial Crime), MAS, said: “Financial institutions engaging in private banking business must be vigilant in guarding against the risk of dealing with illicit wealth. Given the potential complexity of private bank clients’ profiles, it is particularly important that clients’ representations regarding their source of wealth and funds are scrutinised and corroborated by objective evidence. Boards and senior management of financial institutions must exercise strong oversight of the execution of key AML/CFT controls.”

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