

Issue Date: 11 MAY 2012

Guidelines On Safeguarding Financial System Integrity Against Risks Emanating From Iran

To preserve global financial integrity, Singapore fully supports the action of the United Nations (UN) and the Financial Action Task Force (FATF) to combat money laundering and the financing of terrorism and proliferation of weapons of mass destruction.

In its recent Public Statements, FATF has continued to express concerns that the risks emanating from Iran pose serious threats to the integrity of the international financial system. FATF has called on jurisdictions and financial institutions to give special attention to business relations and transactions with Iran-related customers.

The Monetary Authority of Singapore (MAS) has given full effect to financial sanctions imposed by the United Nations on Iran through MAS Regulations, and financial institutions are required to comply with these Regulations. MAS has also advised financial institutions to take appropriate actions as recommended by FATF and to this end, financial institutions should conduct enhanced due diligence and transactions monitoring on Iran-related business relationships. In particular, financial institutions should protect against the use of correspondent banking relationships and front companies to shield illicit activities.

Financial institutions should also be alert to unilateral sanctions against Iran-related transactions, imposed by a number of countries. As these actions may apply extra-territorially and could have a bearing on the reputation and operations of financial institutions, the Board and senior management of financial institutions should assess and consider their impact when making commercial decisions.

Financial institutions in Singapore have a key role in preserving the integrity and stability of the financial system. The MAS will not tolerate the use of the financial system for the conduct of criminal and illicit activities.