

STANDPOINT ADVISORY

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THE STANDPOINT READ

Published 14 May 2026

Beyond the Fine

What Matters for Firms from FATF Singapore Mutual Evaluation Report 2026

FATF 5TH ROUND MUTUAL EVALUATION · SINGAPORE · PUBLISHED 6 MAY 2026

Findings · MAS Response · Practical Actions for Firms in Singapore and Hong Kong

SECTION · 01

What FATF Found

Singapore's 5th Round Mutual Evaluation Report — Published 6 May 2026

OVERALL ASSESSMENT

4 **Immediate Outcomes (IOs)** rated Moderate; 12 **Key Recommended Actions (KRAs)** issued over a 3-year window. Placed in Regular Follow-up.

Singapore faces unique threats, met by a competent and coordinated regime willing to try new solutions — but the system **must be sharper in producing demonstrable and consistent risk-based results**, with sanctions that remain **not commensurate with the breaches**.

TECHNICAL COMPLIANCE

38 / 40

rated Compliant or Largely Compliant

- 24 Compliant
- 14 Largely Compliant
- 2 Partially Compliant
- 0 Non-Compliant

Both PC: R.24 & R.25 (beneficial ownership)

EFFECTIVENESS

7 / 11

Immediate Outcomes rated Substantial

- 7 Substantial
- 4 Moderate
- 0 Low

Regular Follow-up

HEADLINE FINDING



The value of financial sanctions remains not commensurate with the nature of the breaches... or Singapore's risk and context.

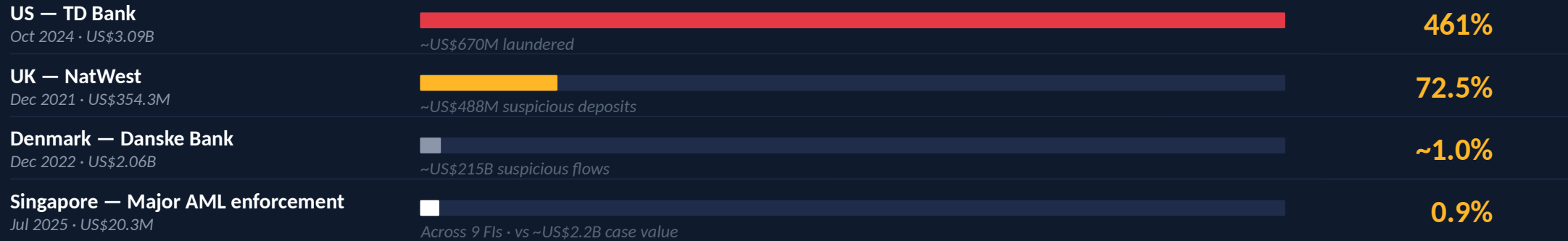
— FATF MER Singapore, May 2026

SECTION · 02

The Fine in Context

"...not commensurate with the nature of the breaches, the size/scale of FIs/VASPs in Singapore or Singapore's risk and context." — FATF MER, May 2026

GLOBAL PEER COMPARISON



HONG KONG — CURRENT ENFORCEMENT LANDSCAPE

HKMA AMLO Disciplinary Actions Register · SFC Enforcement

EFG Bank AG, HK Branch: **HK\$16M** (Aug 2023) · DBS Bank (HK): **HK\$10M** (Jul 2024) · China CITIC Bank Int'l: **HK\$4M** (Dec 2024)

IOB HK / Bank of Comms: **HK\$16.2M** (Jul 2025)

Aggregate HK regulatory fines 2025: **HK\$97.65M (~US\$12.5M)** · HK is on Regular Follow-up from 2019 MER · next round under FATF 2022 Methodology (5th Round, commenced 2024)

SOURCES MAS · FCA · DOJ/FinCEN/SEC · HKMA AMLO Disciplinary Actions Register · SFC · FATF MER Hong Kong, China (2019) · FATF 5th Round Procedures (2022 Methodology).

SECTION • 03

The Standpoint Read

4 dimensions of a regulatory development — and what each tells the practitioner

Each dimension narrows the lens: from how the standard reads, to where the focus sits, to the roadmap ahead, to what the practitioner infers.

