

Regulatory Update

APAC, November 2024

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12 November 2024 – Monetary of Authority Singapore industry engagement session

The **Monetary of Authority Singapore** (“MAS”) conducted an industry engagement session and provided updates to Financial Institutions (“FIs”) on the following topics:

- a) Mandatory reference checks
- b) Money Laundering and National Risk Assessment
- c) Observations from Anti-Money Laundering/Countering the Financing of Terrorism (“AML/CFT”) inspections of FIs.

The MAS has confirmed that the requirement for FIs to perform mandatory checks will be implemented and a notice will be issued in due course. FIs will have a 12-month transition period to implement the required processes once the Notice is released. FIs should revisit their internal hiring policies and incorporate the requirements of the mandated reference check requirements.

In addition, the MAS discussed the findings from the Money Laundering (“ML”) and Terrorism Financing (“TF”) National Risk Assessment Reports and results from inspections of FIs on AML/CFT processes. FIs should continue to monitor their ML/TF risks and ensure robust policies and procedures are implemented to mitigate these risks.

21 November 2024 – Monetary of Authority Singapore industry engagement session

The **Monetary of Authority Singapore** (“MAS”) conducted a second industry engagement session and provided updates to Financial Institutions (“FIs”) on the following topics:

- a) Guidelines on Transition Planning

The Consultation Paper on Guidelines on Transition Planning (“TPG”) was initially issued in October 2023 and subsequently closed in December 2023. It will be finalised and issued in Q4 2024 or Q1 2025.

The TPG was originally intended to supplement the Environmental Risk Management (“ERM”) Guidelines that were in December 2020. FIs should review the ERM Guidelines and TPG and adopt any best practices as appropriate.

- b) MAS’s Framework for Generative AI Risk Management

Given the increasingly widespread use of Generative AI (“Gen AI”) tools, the MAS is in the process of developing an AI governance handbook to help FIs establish and maintain effective governance practices when using such tools to provide financial services to customers.

FIs should consider the risks associated with Gen AI tools and ensure appropriate policies and procedures are implemented to safeguard the firm against these risks.

- c) Liquidity Risk Management Information Paper

The MAS discussed the findings of the Liquidity Risk Management Information Paper issued in October 2023. These were obtained from a series of thematic inspections and review of prospectuses

which focused on collective investment schemes (“CIS”) offered to retail investors. The information paper provided recommendations for improvement which FIs with higher liquidity risks may use as a reference.

To view the Guidelines on Transition Planning, please click [here](#).

To view the Liquidity Risk Management Information Paper, please click [here](#).

28 November 2024 – Updates to FAQs – Financial Advisers Act.

The [Monetary of Authority Singapore](#) updated the FAQs related to the Financial Advisers Act (“FAA”) to clarify that Financial Influencers (“Finfluencers”) conducting activities which constitute providing financial advice must be licensed as a representative of a Licensed Financial Advisor. Finfluencers providing financial advice without holding the appropriate license may be in breach of the FAA.

The Guidelines on the Provision of Financial Advisory Service (“Guidelines”) contain a guide (two-stage test) to determine if the activity needs to be regulated. Finfluencers should review the Guidelines and apply the two-stage test to assess if their activities require regulation.

To view the FAQs, please click [here](#).

To view the Guidelines, please click [here](#).

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If you wish to discuss how Waystone can assist you with any of the issues raised in this regulatory update, please contact us the details below:

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This Regulatory Update provides information about the consultative documents and publications issued by various regulators which are still current, proposed changes to the Rules and Guidance set out in Handbooks, actual changes to Rules and Guidance that have occurred in the months leading up to the update and other matters of relevance to regulated firms. This Regulatory Update is intended to provide general summarised guidance only, and no action should be taken in reliance on it without specific reference to the regulators' document referred to therein.