



# Fraud & Anti-Money Laundering (AML) Policy

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	Name	Public / Confidential	Owner	Scope	Last Update
1	Fraud & Anti-Money Laundering Policy	Public	Council	All members	17 Feb 2022

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## Article 1: Policy Objective

This policy is formulated to establish the practices relating to instances (suspected or genuine) pertaining to fraudulent and money laundering acts involving employees, members, volunteers, vendors and other parties in relation to the Singapore Actuarial Society (the Society).

## Article 2: Scope

This policy applies to employees, members, volunteers, vendors and other parties in relation to the Society.

## Article 3: Fraud

### 3.1 Definition

Fraud is defined as any crime for gain that uses deception as its principal modus operandus. More specifically, fraud is defined by Black's Law Dictionary as: "A knowing misrepresentation of the truth or concealment of a material fact to induce another to act to his or her detriment." (Source: Association of Certified Fraud Examiners)

Actions that may constitute fraud, include, but are not limited to:

- Any dishonest or fraudulent act including misrepresenting or providing false information.
- Misappropriation of funds, securities, supplies, or other assets.
- Impropriety in the handling or reporting of money or financial transactions.
- Disclosing confidential information to outside parties to obtain financial gain.
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Society.
- Destruction, removal, or inappropriate use of records, furniture, and equipment.

### 3.2 Disclosure Requirements

Volunteers and employees must declare to the Operations Committee upon acceptance of any gifts or benefits above the value of S\$150 (as reasonably ascertained by the recipient) in aggregate over a year, in relation to their roles or involvement in the Society.

Any suspected wrongdoing shall be reported to the President of the Society or to the Executive Director, for escalation to the Council. Council will decide whether an investigation should be conducted.

If the investigation substantiates that fraudulent activities have occurred, the Council will decide on the appropriate disciplinary actions and depending on the outcome of the investigation, to report any wrongdoings to the relevant regulatory or enforcement agencies.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Society.

## Article 4: Anti-Money Laundering (AML)

### 4.1 Definition

Money Laundering (ML) is the process by which proceeds from a criminal activity are disguised to conceal their illicit origins, such as drug trafficking or other criminal activities to make it appear legitimate.

Terrorist Financing (TF) is simply defined as financial support, in any form, of terrorism or of those who encourage, plan, or engage in terrorism. (Source: Protecting Your Society Against Money Laundering & Terrorist Financing Guide, Registry of Societies, Updated July 2018).

### 4.2 AML Reporting Practices

To ensure that SAS is not implicated or involved (whether knowingly or otherwise) in ML or TF activities, the SAS adopts these key principles when dealing with all financial transaction:

- Tipping-off - SAS volunteers or employees should be careful not to alert or tip-off the individual or any individuals involved in the suspicious transaction.
- Funds Acceptance and Donations – Ensure that funds are either:
  - i. received from individuals or corporates that have a connection with SAS or related industries, or
  - ii. paid to Singapore based entities, student associations or educational bodies in Singapore or relevant organizations overseas.
- Knowing the other party (i.e., the payer or payee) - Conduct basic checks when sending or receiving funds to ensure that it comes from verifiable sources and individuals (e.g., ascertaining the other party's name and location).
- These practices apply to payments processed at the SAS: -
  - i. Transactions Conducted Via Regulated Financial Channels – Ensure that transactions are conducted via regulated financial channels. Cash transactions are not accepted or permitted.
  - ii. Funds received above S\$1,000 from outside of Singapore, from a sender

with no or little relationship with SAS – The SAS employee processing the transaction to ascertain whether there is a valid and verifiable reason for the transfer.

- iii. Refunds above S\$1,000 - The SAS employee processing the transaction to ascertain if this is a genuine refund of a previously paid amount to SAS. Refunds can only be refunded to the original sender of the monies.
  - iv. Exceptions on items i), ii), iii) would require Operations Committee approval.
- Reporting of Suspicious Transactions – When there is a reasonable suspicion of ML or TF activity, it should be escalated to the Operations Committee who will ascertain whether a Suspicious Transactions Report (STR) should be reported to the relevant authorities.