

Asia steps up fight against money laundering

SINGAPORE: Asia is paying greater attention to the fight against money laundering, given the recent spate of investigations into these alleged activities in the US.

Experts say banks and casinos in Asia are expected to step up their surveillance and reporting mechanisms to the authorities.

US regulators are getting tough over money laundering activities and central banks in Asia are also monitoring developments closely.

South Korea's financial regulator is planning checks on the local branches of HSBC and Standard Chartered.

While Singapore's central bank said it has not been approached in the probe of Standard Chartered by the New York State Department of Financial Services, it is willing to provide assistance on supervisory matters, if approached.

The bank also reiterated Singapore's tough stance against money laundering, terrorist financing and proliferation financing.

Casinos have also come under the spotlight.

Las Vegas Sands is now the target of an investigation into possible violations of US money-laundering laws.

Professor Themin Suwardy, Associate Dean of School of Accountancy at Singapore Management University, said: "Casinos have a lot of banking facilities as well. If you take junket for example, you could probably bring a lot of cash into junket operations and have it remit to the casino you intend to visit."

He added: "Money laundering is an activity which a lot of people do not see because it is invisible and you will find that the first step of defence will probably have to be heightened in terms of knowing your customers."

Besides the US, Las Vegas Sands also operates casinos in Macau and Singapore.

The Casino Regulatory Authority of Singapore said it noted that the US authorities are investigating on possible breaches by Sands and it is monitoring the US investigations.

Asia Compliance's managing director, Dr Rohan Bedi, said: "It's definitely a red-flag for local regulators to look carefully at what transactions are happening and to see (that) similar vulnerabilities that exist not just in Sands but in other casino operators in Asia."

Recently, Macau arrested 150 people in raids at casinos and hotels across the Chinese territory.

Dane Chamorro, who is director of global risk analysis (Asia Pacific) at Control Risks, said: "Macau has long been known as the place where funds could be laundered from... from organised crime and certain rogue states like North Korea. This is primarily in the local casinos that I am talking about and particularly in the VIP gaming rooms."



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While Singapore has a robust structure to deal with money laundering, analysts noted that Macau and the Philippines will need to step up their regulatory frameworks to better scrutinise such transactions.