



Statement 1MDB

Following recent media reports on 1MDB, the Prime Minister today called 1MDB and their auditors Deloitte before Cabinet.

1MDB provided a briefing on 1MDB's current situation and responded to a series of questions posed by Cabinet Ministers, including the Prime Minister and Deputy Prime Minister. Deloitte provided an overview of their engagement with 1MDB and confirmed that the firm had audited and verified the company's accounts.

Cabinet was told that the recent allegations directed at 1MDB relate to transactions undertaken by third parties such as Petrosaudi, not 1MDB. The relevant investments of 1MDB have been returned in full with significant audited profit.

Having received clarifications from 1MDB and Deloitte, Cabinet expressed confidence that no wrong-doing has been committed within 1MDB, and their desire for the company to be allowed to implement the proposed outcomes of its strategic review.

As a further step, the Prime Minister informed Cabinet that he has instructed the Auditor General to independently verify 1MDB's accounts. The Auditor General's report will be passed for transparent inspection to the Public Accounts Committee, which is fully bipartisan and reflects Parliament's composition.

Prime Minister Najib Razak said:

"If any wrongdoing is proven, the law will be enforced without exception."

Prime Minister's Office

4th March 2015



Take legal action against WSJ, PM urged

STAR Online – 5 July 2015

TELUK INTAN: The Prime Minister should take legal action against *The Wall Street Journal* (WSJ) to clear his name and the country's image, said Home Minister Datuk Seri Dr Ahmad Zahid Hamidi.

He said WSJ's report also questioned the country's leadership in the eyes of the world.

"WSJ as an influential and respected media institution should provide solid evidence before making such a serious allegation.

"Its action, which seemed to precede ongoing investigations, is aimed at sensationalism," he told reporters after handing out Hari Raya donations to police personnel at the Hilir Perak district police headquarters yesterday.

"It is up to the Prime Minister to discuss with his lawyers or the Attorney-General on possible action to be taken, either in his individual capacity or as leader of the country," he said.

Dr Ahmad Zahid said the Home Ministry would take action against any media outlet which publishes or broadcast false information or used non-credible sources to hurt the image of the Government and country.

"Laws pertaining to the country's banks are covered by the Banking and Financial Institutions Act.

"Information deemed as banking secrets should not have come out, let alone information from documents not certified by banks," he said, according to Bernama.

Youth and Sports Minister Khairy Jamaluddin will support the Prime Minister if he sues WSJ.

He said the allegation that money from 1Malaysia Development Bhd (1MDB) dealings were banked into the Prime Minister's personal bank accounts was "not substantiated by concrete proof and documents".

"It is his right to bring legal action because it is a very serious allegation," said Khairy.

The burden of proof lies with those who made the allegation,” he told reporters after a forum, *Centrality of Integrity for the Next Generation*, in Bangi yesterday.

Datuk Seri Najib Tun Razak’s political secretary Datuk Muhammad Khairun Aseh told a Malay daily on Friday that the premier would be taking legal action against WSJ.

Attempts to contact Khairun yesterday to confirm that Najib was suing the newspaper were unsuccessful.

Communications and Multimedia Minister Datuk Seri Ahmad Shabery Cheek said it was unlikely that someone would take public funds using his personal bank accounts.

“It is illogical,” he said, especially when it involved not millions but billions of ringgit.

“This would be easily traced,” he added.

There may be a motive behind the allegation like wanting “to destroy our economy”, said Ahmad Shabery after calling on a MYTV digital terrestrial TV test-phase respondent in Kuantan yesterday.

Read more at <https://www.thestar.com.my/news/nation/2015/07/05/take-legal-action-against-wsj-pm-urged/#pqYfUfmqFx83QVk8.99>

Deloitte Malaysia's statement on 1MDB accounts

Posted on 27 July 2016 - 05:13pm

sunbiz@thesundaily.com

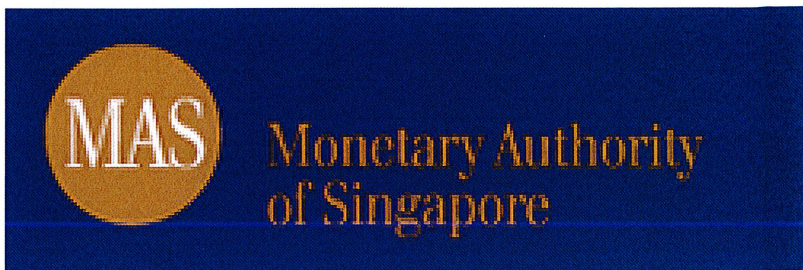
KUALA LUMPUR: On July 20 2016, the Office of the Attorney General of the United States of America announced that the Department of Justice filed a civil forfeiture complaint against certain entities and individuals and contemporaneously filed related actions seeking the civil forfeiture of numerous assets held in the names of these parties (complaint). According to the complaint filed, this is a civil action to forfeit assets involved in and traceable to an international conspiracy to launder money misappropriated from 1MDB.

The complaint contains information, which, if known at the time of the 2013 and 2014 audits of 1MDB, would have impacted the financial statements and affected the audit reports and, accordingly, those audit reports issued by Deloitte Malaysia dated March 28, 2014 and Nov 5, 2014 respectively in connection with the 2013 and 2014 financial statements of 1MDB should no longer be relied upon.