DIMENSION 1	DIMENSION 2	DIMENSION 3	DIMENSION 4
<p>THE STANDARD</p> <p><i>How FATF read Singapore.</i></p> <p>38 / 40 on technical compliance. 7 / 11 on effectiveness. Singapore placed in Regular Follow-up. Overall view: a competent and coordinated regime, but the system must be sharper in producing demonstrable and consistent risk-based results.</p> <p>FATF MER • 6 May 2026</p>	<p>THE FOCUS</p> <p><i>Where FATF directed attention.</i></p> <ul style="list-style-type: none"> ● IO.5 — Beneficial ownership accuracy ● IO.7 — Facilitator / intermediary pursuit ● IO.10 — Terrorist Financing sanctions coverage ● IO.11 — Proliferation Financing sanctions coverage <p><i>Cross-cutting: sanctions proportionality across all 4.</i></p> <p>FATF MER • Executive Summary</p>	<p>THE ROADMAP</p> <p><i>Where this is heading.</i></p> <p>Singapore's MER (May 2026) is a preview. Hong Kong's 5th Round MER will use the same FATF 2022 Methodology and examine the same outcome areas. The reference points being set in Singapore — BO verification, intermediary pursuit, sanctions effectiveness, supervisory accountability — will define what HKMA and SFC inspect next.</p> <p>Standpoint Advisory analysis</p>	<p>THE PRACTITIONER</p> <p><i>What this means firms should do.</i></p> <p>The compliance bar has shifted from 'do you have the controls' to 'can you prove they work.' Firms now need evidence — outcome data, trend lines, remediation history — not just documented procedures. The MER signals that pass-the-audit thinking is obsolete; pre-inspection readiness is a continuous discipline, not an annual exercise.</p> <p>Standpoint Advisory analysis</p>

BASIS FATF MER Singapore (6 May 2026), Executive Summary + KRA Roadmap pp. 16-17 • MAS Regulatory Action (4 Jul 2025).

SECTION · 04

5 Questions. 12 Specific Actions.

Each question maps to a specific FATF finding — paired with what's new in the May 2026 MER

	QUESTION [DIMENSION 4 · THE PRACTITIONER]	WHY · FATF FINDING [DIMENSIONS 1 & 2 · STANDARD + FOCUS]	12 SPECIFIC ACTIONS [DIMENSION 3 · THE ROADMAP]
1	Can we prove we know who actually owns our top 20 customers? <i>IO.5 · KRA-a, b</i>	ACRA registry has known gaps: Variable Capital Companies (VCCs) and Unregistered Foreign Companies (UFCs) are excluded; beneficial ownership not verified at point of filing (MER ¶24). The Corporate Service Providers Act 2024 raised CSP penalties from S\$25,000 to S\$100,000 (MER ¶339).	<ol style="list-style-type: none"> 1. Identify customers with Variable Capital Companies, Unregistered Foreign Companies, or non-Singapore trust structures 2. Verify beneficial ownership independently of corporate service provider attestation; document source, date, reviewer 3. Triangulate beneficial ownership for trusts not formed through licensed trust companies
2	Who are we relying on to bring us customers — and how well do we know them? <i>IO.7 · KRA-e</i>	Of 11,189 ML investigations, only 682 prosecuted (under 10%). Only 12 professional intermediaries — lawyers and TCSPs — prosecuted (MER ¶31, ¶473). KRA-e directs Singapore to pursue local directors and professional intermediaries facilitating ML within Singapore's borders.	<ol style="list-style-type: none"> 4. Map intermediary relationships by category — nominee directors, TCSPs, lawyers, accountants — for top 20 customers 5. Refresh probity independently of self-attestation: adverse media, sanctions lists, ACRA register, disciplinary records 6. Where probity flags emerge, review the customers each flagged intermediary introduced
3	Can we show our most important controls are actually working — not just in place? <i>Cross-cutting · 2022 Methodology</i>	MER (Key Findings & IO.3): 'Singapore does not track complete statistics on the scope and/or findings of controls-based supervisory activities.' FATF 2022 Methodology defines effectiveness as 'the extent to which the defined outcomes are achieved.'	<ol style="list-style-type: none"> 7. Track and trend over 6–12 months: alert volume, true-positive rate, escalation rate, time-to-disposition, suspicious transaction report conversion 8. Document gaps identified and remediation taken — not just that the control exists
4	Can we identify a sanctioned individual hiding behind a shell company in our book? <i>IO.10 · KRA-h</i>	MER ¶585: zero UNSCR 1267 assets frozen and only one false positive across SGD 98 trillion of annual transactions — FATF: 'implausible' and 'not in line with the risk and context of Singapore.'	<ol style="list-style-type: none"> 9. Audit your screening effectiveness against risk exposure — match rate, false-positive rate, time-to-disposition, alert-to-confirmed conversion 10. Strengthen customer data — BO chains, transaction history, related-party links — for hit resolution on authority requests 11. Document screening parameters and remediation history for supervisory review
5	Can our senior managers demonstrate they discharged their supervisory duty? <i>IO.3 · MAS Supervisory Effectiveness · Dimension 4</i>	MER ¶272: MAS 'holds senior managers and employees accountable... 13 individuals 2020–2024 incl 3 prohibition orders, with 21 additional actions in first 7 months of 2025 (incl 4 prohibition orders and 2 financial sanctions).' FATF: 'not commensurate with the nature of the breaches' (Table 3.8). Senior accountability is now an FATF-measured dimension.	<ol style="list-style-type: none"> 12. Document discharge of supervisory duty using the MAS test (4 July 2025): policies reviewed against business growth, controls under independent audit, action taken on red flags

B A S I S — FATF MER Singapore (6 May 2026), paragraphs 24, 31, 272, 339, 473, 585, plus Key Findings & IO.3 chapter, KRA Roadmap pp.16–17 · FATF 2022 Methodology · CSP Act 2024 (effective 9 Jun 2025) · MAS Regulatory Action (4 Jul 2025).

