

MAS reminder – Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) audits

October 29, 2024

On 21 October 2024, the Monetary Authority of Singapore (MAS) issued a circular to remind Financial Institutions (FIs) about the importance of maintaining an audit function to provide an independent and regular assessment of the firm's AML/CFT policies, procedures and controls.

FIs should consider the following guidance in their approach towards AML/CFT audits:

Expertise

Ensure that the audit function is adequately resourced with sufficient expertise on AML/CFT matters. External parties (e.g. compliance consultants) may be engaged to provide an independent assessment of the effectiveness of the firm's AML/CFT policies, procedures and controls.

Prioritisation

The frequency, intensity and focus of AML/CFT audits should be commensurate with the size and nature of the business. For example, high risk areas should be subject to additional scrutiny in order to effectively mitigate the associated risks.

Regular assessments

Conduct regular AML/CFT risk assessments to ensure that the firm's AML/CFT risk profile is updated. Changes in the risk profile may arise from changes in business strategy, business model, customer profile and changes in regulations. An updated risk assessment is essential to ensure that all high-risk areas are adequately mitigated.

Data analytics

Utilise data analytics tools in the conduct of AML/CFT audits to identify key risk areas for audit. Data analytic tools may be useful in identifying key accounts and suspicious transactions which are not captured by traditional monitoring processes for further review.

Best practice guidance

Consider and adopt relevant practices from the best practice guidance in the Anti-Money Laundering Audit Peer Group Best Practice paper published on 21 October 2024. Whilst the best practice guide is targeted at banking institutions, non-banking institutions including fund management companies, dealer/brokers, payment service providers etc. can benefit from the recommendations listed in the guide.

To view the best practice guidance, please click [here](#).

How Waystone Compliance Solutions can help

Our team of **APAC Compliance Solutions** professionals is experienced in AML/CFT compliance and regulations. We recognise the importance of assisting our clients to meet these obligations and offer our expertise in developing and integrating effective AML/CFT practices in accordance with jurisdictional regulations and industry best practices.

We stay up-to-date with the latest MAS regulatory and enforcement trends, and our team can address your queries and assist with any issues highlighted by prospective investors.

Our team of regulatory compliance experts is well-equipped to conduct comprehensive AML/CFT audits for Financial Institutions (FIs) in Singapore. Our AML/CFT audit support service includes the following:

- fully outsourced AML/CFT audit services to FIs
- provision and documentation of an AML/CFT audit plan for your organisation
- working in partnership with you through our senior and experienced team members to conduct the AML/CFT audit
- provision of suitable recommendations and solutions to improve your AML/CFT framework through our audit process.

If you would like to discuss how we can assist your firm with any of the above, please reach out to the Waystone Compliance Solutions team or contact us below.

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