RESIGNATION AS AUDITORS

On Feb 26, 2016, Deloitte Malaysia had tendered its notice of resignation as auditor of 1MDB to 1MDB's Board of Directors and had lodged the notice of resignation with the Companies Commission of Malaysia. Since that date 1MDB has advised that it was focused on finding a new auditor, but has yet to inform Deloitte Malaysia of the appointment of any new auditor.

4a



MAS directs BSI Bank to shut down in Singapore

Singapore, 24 May 2016...**The Monetary Authority of Singapore (MAS) announced today that it has served BSI Bank Limited (BSI Bank) notice of intention to withdraw its status as a merchant bank in Singapore for serious breaches of anti-money laundering requirements, poor management oversight of the bank's operations, and gross misconduct by some of the bank's staff.**

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2 In addition, MAS has referred to the Public Prosecutor the names of six members of BSI Bank's senior management and staff to evaluate whether they have committed criminal offences.

3 BSI Bank has been operating as a merchant bank in Singapore since November 2005 where it offers private banking services. It is a wholly-owned subsidiary of BSI SA, a bank founded in 1873 and headquartered in Switzerland.

Assurance for customers of BSI Bank

4 Clients and customers of BSI Bank are assured that the Bank is solvent and has assets in excess of its liabilities and commitments. It also has the full support of its parent bank, BSI SA, in Switzerland. MAS is working closely with the Swiss Financial Market Supervisory Authority (FINMA), the home regulator of BSI SA, to oversee an orderly closure of BSI Bank in Singapore.

5 MAS notes that FINMA has approved the acquisition of the entire BSI Group by EFG International, a bank authorised by FINMA and headquartered in Switzerland. In the interest of the customers of BSI Bank, MAS will allow the transfer of the Singapore subsidiary's assets and liabilities to the Singapore branch of EFG Bank AG or to the parent entity, BSI SA.

Withdrawal of merchant bank status

6 In 2011, MAS inspected BSI Bank and found policy and process lapses at the front office and weak enforcement by control functions. The lapses were rectified. In 2014, MAS inspected the bank again and uncovered serious shortcomings in its due diligence checks on assets underlying the investment funds structured for the bank's customers. Given repeated findings of weaknesses in its control regime, MAS instructed BSI Bank's management to increase scrutiny of the bank's risk management processes and internal controls. A more intrusive third inspection by MAS in 2015 revealed multiple breaches of anti-money laundering regulations and a pervasive pattern of non-compliance.

7 MAS' decision to withdraw BSI Bank's status as a merchant bank takes into account the repetitive lapses as well as the 2015 inspection findings which revealed:

- widespread control failures which led to numerous serious breaches of various anti-money laundering regulations
- poor and ineffective oversight by the senior management of BSI Bank
- unacceptable risk culture, with blatant disregard for compliance and control requirements as well as MAS' regulations
- numerous acts of gross misconduct by certain staff

8 Specific regulatory lapses include the processing of multiple unusual transactions which were essentially pass-through trades often without economic substance. Approvals of such transactions were based purely on faith of client representations despite deficient documentation and concerns raised by the bank's compliance officers.

9 This is the first time that MAS is withdrawing its approval for a merchant bank since 1984, when Jardine Fleming (Singapore) Pte Ltd was shut down for serious lapses in its advisory work.

Referral of BSIS senior management and staff to the Public Prosecutor

10 MAS found considerable evidence of gross dereliction of duty and failure to discharge oversight responsibilities on the part of BSI Bank's senior management. Their ineffective governance led to a poor risk culture, which prioritised questionable customer demands ahead of compliance with anti-money laundering regulations and the bank's own internal controls.

11 Several of the bank staff also committed wilful acts of misconduct, such as:

- making material misrepresentations to auditors
- abetting improper valuations of assets; and
- taking instructions from persons other than customers' authorised representatives on matters relating to customers' accounts

12 The severe lapses and failings in BSI Bank, which led to MAS' decision to withdraw the bank's status as a merchant bank, were the result of the actions or omissions of these individuals.

13 MAS has referred to the Public Prosecutor the names of the following six members of BSI Bank's senior management and staff to evaluate whether they have committed criminal offences:

- Mr Hans Peter Brunner, former CEO
- Mr Raj Sriram, former Deputy CEO
- Mr Kevin Michael Swampillai*, Head of Wealth Management Services
- Mr Yak Yew Chee, former Senior Private Banker
- Mr Yeo Jiawei**, former Wealth Planner; and
- Ms Seah Yew Foong Yvonne, former Senior Private Banker

* Mr Swampillai is currently suspended by the bank.

** Mr Yeo is currently in remand and has been charged by the Public Prosecutor for various offences.

Imposition of financial penalties

14 MAS has also served BSI Bank notice to impose financial penalties amounting to \$13.3 million for 41 breaches of MAS Notice 1014 - Prevention of Money Laundering and Countering the Financing of Terrorism. The breaches include failure to perform enhanced customer due diligence on high risk accounts, and to monitor for suspicious customer transactions on an ongoing basis.

MAS' expectations of financial institutions

15 MAS requires financial institutions in Singapore to comply strictly with its regulations on anti-money laundering and countering the financing of terrorism. Like all major international financial and business centres, Singapore faces an inherent risk of being used as a conduit for illicit

financial flows. Financial institutions operating in Singapore are therefore expected to have rigorous systems and processes to thwart this risk, including high standards of vigilance in on-boarding clients and monitoring transactions.

