



Who is impacted by Financial Crime?

32% of respondents from Asia Pacific region reported incidences of financial crime.

70% of Singapore-based respondents have operations in countries with high levels of corruption.

1 in 4 Singapore-based respondents have experienced some kind of financial crime.

As high as **45%** of the financial services institutions have been affected by financial crime.

PwC's Global Economic Crime Survey 2014

Highlight of our experiences

Cyber Security Assessment

A global specialty insurer-and-reinsurer engaged PwC's assistance to identify threat scenarios to critical data types and assess risk mitigation controls, and the exposure to the business (including potential impact and losses should certain cyber risks occur). PwC performed a threat assessment using proprietary threat model and, through analysing the dependencies and effects on key assets of business areas and regions using results of prior phases, quantified the likelihood and consequent impact of cyber risks on the business areas/regions.

Fraud Investigation and Recovery

The Singapore branch of a European private bank uncovered a fraud by a relationship manager (RM), who diverted or retained customers' mails and provided them with forged statements that concealed very risky, unauthorised, investment strategies the RM had adopted. PwC was initially engaged merely to establish the facts and quantify the customers' financial losses. Our work became so central to the bank that for most settlement negotiations with the affected customers the bank insisted that PwC be present as well. Once the settlement had been reached, we also assisted the bank in preparing its insurance claim.

Forensics and Remediation

As part of the effort to enhance its governance, in particular, internal controls over cash and bank balances, a Singapore listed manufacturing company appointed PwC to review the cash and bank balances of its key subsidiaries, and perform an independent review of the internal controls over cash and bank balances. PwC's investigation uncovered significant lapse in controls and cash discrepancies, and our report led to measures taken by the Board to strengthen the corporate governance and financial controls and safeguard the assets of the group. Some of these measures included the redesignation of the Executive Chairman and CEO and the appointment of additional new Independent Directors.



Sanction Screening Management

A leading international bank engaged PwC to assist in their review and enhancement of vendor and internal watch lists instrumental to their sanction screening process. Using proprietary data analytics tools and methodologies, PwC devised solutions to provide the bank flexibility in its duplication-removal process and sequencing analysis. Further, PwC assisted the bank to develop a target operational model to streamline and enhance the overall governance over its list management, tuning and reporting processes. With PwC's help, the bank established an efficient, meaningful sanction screening management programme.

KYC/AML Outsourcing

Several banks had engaged PwC in the last 12 months to provide outsourcing resources to assist in their "Know-Your-Client/Anti-Money Laundering" ("KYC/AML") periodic review. Using a combination of automation tools developed in-house and specialist resources, PwC collaborated with these banks on completing the necessary reviews, including assisting with performing screening to third party databases, evaluating results of screening, identification of higher tax crime risk factors, completeness of mandatory documents, reviewing appropriateness of risk rating, etc.



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Financial Crime

How resilient are you?



Why is Financial Crime an issue?

Stricter rules and enforcement by regulators

- Singapore Regulations***
- MAS Notices and Guidelines on Prevention of Money Laundering and Countering of Financing of Terrorism
 - MAS Sanctions and Freezing of Assets of Persons Regulations
 - Personal Data Protection Act (PDPA)

- International Regulations***
- Financial Action Task Force (FATF) International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation
 - US Foreign Corrupt Practices Act (FCPA)
 - UK Bribery Act

** The list of regulations is not exhaustive*

Pervasive impact on the whole business and its people

31% of executives feel that the most severe non-financial impact on financial crime is employee morale.

53% of CEOs are concerned about the effect of bribery and corruption on their business.

Questions you should consider



Severity of financial and reputational impact

Several global banks have been reported in recent years to have paid fines/settlements of between **US\$8.6 million to US\$ 9 billion** as a result of alleged involvement in financial crime.

18% of organizations suffering fraud reported a financial impact of between **US\$1 million to US\$100 million**.

Companies that experienced incidences of bribery and corruption more frequently reported losses of over **US\$5 million**.

34% of executives feel that the most severe non-financial impact on financial crime is reputation and business relations.

Increased use of cyber as an avenue to conduct crime

Among financial institutions, Cybercrime accounts for **39%** of financial crime reported.

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How we can help you

We help you build confidence in dealing with fast and evolving financial crime threats. We provide solutions tailored to your needs ranging from technology/software solutions, end-to-end outsourcing and provision of specialist resources, health checks to meet regulators expectations, design of policies and procedures/systems and processes to mitigate risks, support in remediation and recovery of regulatory and fraud related matters. Our services include but are not limited to:

Fraud/Misconduct Investigation and Management

- Conduct forensic investigations to establish root causes, assist in remediation and dealing with authorities, support in the recovery process through litigation/arbitration
- Establish proper governance and controls assessment
- Identify potential and inherent fraud risks
- Respond to residual fraud risks and recommend measures to mitigate these risks

Anti-Corruption and Anti-Bribery Services

- Conduct anti-corruption and anti-bribery compliance due diligence
- Investigate incidents reported through whistle blowers, management concerns and routine audits
- Monitor potential bribery and corruption activities through data analytics



Anti-Money Laundering (AML)/Counter-Terrorist Financing (CTF)/Sanctions/Tax Evasion

- Support in developing and implementing policies and procedures to comply with regulatory requirements including AML/CTF, Sanctions, Foreign Account Tax Compliance Act (FATCA) and OECD Common Reporting Standards
- Automated transactions screening and review
- Health check, including pre-regulatory inspection review
- Assist in internal audit/compliance testing
- Outsourcing of customer/vendor due diligence processes and provision of specialist resources

Cyber Risk Management

- Assess cyber security and vulnerability posture
- Build cyber risk governance, policies and procedures
- Develop and test cyber response, detection and triage capabilities
- Advise on threat vector monitoring processes in view of cyber risk appetite

Data Assurance and Big Data Analytics

- Data assurance over completeness, integrity and accuracy of core data used for screening
- Data analytics to test robustness of detection software and derive deeper fuzzy-logic insights across multi data sources
- Threat and pattern intelligence
- Fraud controls testing through data analytics

Who we are

In-depth expertise in financial crime risk management and compliance assistance.

Global network over 150 countries.

Service clients across various industries, with concentration in financial services sector.

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