

Enforcement Actions Media Releases

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MAS Penalises 3 Banks and an Insurer for Breaches of Anti-Money Laundering Requirements

Singapore, 21 June 2023... The Monetary Authority of Singapore (MAS) has imposed composition penalties amounting to S\$3.8 million in total on Citibank N.A., Singapore Branch (Citibank), DBS Bank Ltd (DBS), OCBC Singapore (OCBC) and Swiss Life (Singapore) Pte. Ltd. (SLSG) for breaches of MAS' Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) requirements. All these financial institutions (FIs) have accepted the penalties.

2. The breaches were identified during MAS' examinations of the FIs following news of irregularities relating to Wirecard AG's financial statements and the alleged involvement of Singapore-based individuals and entities in the matter. These FIs were found to have inadequate AML/CFT controls in place when they dealt with persons who were involved in transactions with, or had links to, Wirecard AG or its related parties.

3. Although the breaches were serious, MAS did not find wilful misconduct by any staff of these FIs. The FIs have taken prompt remedial actions to address the deficiencies identified by MAS. These include enhancements to their procedures and processes, and training to improve staff's vigilance in detecting and escalating risk concerns. The FIs are required to ensure sustained effectiveness of these enhancements.

Citibank

4. MAS has imposed a composition penalty of S\$400,000 on Citibank for breaches between September 2019 and June 2020 relating to accounts maintained by two corporate customers. Citibank failed to adequately understand the control structure of the customers and failed to correctly identify the customers' beneficial owner (BO), despite having information which suggested that the control structure and BOs declared by the customers were incorrect. Citibank also failed to inquire into unusually large transactions that had significantly exceeded one customer's past transaction amounts and that had no apparent economic purpose. This included an outflow to a party allegedly involved in fraud.

DBS

5. MAS has imposed a composition penalty of S\$2.6 million on DBS for breaches between July 2015 to February 2020 relating to accounts maintained by 11 corporate customers. DBS had failed to:

- (a) maintain relevant and up-to-date customer due diligence (CDD) information relating to customers' beneficial ownership;
- (b) update customers' money laundering/terrorism financing risk ratings, which resulted in the bank's failure to perform timely enhanced CDD measures on the customers;
- (c) adequately establish the source of wealth (SoW) of higher risk customers and their BOs, relying instead on customers' representations of their wealth without adequate corroboration; and
- (d) adequately inquire into the background and purpose of unusually large transactions that were not consistent with its knowledge of the customers or had no apparent economic purpose.

OCBC

6. MAS has imposed a composition penalty of S\$600,000 on OCBC for breaches between June 2015 and January 2016 relating to accounts maintained by one corporate customer with OCBC. OCBC failed to inquire into the background and purpose of transactions even though they were not consistent with OCBC's knowledge of the customer and its business, or were unusually large and exhibited an unusual pattern that had no apparent economic purpose. OCBC also failed to probe into the customer's ownership and control structure when the customer's declared BO was not a party named in the customer's corporate registration documents.

SLSG

7. MAS has imposed a composition penalty of S\$200,000 on SLSG for breaches in May 2017 relating to an investment-linked life insurance policy underwritten by SLSG. SLSG failed to sufficiently understand the reasons behind the higher risk customer's complex ownership and control structure and failed to adequately corroborate the SoW of the customer's BO.

MAS' investigation into Citadelle Corporate Services Pte Ltd (Citadelle)

8. MAS has completed its investigation into Citadelle for suspected contravention of the Trust Companies Act (TCA) by carrying on a trust business without a licence. ^[1] As the investigation did not reveal any breaches of the TCA committed by Citadelle, MAS will be taking no further action against Citadelle. ^[2]

9. Ms Ho Hern Shin, Deputy Managing Director (Financial Supervision), MAS, said, “As Singapore grows in importance as an international financial centre, MAS expects our financial institutions to step up their controls against facilitating illicit financial flows. They must implement robust measures to know their customers, monitor on-going transactions to ensure that these are consistent with their understanding of their customers and their businesses, and exercise greater vigilance when customers use complex structures.”

[1] Please see MAS’ announcement on 3 July 2020, “[Investigation into Citadelle and Senjo Following Review of Developments Relating to Wirecard](#)”.

[2] This decision is taken in consultation with the Attorney-General’s Chambers.

Additional Information:

Composition of AML/CFT offences

MAS’ AML/CFT requirements for banks and direct life insurers are set out in MAS Notice 626 on Prevention of Money Laundering and Countering the Financing of Terrorism – Banks and MAS Notice 314 on Prevention of Money Laundering and Countering the Financing of Terrorism – Direct Life Insurer.

Each breach of Notice 626 and Notice 314 is an offence punishable under section 27B(2) of the MAS Act (Cap. 186), where the maximum prescribed fine is S\$1,000,000 per offence. The breach is compounded under section 176(1A) of the MAS Act 1970.

Past Announcements on Wirecard

MAS’ past announcements on Wirecard can be found here:

(a) 30 June 2020: [Wirecard Complies with MAS Directions to Keep Customer Funds in Banks in Singapore](#) □

(b) 3 July 2020: [Investigation into Citadelle and Senjo Following Review of Developments Relating to Wirecard](#) □

(c) 30 September 2020: [MAS Directs Wirecard to Cease Payment Services in Singapore](#) □

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