16 Mr Ravi Menon, Managing Director, MAS, said, “BSI Bank is the worst case of control lapses and gross misconduct that we have seen in the Singapore financial sector. It is a stark reminder to all financial institutions to take their anti-money laundering responsibilities seriously. Controls need to be robust, surveillance vigilant, and the management culture must emphasise professional integrity and risk consciousness.”

17 MAS is conducting supervisory reviews of several other financial institutions and bank accounts through which suspicious and unusual transactions have taken place. MAS will not hesitate to take actions against these institutions if they are found to have breached regulations or fallen short of expectations.

18 Mr Menon said, “MAS is absolutely committed to safeguarding the integrity and reputation of Singapore’s financial centre. On this, there can be no compromise.”

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Singapore financial institutions were used for dubious 1MDB deals, monetary authority says, citing 'serious lapses'

DBS Bank, Standard Chartered and UBS AG were among conduits for 1MDB transactions, say Singapore authorities

PUBLISHED : Thursday, 21 July, 2016, 2:38pm
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South China Morning Post

The Monetary Authority of Singapore said Thursday that some financial institutions in the major financial centre were used to facilitate dubious financial dealings linked to scandal-hit Malaysian state investment fund, 1MDB.

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“Certain financial institutions in Singapore were among those used as conduits for these transactions,” it said, just a day after the US government moved to seize more than US\$1 billion in assets it believes to have been bought with money stolen from 1MDB.

The MAS named Singapore’s DBS Bank and the Singapore branches of Standard Chartered Bank and UBS AG as those in which it has found “serious” lapses.

It said its overall investigations into the 1MDB case have revealed a **“complex international web of transactions involving multiple entities and individuals operating in several jurisdictions.”**

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There was **“extensive layering of transactions and subterfuge aimed at disguising the nature of certain activities and fund flows.”**

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“In some instances, shell or unauthorised companies domiciled in various jurisdictions were used to conceal the true beneficiaries of the funds,” it added.

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The MAS said it also found substantial breaches at Falcon Private Bank in April 2016 and a Singapore remittance firm.

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P.T.O

Meanwhile, a separate joint statement from Singapore's Attorney General's Chambers, the Commercial Affairs Department, the Singapore Police Force, and the Monetary Authority of Singapore said the city-state's authorities have so far seized bank accounts belonging to various individuals representing assets amounting to S\$240 million (US\$176.80 million) in their investigations into possible money-laundering, securities fraud and other offences linked to 1MDB fund flows through Singapore.

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Of these bank accounts and properties, about S\$120 million belong to Malaysian financier Jho Low, a longtime friend of Malaysian Prime Minister Najib Razak's son.

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The fund flows being investigated include those connected with Good Star Limited (Seychelles), which belongs to Low, Aabar Investments PJS Limited, Aabar Investments PJS Limited (Seychelles), and Tanore Finance Corp.

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In May this year, the MAS withdrew the merchant banking license of Switzerland's BSI Bank due to serious breaches of anti-money-laundering regulations at the bank's branch in Singapore. It marked the first time in over 30 years for a merchant bank in Singapore to be ordered to shut down.

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Investigations into 1MDB-Related Fund Flows through Singapore



Joint Statement by Attorney-General's Chambers, Singapore (AGC)
Commercial Affairs Department, Singapore Police Force (CAD)
Monetary Authority of Singapore (MAS)

Singapore, 21 July 2016 ... The AGC, CAD, and MAS announced today in a joint statement that the Singapore authorities have been investigating various 1MDB-related fund flows through Singapore, for possible money laundering, securities fraud, cheating, and other offences committed in Singapore.

We note the statement by the US Attorney General on 20 July 2016, seeking the forfeiture and recovery of more than US\$1 billion in assets associated with an international conspiracy to launder funds related to 1MDB.

Singapore's investigations began in March 2015 and are still in progress. The fund flows being investigated include those connected with Good Star Limited (Seychelles), Aabar Investments PJS Limited (BVI), Aabar Investments PJS Limited (Seychelles), and Tanore Finance Corp. (BVI). The criminal investigations by CAD are targeted at individuals suspected of committing offences in Singapore related to these flows, while MAS has been examining the financial institutions through which the funds flowed for possible regulatory breaches and control lapses.

In the course of the investigations, bank accounts belonging to various individuals have been seized and dealings in properties belonging to some of these individuals have been curtailed. The assets amount in total to S\$240 million. **Of these bank accounts and properties, about S\$120 million belong to Mr Low Taek Jho and his immediate family.**

Singapore has made a number of requests for information to countries where these funds originated from or were subsequently sent to. Some of these requests are still being processed. Several countries have likewise

requested Singapore's assistance in relation to questionable fund flows pertaining to monies suspected to have originated from 1MDB. Singapore has promptly acceded to all such requests, in compliance with our international obligations.

