**Section D – Working on the Graded Assignment**

Refer to **C369\_Graded\_Assignment.pdf**. This document describes the assignment that you will be working on for this module.

As we go through the lessons, you will be expected to come up with an online financial services business proposal, prototype and a static web page to demonstrate your business idea.

Before you can begin building your business idea, you will need to do some research and planning.

Answer the questions below to plan the details of your online financial business.

Note:

* This section is to provide some guidance in the graded assignment.
* Completion of this section in no way means that your assignment is completed.
* Refer to C369 Graded Assignment Part 1.pdf for details.

1. List down the sectors that MAS regulates (<https://www.mas.gov.sg/regulation>)

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| Banking, Capital Markets, Financial advisory, insurance, Payments |

1. What are some of the types of services in each of the sectors? (<https://eservices.mas.gov.sg/fid/>)

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| **Sector** | **Financial service** |
| Banking | Banking Licenses, Money Broker, Representative Office, Financial Holding Company, Bank Loans |
| Capital | License Trade Repository, Central depository system, approved exchanged, Capital Market, Venture Capital |
| Financial Advisory | Licensed financial adviser and exempt financial adviser. |
| Insurance | Direct insurer (Life, general, composite), registered insurance broker, Exempt insurance Broker |
| Payments | Money- changing, Licensed Credit Bureau, Major Payment Institution, Credit and Charge Cards, Intelligent Payment Processing. |

1. Select 3 financial services that you find interesting and describe them in more detail.

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| **Financial Service** | **Description** |
| Bank Loans (Personal) | A personal bank loan is a form of loan provided to people by banks and other financial organizations for their own use. It gives borrowers access to money that they can use for a variety of things, such paying off debt, covering medical costs, supporting a vacation, or making home upgrades. |
| Intelligent Payment Processing | Intelligent Payment Processing: Automated payment processing tasks including invoice identification, payment verification, fraud detection, and reconciliation are possible with AI payment systems. These systems can evaluate payment data, spot patterns, and make wise decisions using AI algorithms, enabling quicker and more precise payment processing. |
| Venture capital | Businesses with the potential for quick development and significant returns on investment are often sought for by venture capital firms. They support entrepreneurs in navigating the difficulties of growing their enterprises by offering financing as well as strategic advice, industry knowledge, and networking opportunities. |

1. Based on the 3 financial services above, select the one you like best.

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| Bank Loan (Personal) |

1. Do more research on the service you selected and see how you can value-add to the service as part of your business idea.
2. Identify the financial service sector your business will be in
3. Describe the financial services you plan to offer
4. Describe and explain at least 2 regulations your business will need to comply to
5. Describe and explain at least 2 red flags in the transactions your business may encounter
6. Describe and explain how the features on your platform help to:
   * Protect consumers from frauds
   * Prevent money laundering

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| 1. Banking. 2. Personal Loans: You can provide personal loans to people who need money for things like debt consolidation, home improvements, medical costs, tuition, or other non-business obligations. Fixed loan amounts, fixed interest rates, and scheduled payback schedules are typical components of personal loans.   Loan counseling and Guidance: In addition to making loans available, you can also provide individualized counseling and guidance to assist prospective borrowers in understanding their loan options, determining their eligibility, evaluating their capacity to repay loans, and making financially responsible decisions. Assessing their financial condition, going over loan details, and providing guidance on debt management and creditworthiness improvement are all possible components of this service.   1. Moneylenders Act and Rules: The main piece of law regulating moneylending activities in Singapore is the Moneylenders Act. It outlines the prerequisites for moneylender license, a code of conduct, and operational standards. If you lend money to people for personal reasons, you must obtain a moneylender's license from the Ministry of Law and abide by the guidelines set forth in the Moneylenders Rules.   Consumer Protection standards: In order to ensure honest and open lending practices, you must abide by consumer protection standards as a provider of personal bank loans. Guidelines for fair contract terms, open pricing, precise loan disclosures, and protection against unfair practices are laid forth in the Consumer Protection (Fair Trading) Act and the Consumer Protection (Trade Descriptions and Safety Requirements) Act.  The Personal Data Protection Act (PDPA) in Singapore regulates the gathering, use, and disclosure of personal data. As a provider of personal bank loans, you are required to adhere to data protection laws, acquire consent before collecting personal information, maintain data security, and grant persons access to their personal information upon request. To comply with the PDPA, adequate data protection policies and practices must be put into place.  Regulations pertaining to AML/CFT (anti-money laundering and countering the financing of terrorism) Money laundering and terrorist financing are prohibited by AML/CFT legislation. The Monetary Authority of Singapore (MAS) is in charge of enforcing the laws in Singapore. You must execute thorough client due diligence procedures as a provider of personal bank loans, keep track of transactions, report suspicious activity, and comply with MAS requirements for combating money laundering and terrorist financing.   1. False or Inconsistent Information: It may be a warning sign if a borrower submits false or conflicting information while applying for a loan, such as different addresses, employment histories, or financial records. False documents or the falsification of financial and personal data may be signs of fraud.   Unusually High Loan Requests: If a borrower suddenly requests a loan that is substantially higher than what is typical for them or what they can afford, this can be cause for concern. It's critical to determine whether the borrower's creditworthiness, income, and capacity for payback are compatible with the loan amount asked. Large loan requests without the correct explanation could be a sign of fraud or danger of default.   1. Protecting consumers from frauds:   Implementing biometric technology procedures to make sure that borrowers are who they say they are. Verifying identity documents, running background checks, and utilizing cutting-edge technology like biometric authentication or facial recognition are some examples of this. You can avoid impersonation and lower the risk of fraud by confirming the borrowers' identities.  Or  Identity Verification with Customer Due Diligence (CDD): Using the CDD tool, I can confirm a customer's identity before allowing them to use your personal bank loan services. I can make sure that the people asking for loans are who they say they are by putting in place a robust identity verification process, such as document verification and biometric authentication. This helps safeguard legitimate customers from identity theft and unlawful use of their personal information by preventing fraudsters from using stolen or fake identities to get loans.  Prevent Money Laundering: I can incorporate KYC (SingPass for verification and its convenience features)  (KYC): Know Your Customer Implement a thorough KYC procedure to confirm the borrowers' identities. Verifying identification documents, doing risk analyses, and gathering pertinent consumer data are all part of this process. I can also identify and authenticate people using KYC protocols, ensuring they are not abusing your site.  Regular reporting: Comply with legal requirements by promptly alerting the appropriate authorities to any questionable transactions. Implement systems for keeping detailed records of transactions, including customer and transactional information. You assist in the broader fight against money laundering by following the reporting requirements. |