



Monetary Authority of Singapore

Consultation Paper  
P020 – December 2023

# Consultation Paper on the Regulations Relating to FI-FI Information Sharing for AML/CFT



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## 1. Preface

- 1.1. On 9 May 2023, Parliament passed the Financial Services and Markets (Amendments) Act 2023 to, amongst others, amend the Financial Services and Markets Act (“FSMA”) to establish a new electronic information sharing system for the disclosure, publication and sharing of risk information by prescribed financial institutions (“FIs”) for the prevention and detection of money laundering (“ML”), terrorism financing (“TF”), and proliferation financing (“PF”)<sup>1</sup>. The new electronic information sharing system, named Collaborative Sharing of ML/TF Information & Cases, or COSMIC in short, will enhance information exchange between the prescribed FIs to more effectively deter and disrupt criminal activities.
- 1.2. Under section 192 of the FSMA, MAS may make regulations prescribing matters required or permitted by the FSMA to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the FSMA. MAS will prescribe in regulations the prescribed FIs that will participate in COSMIC as well as the persons who will be a relevant party of a prescribed FI. The risk information of such prescribed relevant parties may therefore be shared on COSMIC, subject to the requirements set out in the FSMA being met. We invite comments from interested parties on the proposed scope of “relevant party” set out in **Annex A**.
- 1.3. Please note that all submissions received will be published and attributed to the respective respondent unless they expressly request MAS not to do so. As such, if respondents would like:
  - (a) their whole submission or part of it (but not their identity), or
  - (b) their identity along with their whole submission,to be kept confidential, please expressly state so in the submission to MAS. MAS will only publish non-anonymous submissions. In addition, MAS reserves the right not to publish any submission received where MAS considers it not in the public interest to do so, such as where the submission appears to be libelous or offensive.
- 1.4. Please submit written comments by 5 January 2024 to –

Anti-Money Laundering Department  
Monetary Authority of Singapore  
10 Shenton Way, MAS Building  
Singapore 079117  
Fax: (65) 62203973  
Email: [amlcft\\_consult@mas.gov.sg](mailto:amlcft_consult@mas.gov.sg)

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<sup>1</sup> Please refer to the Explanatory Brief for Financial Services and Markets (Amendment) Bill 2023 at <http://www.mas.gov.sg/news/speeches/2023/explanatory-brief-for-financial-services-and-markets-amendment-bill>



- 1.5. Electronic submission is encouraged. We would appreciate that you use this suggested format for your submission to ease our collation efforts.



## 2. Introduction

- 2.1. MAS is developing COSMIC together with six banks that are major players in the commercial and small-medium enterprises banking segment,<sup>2</sup> to facilitate FI-FI information sharing for the prevention and detection of ML, TF and PF. COSMIC will allow prescribed FIs to securely share with one another, risk information on a “relevant party” who exhibits multiple red flags that may indicate potential financial crime concerns, where the stipulated thresholds in the FSMA are met. This will make it easier for prescribed FIs to detect and thereby deter criminal activity.<sup>3</sup>
- 2.2. This public consultation relates to the proposed scope of “relevant party”. MAS is also conducting a related public consultation on a new COSMIC Notice which sets out requirements relating to the sharing of information through COSMIC, along with related amendments to MAS Notice 626. Please refer to the link below for details:

<https://www.mas.gov.sg/publications/consultations/2023/cosmic>

## 3. Scope of “Relevant Party”

- 3.1. Section 28B of the FSMA defines a “relevant party”, in relation to a prescribed financial institution, to mean a person who is a customer, is seeking to be a customer or has been a customer of the prescribed FI, and is prescribed by MAS as a relevant party of that prescribed FI (or a member of a class of persons prescribed by regulations as relevant parties of the prescribed FI) in regulations.
- 3.2. MAS proposes to prescribe the following persons as a relevant party in relation to a prescribed FI that is a bank in Singapore:
  - (a) any person that the bank in Singapore opens or has previously opened a relevant account for, or a person who has requested to open a relevant account (whether or not the bank in Singapore in fact opens the relevant account);
  - (b) any person that the bank in Singapore maintains or has maintained a relevant account for;
  - (c) any person to whom the bank in Singapore provides or has previously provided any financial advisory advice as defined in Section 2(1) of the Financial Advisers Act 2001, or any person that requests the bank in Singapore to do so (whether or not the bank in Singapore in fact provides the service);

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<sup>2</sup> The six banks are DBS, OCBC, UOB, SCB, Citibank and HSBC.

<sup>3</sup> Please refer to the consultation paper and responses published at <https://www.mas.gov.sg/publications/consultations/2021/fi-fi-information-sharing-platform-for-amlcft> for further details on COSMIC.



- (d) any person that the bank in Singapore advises or has previously advised on corporate finance as defined in Section 2(1) of the Securities and Futures Act 2001, or any person that has requested the bank in Singapore to do so (whether or not the bank in Singapore in fact provides the advice);
  - (e) any person on whose behalf the bank in Singapore is carrying out a transaction, for whom the bank in Singapore has not opened a relevant account;
  - (f) any person who requests the bank in Singapore to carry out a transaction, for whom the bank in Singapore does not open a relevant account, whether or not the bank in Singapore in fact carries out the transaction;
  - (g) any person on whose behalf the bank in Singapore previously carried out a transaction, for whom the bank in Singapore did not open a relevant account.
- 3.3. A “relevant account”, in relation to a person, means an account that is held in that person’s name whether or not that account is held jointly with any other person. A “transaction” means a wire transfer or value transfer as defined in the new section 28B of the FSMA.
- 3.4. MAS’ intent is to capture all business relations that a person can have with a bank in Singapore, which are relevant for AML/CFT purposes.

**Question 1.** MAS seeks feedback on whether the proposed scope of “relevant party” adequately captures all AML/CFT-relevant activities that a person may have with a bank in Singapore.