Appropriate actions will be brought against those who have broken Singapore's laws. **To-date, two individuals – Mr Yeo Jiawei and Mr Kelvin Ang – have been charged for various offences. Several other individuals are still being questioned or investigated.**

Statement by Monetary Authority of Singapore

Actions to be taken against Financial Institutions

Singapore, 21 July 2016 ... The MAS announced today that its supervisory examinations of financial institutions (FIs) **with 1MDB-related fund flows have revealed a complex international web of transactions involving multiple entities and individuals operating in several jurisdictions. Certain FIs in Singapore were among those used as conduits for these transactions. MAS' supervisory examinations, which began in March 2015, found lapses and weaknesses in anti-money laundering (AML) controls in these Singapore-based FIs. MAS will be taking actions against these FIs.**

MAS' supervisory examinations included detailed onsite inspections, and analysis of information obtained from regulators abroad. They revealed extensive layering of transactions and subterfuge aimed at disguising the nature of certain activities and fund flows. In some instances, shell or unauthorised companies domiciled in various jurisdictions were used to conceal the true beneficiaries of the funds.

MAS' findings to-date on the lapses and weaknesses in Singapore-based FIs in managing 1MDB-related flows are summarised below. The FIs include banks, capital market intermediaries, and a remittance agent.

BSI Bank Limited Singapore (BSI Bank)

MAS completed its examination of BSI Bank in May 2016. MAS decided to withdraw its status as a merchant bank in view of its serious breaches of AML requirements and poor management oversight, and gross misconduct by some of the bank's staff.

DBS Bank Ltd (DBS), Standard Chartered Bank, Singapore Branch (SCB), and UBS AG, Singapore Branch (UBS)

MAS has completed its inspections of DBS, SCB, and UBS, and is now finalising its assessments.

The preliminary findings are that there were instances of control failings in all three banks and, in some cases, weaknesses in the processes for accepting clients and monitoring transactions. There was also undue delay in detecting and reporting suspicious transactions.

The deficiencies observed in DBS, SCB and UBS related to lapses in specific processes and by individual officers. The lapses were serious in their own right, and will be met by firm regulatory actions against the banks. However, the MAS' inspections did not reveal pervasive control weaknesses or staff misconduct within these banks, unlike in the case of BSI Bank.

Falcon Private Bank Limited, Singapore Branch (Falcon PBS)

MAS completed its onsite inspection of Falcon PBS in April 2016, and found substantial breaches of AML regulations, including failure to adequately assess irregularities in activities pertaining to customers' accounts and to file suspicious transaction reports.

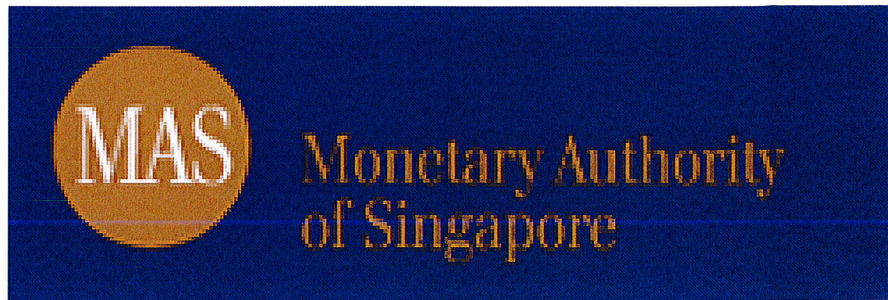
However, the supervisory examination of Falcon PBS is still ongoing as the oversight and management of certain key client relationships were done out of the bank's head office in Switzerland. MAS is examining information obtained from Falcon PBS' head office and has asked for further details.

Raffles Money Change (RMC)

MAS has completed its examination of RMC, a licensed money changer and remittance agent. The examination revealed weak management oversight, inadequate risk management practices and internal controls. Specific findings include failure to identify beneficial owners, verify authenticity of remittance instructions, and assess if a customer's remittance activities are consistent with the profile of the customer. MAS is finalising regulatory actions against RMC.

MAS' examination of certain other FIs are ongoing. More details will be provided when these examinations are completed. MAS will take decisive regulatory actions against any FI that has breached regulations or failed to meet the expected AML standards.

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MAS Directs Falcon Bank to Cease Operations in Singapore

Financial Penalties Imposed on DBS Bank and UBS

Singapore, 11 October 2016... The Monetary Authority of Singapore (MAS) announced today that it is withdrawing the merchant bank status of Falcon Private Bank Ltd, Singapore Branch (Falcon Bank) for serious failures in anti-money laundering (AML) controls and improper conduct by senior management at the Head Office in Switzerland as well as the Singapore Branch.

MAS is also imposing financial penalties on DBS Bank Ltd (DBS) and UBS AG, Singapore Branch (UBS) for breaches of MAS' AML requirements.

The actions on the three banks follow supervisory examinations by MAS into 1MDB-related fund flows that took place through these banks from March 2013 to May 2015. MAS' investigations benefitted from close cooperation with various overseas regulatory counterparts, in particular the Swiss Financial Market Supervisory Authority (FINMA).

Falcon Bank

Falcon Bank has been operating as a merchant bank in Singapore since August 2008¹, offering boutique private banking services. It is headquartered in Switzerland. MAS conducted inspections on Falcon Bank in 2013 and 2015. The 2013 inspection found weaknesses in the bank's controls for client acceptance and transaction surveillance that led to breaches of MAS' AML requirements. Falcon Bank paid a composition fine of S\$300,000 for these breaches, and MAS instructed the merchant bank to strengthen its AML controls. The 2015 inspection uncovered an even larger number of regulatory breaches as well as serious failings on the part of Head Office senior management and the Singapore Branch Manager.

