

ComPIAS TIMES

Issue #01-2024

INSIDE THIS ISSUE



Welcome to our quarterly ComPIAS Newsletter! We are delighted to have you onboard as we embark on this journey together. A new year means new beginnings and fresh starts I believe that year 2024 is the perfect time to embrace a new perspective a fresh look on how RM&C department could better communicate and interact with all PIAS Representatives/Directors and Branches.

GROUP MARKET CONDUCT STANDARDS (“GMCS”)

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- Objective of GMCS
- What constitutes serious offence?

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- Type of serious offences

PIAS expects all our Representatives to conduct their activities with integrity, honesty, and high standard of ethics. Representatives are expected to comply with the market conduct rules and regulations, as well as any requirements under any code, guidelines, notices, policy statements or practice notes issued or published under the Financial Advisers Act 2001 (“FAA”). By way of compliance, it is adherence to both the letter and spirit of the law, standards, and guidelines.

The Monetary Authority of Singapore (“MAS”) has issued the Guidelines for Fair Dealing – Board and Senior Management Responsibilities for Delivering Fair Dealing Outcomes to promote fair dealing by financial institutions when they conduct business with their customers. As such, Representatives are expected to provide clients with quality advice and appropriate recommendations

The Group Market Conduct Standards (“GMCS”) (previously known as Group Market Conduct Guide) sets out the guiding principles and disciplinary action framework that govern the conduct of Representatives so that Representatives are aware of the consequences of any misconduct and not acting ethically or professionally.

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Main Objectives of Group Market conduct standards:

- To set a strong internal governance framework for managing market conduct risk.
- To provide a guide (though it is non-exhaustive) upon which Representatives are aware of the market conduct violations and possible resulting disciplinary actions so that Representatives can self-regulate their conduct.
- To set a consistent disciplinary action framework where the disciplinary actions commensurate with severity of misconduct, with the deliberation of any possible mitigating or aggravating factors.

With a robust disciplinary action framework and consideration of any possible mitigating or aggravating factors, Appeal Committee (“AC”) would be better placed to deliberate appeals and deciding whether original disciplinary actions meted to Representatives should be upheld, reduced, or even increased

What Constitutes Serious Offence?

Any market conduct violation in Section A: Serious Offence of GMCS are deemed as serious violation. The prescribed disciplinary actions includes but not limited to termination of the representatives’ contract, filing of a police report and misconducting reporting to the MAS.

Serious offence are offence that could likely contravene the Singapore Penal Code, such as cheating, dishonesty, fraud, forgery, misappropriation of monies or criminal breach of trust, etc.

Let’s take a look at the 3 more common type of serious offence:

- Forgery
- Cheating
- Criminal Breach of Trust



Whoever makes any false document or electronic record or part of a document or an electronic record with intent to cause damage **or** injury to the public **or** to any person, **or to support any claim** or title, **or** to cause any person to part with property, **or** to enter into any express **or** implied contract, **or** with intent to commit fraud **or** that fraud may be committed, commits forgery.

Industry Cases

Mr Yap was an appointed Representative of Company L from February to July 2017. Between May and July 2017, Mr Yap forged the signatures of five individuals in their insurance application forms as he wanted to expedite their purchases of the insurance policies. Mr Yap had also provided false information concerning one individual's health and employment status in one of the applications.

Forgery is a serious offense that extends beyond the common misunderstanding that it is only applicable to signatures. Forgery encompasses the falsification or alteration of **any** part of a document or electronic record.

Mr Yap was issued with a two (2) year Prohibition Order* by the MAS.



Whoever, by deceiving any person, whether or not such deception was the sole or main inducement, fraudulently or dishonestly induces the person so deceived to deliver or cause the delivery of any property to any person, or to consent that any person shall retain any property, **or intentionally induces the person so deceived to do or omit to do anything which he would not do or omit to do if he were not so deceived**, and which act or omission causes or is likely to cause damage or harm to any person in body, mind, reputation or property, is said to “cheat”.

Industry Cases

Ms Huang was a Representative of Company P from October 2018 to May 2021. Between July 2019 and November 2020, Ms Huang edited and submitted 11 false invoices to Company P to facilitate her clients’ accident injury claims, and deceived Company P into making a payout of \$3,287.82 to her clients.

Ms Huang was convicted of four counts of cheating under section 417 of the Penal Code with seven other cheating charges taken into consideration for the purpose of sentencing. She was sentenced to **six weeks’ imprisonment**. Ms Huang was issued with a five (5) year Prohibition Order* by the MAS.

Whoever, being in any manner entrusted with property, or with any dominion over property, dishonestly misappropriates or converts to his own use that property, or dishonestly uses or disposes of that property in violation of any direction of law prescribing the mode in which such trust is to be discharged, or of any legal contract, express or implied, which he has made touching the discharge of such trust, or intentionally suffers any other person to do so, commits “criminal breach of trust”.



Industry Cases

In September 2012, Ms Khoo was a representative of Company P, when she misappropriated \$3,735.48, which a client had entrusted to her for the payment of insurance premiums to Company P. Ms Khoo took the monies for her personal use.

On 27 November 2020, Ms Khoo pleaded guilty and was convicted of one count of criminal breach of trust under section 406 of the Penal Code.

Ms Khoo was sentenced to a \$9,000 fine. Ms Khoo issued with a five (5) year Prohibition Order* by the MAS.

If you have any suggestions, feedback and/or topics you would like us to cover, please drop us a note at pias.compliance@singlife.com

We look forward to hearing from you!

Editorial Team for Issue #01-2024

Kelly Lam, John Lam and James Tan

*MAS may issue prohibition orders to bar persons from conducting regulated activities, or from taking part in the management of, acting as a director of or becoming a substantial shareholder of a licensed or exempt financial institution in Singapore. These orders do not require court sanction and the MAS determines the duration of the prohibition order.

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