

# Anti-Financial Crime (AFC) Department New-Joiner Handbook

Compliance Division — Singapore

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# 1 Introduction and Overview

Welcome to the Anti-Financial Crime (AFC) team! Our mission is to protect the bank from money laundering, terrorist financing, and other illicit financial activities. This handbook will orient you to your role, the team structure, and key processes in our Singapore compliance unit.

**What is AFC?** Money laundering disguises the proceeds of crime to make them appear legitimate, while terrorist financing involves providing funds for terrorist activities. The AFC department ensures we remain compliant with laws such as the *Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act* (CDSA) and the *Terrorism (Suppression of Financing) Act* (TSOFA). Suspicious Transaction Reports (STRs) are filed with the Suspicious Transaction Reporting Office (STRO).

## **Key AFC Responsibilities at a Glance:**

- **Prevent, Detect, Report:** implement controls, investigate alerts, and file STRs.
- **Ensure Compliance:** follow AML/CFT laws (MAS Notice 626, CDSA, TSOFA) and internal policy.
- **Support the Business:** advise front-office colleagues while avoiding “tipping-off”.

## 2 AFC Team Structure and Workflow

### 2.1 Transaction Monitoring Analysts (Level 1)

TM analysts review system alerts and decide whether to clear or escalate.

### 2.2 Special Investigations Unit (Level 2)

Handles escalated, complex cases; prepares investigation reports and STR recommendations.

### 2.3 Country and Regional AML Teams

The Country AML team (MLRO) approves STRs; the regional team provides cross-border oversight.

**Confidentiality** Never share investigative details with unauthorised staff—doing so may constitute tipping-off.



Figure 1: Simplified Escalation Path

## 3 Key Processes and Responsibilities

### 3.1 Transaction Monitoring and STR Filing

1. **Alert generation** — automated rules flag unusual transactions.
2. **Level 1 review** — analyst clears or escalates.
3. **Level 2 investigation** — SIU deep-dives.
4. **MLRO decision** — approve or reject STR.
5. **Regulatory filing** — STR sent via STRO's SONAR portal.
6. **Post-filing actions** — freeze funds, monitor, or exit client.

### 3.2 Client On-Boarding and Due Diligence

Verify identity, establish **Ultimate Beneficial Owners**, screen against sanctions, assign risk ratings.

### 3.3 Screening and Other Controls

- **Sanctions screening** for cross-border payments.
- **Name screening** against watch-lists and adverse media.
- **Trade finance monitoring** — check Bills of Lading, invoices, pricing.

# AFC Handbook — Key AML/CTF Statutes

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Country	Primary Statutes	Suggested Contract Language
<b>Hong Kong</b>	<ul style="list-style-type: none"><li>• Anti-Money Laundering &amp; Counter-Terrorist Financing Ord. (Cap. 615)</li><li>• Organized &amp; Serious Crimes Ord. (Cap. 455)</li><li>• UN (Anti-Terrorism Measures) Ord. (Cap. 575)</li></ul>	“The Borrower shall at all times comply with Cap. 615, 455 and 575 and shall not use any loan proceeds in breach thereof.”
<b>Singapore</b>	<ul style="list-style-type: none"><li>• Corruption, Drug Trafficking and Other Serious Crimes Act (CDSA)</li><li>• Terrorism (Suppression of Financing) Act</li><li>• MAS Notice 626</li></ul>	“The Borrower confirms compliance with the CDSA, TSFA and MAS Notice 626 and undertakes to supply KYC information on request.”
<b>United Kingdom</b>	<ul style="list-style-type: none"><li>• Proceeds of Crime Act 2002</li><li>• Money Laundering Regulations 2017</li><li>• Terrorism Act 2000</li></ul>	“The Borrower shall comply with POCA 2002, the MLR 2017 and the Terrorism Act 2000. Breach constitutes an Event of Default.”
<b>Australia</b>	<ul style="list-style-type: none"><li>• Anti-Money Laundering and Counter-Terrorism Financing Act 2006</li></ul>	“The Borrower warrants continuing compliance with the AML/CTF Act 2006 and agrees to provide all records requested by the Lender.”

*Tip:* If any statute above is missing from a counterparty’s draft, revert the contract to their lawyer for amendment.