MAS has decided to withdraw Falcon Bank's status as a merchant bank in Singapore, taking into account the following factors:

- **The merchant bank's Head Office failed to guard against conflicts of interest when managing the account of a customer who was associated with the bank's former Board Chairman Mohamed Ahmed Badawy Al-Husseiny. The former Chairman misled and influenced the Singapore Branch into processing the customer's unusually large transactions despite multiple red flags.**
- **The improper conduct of the Singapore Branch Manager and certain senior managers at the Head Office had impaired the effectiveness of the Singapore Branch's compliance function in discharging its responsibilities. Their interference was wrongful and egregious in nature, and contributed to substantial breaches of AML regulations. MAS has been informed that the Singapore Branch Manager, Mr Jens Sturzenegger, has been arrested by the Commercial Affairs Department on 5 October 2016.**
- **Falcon Bank has demonstrated a persistent and severe lack of understanding of MAS' AML requirements and expectations. Taking into account the totality of Falcon Bank's conduct, MAS' assessment is that the merchant bank will be unable to comply with these requirements and expectations going forward.**

MAS has imposed on Falcon Bank financial penalties amounting to S\$4.3 million for 14 breaches of MAS Notice 1014 - Prevention of Money Laundering and Countering the Financing of Terrorism. The breaches include failures to adequately assess irregularities in activities pertaining to customer accounts, and file suspicious transaction reports.

Clients and customers of Falcon Bank are assured that the merchant bank, which is a branch of Falcon Private Bank Ltd in Switzerland, has the full support of its Head Office which is financially sound. MAS is working closely with FINMA, the home regulator of Falcon Private Bank Ltd, to oversee an orderly closure of the merchant bank branch in Singapore.

DBS and UBS

MAS has completed its inspections of DBS and UBS in relation to their 1MDB-related fund flows. The inspections revealed several breaches of AML requirements and control lapses. There were deficiencies in the onboarding of new accounts, weaknesses in corroborating the source of funds, inadequate scrutiny of customers' transactions and activities, and failure to file timely suspicious transaction reports.

The control lapses observed in DBS and UBS relate to specific bank officers who failed to carry out their duties effectively. MAS' inspections did not find pervasive control weaknesses within these banks. MAS has admonished the two banks and instructed their management to investigate the lapses, promptly address the control deficiencies, and take appropriate disciplinary measures against the staff involved.

MAS has imposed financial penalties amounting to S\$1 million on DBS for 10 breaches and S\$1.3 million on UBS for 13 breaches of MAS Notice 626 - Prevention of Money Laundering and Countering the Financing of Terrorism. MAS has also directed DBS and UBS to appoint an independent party to confirm that rectification measures have been effectively implemented and to report its findings to MAS.

Other Financial Institutions

MAS is finalising its assessment of Standard Chartered Bank, Singapore Branch, and will make an announcement in due course. MAS has referred the 1MDB-related transactions processed by Raffles Money Change to the Commercial Affairs Department for their follow-up investigation.

Conclusion

Mr Ravi Menon, Managing Director, MAS, said, "Keeping Singapore a clean and trusted financial centre is a shared responsibility. The board and senior management of each financial institution play a pivotal role. They must put in place robust mechanisms to detect suspicious activities, promote strong risk awareness among their staff, and empower their compliance and risk management people. Most of all, they must set the tone from the top – that profits do not come before right conduct. MAS will work closely with the industry to ensure that standards are kept high and will take strong deterrent actions against institutions that fall short."

Falcon private bank branch manager fifth to be charged in 1MDB probe

Channel news Asia – 5th January 2017

SINGAPORE: Swiss national Jens Fred Sturzenegger has been charged in relation to the Singapore probe of the 1Malaysia Development Berhad (1MDB) scandal, becoming the fifth person to be prosecuted here.

The 42-year-old, who was the branch manager of Falcon Private Bank, was charged on Thursday morning (Jan 5) with 16 counts of failing to report suspicious transactions and for providing false information to the authorities. The alleged offences occurred between 2013 and last year.

The Monetary Authority of Singapore (MAS) shut down Falcon Private Bank last October and Sturzenegger was arrested by the Commercial Affairs Department on Oct 5 last year.

One of the charges stated that Sturzenegger allegedly connived in the bank's failure to report the suspicious transaction involving inflow of about US\$1.265 billion (S\$1.82 billion) into two Falcon bank accounts in March 2013.

In another charge, he is accused of abetting Ms Cindy Widjaja, head of compliance of Falcon bank, to give an MAS employee information he knew to be false.

He allegedly approved Ms Widjaja informing the MAS officer that the person the bank was dealing with was a Mr Tan, when the bank was actually dealing with Malaysian businessman Low Taek Jho, who was said to be using an email address that gave the impression that his surname was Tan. This offence is said to have occurred in July 2015.

The bald and bearded Sturzenegger appeared in court with his lawyer Tan Hee Joek and indicated that he intends to plead guilty. His case will be heard again on Jan 11.

Last year, three individuals were convicted for their roles related to the 1MDB scandal, in which billions of dollars were said to have been misappropriated from the state investment fund.

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Former BSI private bankers Yak Yew Chee and Yvonne Seah Yew Foong were convicted of helping to forge documents and failing to report suspicious transactions. Yak was sentenced to 18 weeks' jail and fined S\$24,000, while Seah was handed two weeks' jail and a S\$10,000 fine.

