

Compliance Alert: Key MAS Regulatory Reminders for Year-End 2024



[Nithi Genesan](#)

December 16, 2024

As we approach the end of 2024, this update serves as an important reminder of key regulatory requirements from the Monetary Authority of Singapore (“MAS”) that must be fulfilled before year-end.

The following updates are applicable to fund management companies (Accredited Investors - Licensed Fund Management Company (“A/I LFMC”) and Venture Capital Fund Management), Payment Service Providers, broker/dealers and other relevant entities.

1. Fit and Proper – Background Checks and Annual Declarations

Several key regulatory changes have been introduced in the past year to ensure that individuals appointed to key roles are fit and proper to carry out their roles effectively.

In July 2024, the scope of prohibition orders was widened to include personnel in non-regulated roles to further mitigate the risk of “rolling bad apples”.

In December 2023, the MAS announced that the proposals to mandate reference checks would be implemented and a formal notice will be issued on this basis. This was further confirmed in a MAS industry update in November.

Financial Institutions (“FIs”) are expected to perform adequate due diligence and background checks on their key officers, including Directors and Representatives, to ensure compliance with the Fit and Proper [Guidelines](#).

Have you done the following?

- Updated onboarding due diligence procedures to include reference checks on previous employment for new hires.
- Completed periodic due diligence procedures for existing representatives.
- Obtained annual declarations from representatives before submitting Declaration of Nil Return of Misconduct which is due by **14 January 2025**.

2. Annual Outsourcing Review

The MAS issued revised [Guidelines on Outsourcing](#) (Financial Institutions other than Banks) effective 11 December 2024. The new set of guidelines replaces the MAS Outsourcing Guidelines, originally issued in 2016.

The key requirements for compliance remain largely unchanged. These include vendor due diligence (including its employees), materiality assessments, maintenance of the outsourcing register and contractual arrangements.

Have you done the following?

- Updated the outsourcing register.
- Performed due diligence on outsourced service providers, including its key employees.
- Reassessed the materiality of all outsourced service providers.
- Conducted ongoing reviews of your existing outsourced service providers.
- Updated your outsourcing policy to reflect the revised Guidelines.

3. Updates to Enterprise-Wide-Risk-Assessment (“EWRA”)

FIs are required to identify and assess money laundering (“ML”) and Terrorism Financing (“TF”) risks at an enterprise level. This assessment enables the firm to understand its overall vulnerability to ML/TF risks and forms the basis for a risk-based approach.

The MAS issued a series of National Risk Assessment (“NRA”) reports covering [ML](#), [TF](#) and [Environmental Crime](#) risks from May 2024 to October 2024. Further in October 2024, several risk assessments were published covering the risks of [Proliferation Financing](#), [legal arrangements](#), [legal persons](#) and [virtual assets](#).

Have you done the following?

- Reviewed the NRA reports and risk assessments published by the MAS.
- Incorporated these findings in your EWRA update which is due at least every 2 years.

4. Internal Audit and AML/CFT Audit

MAS expects the business activities of a Capital Market Services Licence holder to be subject to adequate internal audit. The internal audit arrangements should be commensurate with the scale, nature and complexity of its operations.

Further, the MAS emphasised in a [Circular](#) (AMLD 12/2024) that all FIs should conduct regular audits on their Anti-Money Laundering/Counter Financing Terrorism (“AML/CFT”) process. The internal audit and AML/CFT audits may be outsourced to a third-party service provider.

How Waystone Can Help

Our Singapore team is well-equipped to provide clients with bespoke, risk-focused and cost-effective compliance solutions. Our extensive experience in the Asia-Pacific region provides the expertise you need whilst adding value to your corporate governance standards. As an outsourced compliance service provider, Waystone can deliver all the compliance services required to operate in Singapore.

Here are key areas where we can assist your firm:

- conduct due diligence and background checks (including reference checks, screening and bankruptcy checks) on prospective employees
- reach out to your outsourced service providers to conduct onboarding due diligence checks and ongoing monitoring checks, including screening.
- Assessing AML/CFT Risk – Assist to develop comprehensive AML/CFT risk assessments to meet EWRA obligations.
- Outsourced internal audit services with a focus on MAS rules and regulations, along with in-depth AML/CFT audit reviews.

If you would like to discuss how Waystone can support your firm with any of the compliance and regulatory services mentioned, please reach out to the [APAC Compliance Solutions](#) team or contact us below.

[Get in touch →](#)