

MAS Tightens AML/CFT Rules: Key Changes Every Financial Institution Must Know



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On 30 June 2025, the Monetary Authority of Singapore (MAS) published its finalised response to consultation feedback on proposed amendments to Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) Notices for Financial Institutions (FIs) and Variable Capital Companies (VCCs).

The enhanced framework, implemented on 1 July 2025, reflects Singapore's alignment with evolving global standards and introduces several changes to AML notices and guidelines.

Proliferation Financing Now a Core AML Priority

MAS has explicitly added proliferation financing (PF) to the scope of AML/CFT obligations. FIs must assess PF risks either through standalone assessments or by integrating PF into their existing ML/TF frameworks.

What this means for FIs:

- Review and update AML/CFT policies, procedures, and training materials to incorporate PF risks
- Adjust transaction monitoring and sanctions screening systems to detect PF risks
- Refer to the March 2025 ACIP Best Practice Paper for practical implementation support.

Due Diligence for Trusts and Complex Legal Arrangements

The amendments to Notice TCA-N03 expands due diligence for Trust Relevant Parties (TRPs) to include protectors, class-based beneficiaries, “objects of power,” and controllers of legal arrangements.

What this means for FIs:

- Collect and verify detailed information on all TRPs and trust structures
- Implement enhanced due diligence and source of wealth checks for higher-risk customers.

Shorter STR Filing Deadlines

Suspicious Transaction Reports (STRs) to be filed:

- Within 5 business days for standard cases
- Within 1 business day for PF or sanctions-related cases.

Specific Recommendations on Customer Due Diligence Process

To strengthen the customer due diligence process and enhance risk management, several targeted enhancements have been introduced to improve accuracy, transparency, and compliance. Key enhancements include:

- Screening to include local-language media and region-specific sources.
- Source of wealth/funds verification requires robust corroboration, particularly for gifts or third-party assets.
- Red flags for shell companies are now more clearly defined.

How Waystone Can Help

The revised notices and guidelines have taken effect and FIs must ensure full compliance to avoid any compliance gaps.

Our team of [APAC Compliance Solutions](#) professionals is highly experienced in AML/CFT compliance and regulation requirements. We recognise the importance of helping our clients to meet these obligations with confidence and offer expert guidance in developing and integrating fit-for-purpose AML/CFT frameworks aligned with jurisdictional regulations and industry best practices.

We continuously monitor the latest regulatory and enforcement trends, enabling our team to promptly address your queries and assist with any compliance concerns raised by prospective investors.

If you have questions on any of the themes raised in this article or want to learn more about our [AML services](#), please reach out to your usual Waystone representative or contact us below.

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