Last month, former BSI executive Yeo Jiawei was sentenced to 30 months' jail on four charges of witness tampering. He faces seven other charges involving cheating, money laundering and forgery. Yeo had a close relationship with Malaysian businessman Jho Low, who is considered by Singapore police to be a "key person of interest" in the money laundering probe.

Read more at <https://www.channelnewsasia.com/news/business/falcon-private-bank-branch-manager-fifth-to-be-charged-in-1mdb-p-7535436>

MDB-related probe: How things unfolded in Singapore

Straits Times – 30 May 2017



Yak Yew Chee (top left) and Yvonne Seah Mei Ying (bottom right) were convicted of multiple counts of failing to report suspicious transactions and of forging reference letters at BSI Bank on behalf of Low Taek Jho (bottom left). Jens Fred Sturzenegger has been convicted of financial crimes including providing false information to authorities. PHOTOS: ST FILE, THE STAR

SINGAPORE - Since the 1MDB scandal broke, financial penalties of up to S\$29.1 million have been imposed on eight banks in Singapore for various breaches of anti-money laundering regulations; BSI and Falcon Bank have shut down and prohibition orders have been slapped against four individuals. Some are among five who have also been charged and fined and/or jailed for their involvement.

Here's a quick look at the timeline of events:

April 15, 2016-Aug 17, 2016: Eleven charges including those of money laundering, cheating, forgery and obstruction of justice filed against Yeo Jiawei, former BSI wealth planner

April 20, 2016: One charge of corruption filed against Kelvin Ang Wee Keng, former remisier of Maybank Kim Eng Securities

May 24, 2016: MAS withdraws merchant bank licence of BSI Bank for breaches of anti-money laundering requirements, and poor management oversight of bank's operations. BSI fined S\$13.3 million by MAS and 95 million Swiss Francs by Swiss financial watchdog Finma.

May 24, 2016: Six individuals from BSI referred to Singapore's Public Prosecutors - Mr Hans Peter Brunner, its former CEO; Mr Raj Sriram, former deputy CEO; Mr Kevin Michael Swampillai, former head of wealth management services; Yak Yew Chee, former senior private banker; Yeo Jiawei, former wealth planner; and Yvonne Seah Yew Foong, former senior private banker.

July 21 2016: MAS completes investigation of DBS, Standard Chartered Bank (Singapore branch); UBS AG (Singapore branch), Falcon Private Bank and Raffles Money Change.

Oct 10, 2016: Seven charges each filed against Yak Yew Chee and against Yvonne Seah

Oct 11, 2016: MAS withdraws merchant bank licence of Falcon Private Bank for serious failures in anti-money laundering controls and improper conduct by senior management at Switzerland head office and Singapore branch. Falcon fined S\$4.3 million by MAS and ordered to disgorge 2.5 million CHF Swiss Francs by Finma

Oct 11, 2016: MAS imposes S\$1 million fine on DBS and S\$1.3 million fine on UBS

Nov 11, 2016: Yak Yew Chee fined S\$24,000 and sentenced to 18 weeks' jail after pleading guilty to four of seven charges.

Dec 2, 2016: Fines imposed by MAS of S\$5.2 million on Standard Chartered and S\$2.4 million against Coutts & Co (Singapore branch) for breaches of anti-money laundering rules

Dec 2, 2016: MAS serves notice of intent to issue prohibition order against Tim Leissner, former director of Goldman Sachs (Singapore)

Dec 16, 2016: Yvonne Seah fined S\$10,000 and sentenced to two weeks' jail after being found guilty of three of seven charges.

Dec 22, 2016: Yeo Jiawei found guilty of four counts of obstruction of justice and sentenced to 30 months' jail. He appeals conviction and sentence. Seven other charges involving cheating, money laundering and forgery still to be dealt with

Jan 7, 2017: 16 charges filed against Jens Fred Sturzenegger, former branch manager of Falcon Private Bank, including providing false information to authorities to cover up his knowledge of the bank's relationship with Malaysian tycoon Jho Low.

Jan 11, 2017: Sturzenegger fined S\$128,000 after pleading guilty to six of 16 counts, and sentenced to 28 weeks' jail.

March 13, 2017: MAS bans Tim Leissner from Singapore's securities industry for 10 years for issuing an unauthorised letter to a financial institution and making false statements on the bank's behalf without its knowledge. MAS also serves notice of intention to issue lifetime ban against Sturzenegger and Yak Yew Chee and a 15-year ban against Yvonne Seah

May 24, 2017: Kelvin Ang pleads guilty to one charge of corruption and is fined S\$9,000.

May 29, 2017: MAS imposes lifetime bans against Sturzenegger and Yak Yew Chee, and a 15-year ban against Yvonne Seah, now known as Seah Mei Ying.

May 30, 2017: MAS completes two-year review of eight banks involved in 1MDB related transactions that are known to date. MAS imposes S\$700,000 fine against Credit Suisse and S\$900,000 fine against UOB for breaches of anti-money laundering rules and control lapses.

