

Enforcement Summary

1 January 2019 to 30 June 2020



2019/2020 Enforcement Outcomes

Actions taken on breaches of MAS-administered Acts, Regulations and Notices¹



9 Criminal Convictions



\$11.7 million in Civil Penalties



\$3.4 million in Financial Penalties and Compositions²



25 Prohibition Orders³



3 Licence Revocations



23 Reprimands



124 Warnings



76 Letters of Advice



282 Supervisory Reminders

¹ Excludes investigations led by CAD under the MAS-CAD Joint Investigation Arrangement

² \$3.3 million for AML/CFT breaches and \$0.1 million for other breaches

³ Includes one Prohibition Order effective prior to the reporting period but varied in duration during the reporting period

Progress of 2019/2020 Priorities

Corporate Disclosures

MAS stepped up our focus on the detection and review of corporate disclosure failures. MAS and ACRA also established a joint forum to facilitate the review of accounting-related and disclosure issues, as well as coordinate enforcement efforts.

Business Conduct

For failure to comply with business conduct requirements, MAS took robust enforcement actions against two financial institutions (FIs), including imposing a civil penalty of \$11.2 million. MAS also issued prohibition orders against 24 former representatives of financial advisers for dishonest business conduct.

Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Compliance

Arising out of AML/CFT thematic and for-cause inspections conducted on various FIs, MAS investigated and took enforcement actions against FIs with significant deficiencies in AML/CFT controls and senior managers who fell short in their duties.

Insider Trading

MAS successfully pursued insider trading charges against three former representatives of FIs who carried out a front-running arrangement. MAS also imposed a civil penalty on an individual for selling shares in an overseas listed company while in possession of insider information.

Brokerage Houses' Internal Controls

MAS worked with brokers to disrupt suspicious trading activities and engaged the industry on key observations from the disruption process. MAS and SGX Regulation also jointly published the MAS-SGX Trade Surveillance Practice Guide to help brokers implement good practices in their trade surveillance operations.

Decrease in average time taken for reviews and investigations⁴

↓ **33 vs 24 months for criminal cases** ↓ **30 vs 26 months for civil penalty cases**

⁴ As compared against the previous reporting period of 1 July 2017 to 31 December 2018

Looking ahead, some 2020/2021 Priorities are:



Pursue Serious and Complex Cases of Disclosure Breaches



Deepen Capability to Proactively Detect Financial Advisory Misconduct



Continue Focus on FIs which Lack Rigorous AML/CFT Controls



Update Enforcement-Related Powers



Enhance Focus on Senior Management Accountability