

# Enforcement Report 2017/2018

## MAS' Enforcement Principles



**Early detection of misconduct and breaches of law**



**Effective deterrence**



**Shaping business and market conduct**

## Summary of key enforcement outcomes



**1 Criminal Conviction**



**\$S\$16.8 million in Financial Penalties and Compositions**



**\$S\$698,000 in Civil Penalties**



**19 Prohibition Orders**



**37 Reprimands**



**223 Warnings**



**31 Letters of Advice**



**444 Supervisory Reminders**

## MAS' key initiatives to better protect investors and uphold market integrity

### 1. Counter potential market misconduct through broker engagement

Brokers are the best party to manage any suspicious trading activities as they can take action to impose restrictions on customers, suspend accounts and off-board customers.

#### Objectives of broker engagement

- Curb undesirable trading behaviour before it escalates
- Minimise negative market impact from on-going suspicious trading activities
- Shape broker conduct and culture through their management of suspicious trading activities
- Target errant players and limit their ability to benefit from undesirable behaviour
- Complement MAS' focus on deterrence through effective enforcement

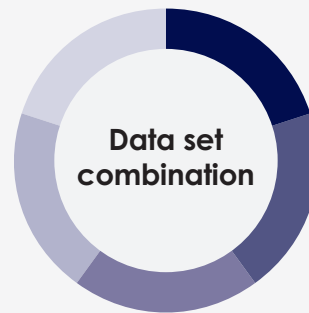
### 2. Project Apollo: Using Augmented Intelligence to detect market manipulation

#### How the Augmented Intelligence tool works

- Automates repetitive and manual processes to improve efficiency
- Models rogue trading behavior using traits identified by human experts
- Provides analysis and prediction during early stages of the investigation
- Complements human decision-making abilities through Augmented Intelligence

### 3. Proactive detection of financial advisory misconduct

Large data sets are combined to identify potential misconduct cases using data analytics. This enables MAS to detect and investigate wrongdoings early, so that timely enforcement action can be taken against errant representatives.



- Investment products
- Financial advisory representatives profile
- Compliance conduct of appointed representatives
- Transactional information
- Customers' profile

### 4. Leveraging data analytics to enhance AML/CFT supervisory effectiveness

MAS uses data analytics to sharpen and intensify AML/CFT supervision over FIs and activities with higher ML/TF risks.

#### This includes:

- Network analysis on suspicious transaction reports
- Analytics-driven supervisory probes
- Thematic examinations of higher risk activities

## Enforcement priorities in 2019/2020

Timely and adequate disclosure of corporate information for better investor protection

Reviews and assessments of AML/CFT controls in financial institutions

Business conduct of financial advisers and its representatives

Surveillance and investigations into suspected insider trading



Tightening of internal controls to detect and deter market abuse