May 30, 2017: MAS serves notice of intention to issue a six-year prohibition order each against Kelvin Ang Wee Keng and Lee Chee Waiy, former NRA Capital head of research; and a three-year ban against Kevin Scully, CEO of NRA Capital. **Lee was found to have applied inappropriate methodology and assumptions in the valuation of Saudi oil company PetroSaudi Oil Services. Scully failed to ensure that Lee exercised sufficient care, judgement and objectivity in the valuation of PetroSaudi,** MAS said.

Singapore's MAS completes 2-year review of banks in 1MDB deals

STAR Online 30 May, 2017

KUALA LUMPUR: The Monetary Authority of Singapore (MAS) has completed its two-year review of banks involved in 1MDB-related transactions known to-date.

The regulator announced on Tuesday that it had imposed financial penalties on Credit Suisse and United Overseas Bank (UOB), as well as issued Prohibition Orders (POs) against three individuals.

In a statement posted on its website, it said that it had served notice of its intention to impose the same regulatory action on three others.

Below is the statement issued by The Monetary Authority of Singapore:

V.I.P.

Singapore, 30 May 2017: The Monetary Authority of Singapore (MAS) announced today that it has completed its two-year review of banks involved in 1MDB-related transactions known to-date.

In its latest regulatory actions, MAS has imposed financial penalties on Credit Suisse and United Overseas Bank (UOB), as well as issued Prohibition Orders (POs) against three individuals and served notice of its intention to impose the same regulatory action on three others.

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Regulatory actions against Credit Suisse and UOB

MAS has completed the series of bank inspections targeted at 1MDB-related fund flows known to-date. The latest inspections of Credit Suisse and UOB revealed several breaches of anti-money laundering (AML) requirements and control lapses. These include weaknesses in conducting due diligence on customers and inadequate scrutiny of customers' transactions and activities.

MAS did not however detect pervasive control weaknesses within these banks.

MAS has imposed on Credit Suisse and UOB financial penalties amounting to S\$0.7 million and S\$0.9 million respectively for breaches of MAS Notice 626 - Prevention of Money Laundering and Countering the Financing of Terrorism. It has directed the banks to appoint independent parties to assess and confirm to MAS that rectification measures have been effectively implemented.

MAS has also instructed the management of Credit Suisse and UOB to take disciplinary measures, where appropriate, against errant staff. The banks are currently taking measures to address the weaknesses identified and strengthen their AML controls.

Prohibition Orders against convicted bank employees

Further to its announcement on 13 March 2017, MAS has issued lifetime POs against Mr Jens Fred Sturzenegger and Mr Yak Yew Chee, as well as a 15-year PO against Ms Seah Mei Ying (1) with effect from 29 May 2017.

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Mr Sturzenegger was the branch manager of Falcon Private Bank Ltd, Singapore branch (Falcon Bank), while Mr Yak and Ms Seah were employees of BSI Bank Limited (BSI Bank).

Mr Sturzenegger has been convicted of financial crimes including providing false information to authorities in an attempt to cover up his knowledge of Falcon Bank's relationship with Mr Low Taek Jho. Mr Yak and Ms Seah were convicted of multiple counts of failing to report suspicious transactions and of forging reference letters at BSI Bank on behalf of Mr Low.

} **
V.I.P

All three individuals are prohibited from (i) providing any capital markets and financial advisory services; and (ii) taking part in the management of, acting as a director of, or becoming a substantial shareholder of any capital markets services or financial advisory

P.S.O

firm in Singapore.

Prohibition Orders against Mr Kelvin Ang and officers of NRA Capital Pte Ltd

MAS has served notice of its intention to issue a PO against Mr Ang Keng Wee Kelvin (2), a former representative of Maybank Kim Eng Securities Pte Ltd (MKES). MAS also served notice of its intention to issue POs against the Chief Executive Officer of NRA Capital Pte Ltd (NRA), Mr Kevin Scully, and its former Head of Research, Mr Lee Chee Waiy (3).



Through Mr Ang's introduction, NRA was appointed to perform the valuation of PetroSaudi Oil Services Limited (PSOSL) (4).

On 24 May 2017, Mr Ang was convicted of an offence under the Prevention of Corruption Act for bribing Mr Lee with S\$3,000 to expedite the preparation of the valuation report on PSOSL.

Mr Lee had been the primary person in NRA working on the valuation. Apart from accepting the bribe, he was also found to have applied inappropriate methodology and assumptions in the valuation of PSOSL. As CEO of NRA, Mr Scully had failed to ensure that his analyst, Mr Lee, had exercised sufficient care, judgment and objectivity in the valuation of PSOSL.

The proposed POs will prohibit:

(a) Mr Ang, for a period of 6 years, from (i) providing any capital markets and financial advisory services; and (ii) taking part in the management of, acting as a director of, or becoming a substantial shareholder of any capital market services and financial advisory firm in Singapore;

(b) Mr Lee and Mr Scully, for a period of 6 and 3 years respectively, from (i) providing any financial advisory services; and (ii) taking part in the management of, acting as a director of, or becoming a substantial shareholder of any financial advisory firm in Singapore.



Most extensive anti-money laundering review to-date

MAS' supervisory review of financial institutions (FIs) involved in 1MDB-related flows is the most extensive it has ever taken. The review included detailed onsite inspections, offsite examination and analysis of information obtained from the FIs and foreign regulators, and close co-ordination with the Attorney-General Chambers and the Commercial Affairs Department.

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The review uncovered a complex web of transactions involving numerous shell companies and individuals operating in multiple jurisdictions, including the United States, Switzerland, Hong Kong, Luxembourg and Malaysia.