SECTION · 05

Sources & References

Every claim in this whitepaper traces to a primary regulator source listed below

FATF & MUTUAL EVALUATIONS

FATF MER: Singapore (6 May 2026) fatf-gafi.org/en/publications/Mutualevaluations/mer-singapore-2026.html

FATF Recommendations (updated Oct 2025) fatf-gafi.org/en/publications/Fatfrecommendations/Fatf-recommendations.html

FATF Methodology 2022 fatf-gafi.org/en/publications/Mutualevaluations/Fatf-methodology.html

FATF MER Hong Kong, China (4 Sep 2019) fatf-gafi.org/en/publications/Mutualevaluations/Mer-hong-kong-china-2019.html

FATF Follow-up Report Hong Kong (17 Feb 2023) fatf-gafi.org/en/publications/Mutualevaluations/FUR-Hong-Kong-China-2023.html

HONG KONG REGULATORY

HKMA AMLO Disciplinary Actions Register hkma.gov.hk/eng/key-functions/banking/anti-money-laundering-and-counter-financing-of-terrorism/disciplinary-actions/

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HKMA China CITIC Bank Int'l (6 Dec 2024) hkma.gov.hk/eng/news-and-media/press-releases/2024/12/20241206-6/

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SFC News & Announcements sfc.hk/en/news-and-announcements/news

MAS & SINGAPORE ENFORCEMENT

MAS Regulatory Action against 9 FIs and 18 Individuals (4 Jul 2025) mas.gov.sg/regulation/enforcement/enforcement-actions/2025/mas-takes-regulatory-actions-against-9-financial-institutions-for-aml-related-breaches

MAS Press Release: Singapore's Robust Framework (6 May 2026) mas.gov.sg/news/media-releases/2026/singapore-has-a-robust-framework-for-combatting-financial-crime-according-to-international-body

Corporate Service Providers Act 2024 sso.agc.gov.sg/Acts-Supp/26-2024

Singapore Police Force News & Media police.gov.sg/media-room/news

COMPARATIVE ENFORCEMENT

FinCEN TD Bank \$1.3B Penalty (10 Oct 2024) fincen.gov/news/news-releases/fincen-assesses-record-13-billion-penalty-against-td-bank

DOJ TD Bank Guilty Plea \$1.8B (10 Oct 2024) justice.gov/opa/pr/td-bank-pleads-guilty-bank-secrecy-act-and-money-laundering-conspiracy-violations-18b

FCA NatWest £264.8M Fine (13 Dec 2021) fca.org.uk/news/press-releases/natwest-fined-264.8million-anti-money-laundering-failures

DOJ Danske Bank Guilty Plea (13 Dec 2022) justice.gov/opa/pr/danske-bank-pleads-guilty-fraud-us-banks-multi-billion-dollar-scheme-access-us-financial

SEC Danske Bank Fraud Charges (13 Dec 2022) sec.gov/newsroom/press-releases/2022-220



The framework is evolving. Preparation matters.

FATF's MER identifies 4 Moderate Outcomes and 12 Key Recommended Actions. Translating those findings into firm-level controls requires capability across multiple disciplines.

Standpoint Advisory works across all of them.

STANDPOINT ADVISORY

Transaction monitoring tuning & effectiveness reviews · Trade surveillance & market conduct reviews · Sanctions screening calibration · Beneficial ownership & facilitator CDD audits · Senior management accountability & supervisory duty evidencing · Pre-inspection readiness for MAS, HKMA & SFC reviews. Connect on LinkedIn for a confidential discussion: [linkedin.com/in/erica-hung-8b9043408](https://www.linkedin.com/in/erica-hung-8b9043408)

T H E S T A N D P O I N T R E A D

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S T A N D P O I N T A D V I S O R Y

Tier-1 rigour. Proportionate engagements.

O U R F O C U S A R E A S

Facilitator CDD audits · Beneficial ownership verification reviews · Effectiveness evidence reviews
Pre-inspection readiness · Regulatory engagement support · Framework design (KYC / AML / ABC)
AML transaction monitoring and trade surveillance · MLRO support and advisory
Remediation programme design and oversight · Expert consultations

H o n g K o n g · A P A C

Independent practitioner commentary — May 2026