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Singapore agencies responded expeditiously to requests for information or assistance from overseas law enforcement and regulatory authorities. In turn, Singapore submitted similar requests to, and received vital information from, many countries.

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The good progress achieved to-date would not have been possible without close international co-operation. Investigations are still on-going in many jurisdictions and Singapore will continue to render its assistance where needed.

} **

Arising from its extensive review, MAS has shut down two merchant banks, BSI Bank and Falcon Bank, due to egregious failures of AML controls and improper conduct by senior management.

Financial penalties of S\$29.1 million in aggregate have been imposed on eight banks (BSI Bank, Falcon Bank, DBS, UBS AG, Standard Chartered Bank, Coutts, Credit Suisse and UOB) for various breaches of AML requirements. POs, ranging from 10 years to lifetime, have been issued against four former employees of financial institutions implicated in these transactions.

} **

P.1.0

MAS has notified another three current and former employees of its intention to issue POs against them, ranging from 3 to 6 years.

Conclusion

Mr Ravi Menon, Managing Director, MAS, said, “The two-year long 1MDB-related review holds key lessons for both MAS and financial institutions in Singapore. MAS has enhanced its AML surveillance and taken unprecedented enforcement actions against errant institutions and individuals.

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"Financial institutions have increased their risk awareness and strengthened their AML controls. Our financial industry is in a better position today than it was when the abuses stemming from the 1MDB-related flows took place. The price for keeping our financial centre clean as it grows in size and inter-connectedness is unstinting vigilance."

1 Formerly known as Yvonne Seah Yew Foong.

2 Mr Ang was a representative of MKES from August 2009 to November 2015.

3 Mr Lee was a representative of NRA from September 2008 to September 2015.

4 Mr Yeo Jiawei, a former employee of BSI Bank Limited, had sought Mr Ang's help to obtain a valuation of PSOSL.

Read more at <https://www.thestar.com.my/business/business-news/2017/05/30/singapore-mas-completes-2yr-review-of-banks-in-1mdb-deals/#UIWlh61gq6X40OHx.99>

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Ex-Falcon Asia Head Back Home After Jail Sentence in Singapore

Friday, 23 June 2017 12:31

Written by [Katharina Bart](#) – Finews Asia



The first Swiss banker to be jailed over 1MDB has been released and returned to Switzerland, *finews.asia* can exclusively reveal.

Falcon Private Bank was wiped out in Singapore: it paid a S\$4.3 million fine before it was shut down for serious lapses in spotting 1MDB money being laundered. Singapore's regulator pinpointed improper conduct by senior management both locally as well as at the private bank's Zurich head office.

Of Falcon's senior management, only one person has been brought to book for the wrong-doing: **Jens Sturzenegger**, who ran Falcon's offices in Singapore for more than five years, until shortly before his [arrest last October](#).

Sturzenegger was released from custody in Singapore recently and has returned to Switzerland, two sources familiar with the matter told *finews.asia*.

Two Visits Monthly

He was sentenced to 28 weeks incarceration in January, after pleading guilty to 6 of 16 charges. Sturzenegger, who was Falcon's compliance head prior to managing the Asia branch, also paid a S\$128,000 fine.

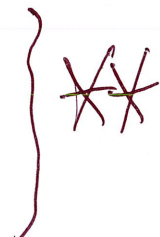
In jail, he was allowed two monthly visits: either two video calls, or one 30-minute video call and one face-to-face visit of 20 minutes at most. It isn't clear how much of his sentence Sturzenegger served out, his exact release date, or the circumstances of his return to Switzerland.

A spokesman for Switzerland's foreign office told *finews.asia* that a Swiss man held in Singapore had been released, but didn't give the name.

A spokeswoman for Singapore's prison system declined to comment on what are considered confidential and personal matters in the city-state. Sturzenegger's lawyer in Singapore, **Tan Hee Joek** of law firm Tan See Swan & Co, also declined comment.

Uphill Battle

The Swiss banker was accused of looking the other way on more than \$1 billion in 1MDB flows and of later lying to investigators about his connection to Jho Low, who U.S. officials allege is the mastermind behind the illicit money trail out of Malaysia and into diamonds, fine art, and producing a Hollywood blockbuster.



The judge made clear that the sentencing of Sturzenegger, whose wife reportedly began working part-time to support the family when he was sacked by Falcon, is meant as a deterrent to other errant bankers.

A Swiss native in his early 40s who is married with a young daughter, Sturzenegger now faces the daunting task of restoring his reputation in Switzerland, rebuilding his career and eking out a living after paying off his hefty legal fees and the Singaporean fine. He didn't respond to *finews.asia* through an intermediary.

Falcon Scapegoat?

Sturzenegger is the only Swiss banker thus far to be charged over 1MDB. The scandal rocked Switzerland's banking sector nearly as much as in Singapore, where Sturzenegger is banned for life from working in the industry.

Falcon, which declined to comment on Sturzenegger's release, is viewed among bankers as having sacrificed the Swiss banker in order to extract the institute from the probe. The bank dismissed Sturzenegger precisely one week before he was arrested last October.

Sturzenegger submitted his guilty plea early, which was noted by the sentencing judge. His lawyer also argued Sturzenegger had expressed «remorse and regret» over his actions.