Monetary Authority of Singapore

GUIDELINES ON INDIVIDUAL ACCOUNTABILITY AND CONDUCT

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INTRODUCTION

1 Financial institutions (FIs) play critical roles in safeguarding the interests of their customers, ensuring that markets operate in a fair, orderly, and transparent manner, and protecting the integrity of the financial system. The manner in which an FI conducts its business and deals with customers and other stakeholders is ultimately shaped by the culture in the organisation.

2 The Monetary Authority of Singapore (MAS) has been focusing on culture and conduct in FIs to achieve two key outcomes: (i) ethical business practices that safeguard customers' interests and ensure fair treatment; and (ii) prudent risk-taking behaviour and robust risk management that support FIs' safety and soundness.

3 Embedding a strong culture of responsibility and ethical behaviour in FIs requires individual accountability on the part of senior managers and a supportive governance framework. The Guidelines on Individual Accountability and Conduct (the Guidelines) focus on the measures FIs should put in place to promote the individual accountability of senior managers, strengthen oversight over material risk personnel, and reinforce standards of proper conduct among all employees. Specifically, the Guidelines set out the five accountability and conduct Outcomes that FIs should achieve:

(i) Outcome 1: Senior managers responsible for managing and conducting the FI's core functions are clearly identified.

(ii) Outcome 2: Senior managers are fit and proper for their roles, and held responsible for the actions of their employees and the conduct of the business under their purview.

(iii) Outcome 3: The FI's governance framework supports senior managers' performance of their roles and responsibilities, with a clear and transparent management structure and reporting relationships.

(iv) Outcome 4: Material risk personnel are fit and proper for their roles, and subject to effective risk governance, and appropriate incentive structures and standards of conduct.

(v) Outcome 5: The FI has a framework that promotes and sustains among all employees the desired conduct.

4 The objective of the Guidelines is to assist FIs by providing a framework and best practices for strengthening accountability and standards of conduct, and is not intended to be exhaustive nor prescriptive. In this regard, FIs should not adopt a check-box mentality in applying the Guidelines. FIs should carefully review the measures set out in the specific guidance, and identify those relevant to achieve the five Outcomes, with adaptations and enhancements to be made based on the nature, size and complexity of their businesses. FIs with smaller number of employees, such as those with fewer than 50 headcount, should still achieve the five Outcomes, but will not ordinarily be expected to adopt the specific guidance described in the Guidelines. FIs with larger number of employees also have the flexibility not to adopt specific guidance they have assessed to be irrelevant to their businesses. FIs that choose not to adopt the specific guidance, should be prepared to justify their decision and demonstrate how they achieve the relevant Outcomes through other means.

5 Where there are potential gaps in accountability and oversight, or when necessitated by the nature and complexity of the FI's operations, MAS may require FIs, including those with fewer than 50 headcount, to adopt any of the specific guidance under the Guidelines.

6 The Board and senior management are responsible for overseeing FIs' implementation of the Guidelines. This is appropriate given their roles as custodians of effective governance. MAS may engage FIs, their Boards, senior management and other employees on their implementation of the Guidelines as part of its ongoing supervision.

7 The Guidelines should be read with the Frequently Asked Questions on Guidelines on Individual Accountability and Conduct, the relevant Acts, and their subsidiary legislation, written directions, notices, codes and other guidelines that MAS may issue from time to time. They do not replace or override existing laws and regulations. Where misconduct, regulatory breaches, or offences have occurred, MAS will take the necessary enforcement action against the FI and/or the relevant director, senior manager, or employee.

APPLICABILITY OF THE GUIDELINES

The Guidelines apply to all FIs regulated by MAS, with the following exceptions:

(i) an exempt financial adviser[1];

(ii) an exempt corporate finance adviser[2];

(iii) an exempt trust business[3];

(iv) an exempt over-the-counter derivatives broker[4];

(v) an exempt futures broker[5];

(vi) an exempt payment services provider[6]

(vii) a Recognised Market Operator incorporated outside Singapore;

(viii) a Recognised Clearing House incorporated outside Singapore;

(ix) a Licensed Foreign Trade Repository; and

(x) the Continuous Linked Settlement Bank.

The Guidelines apply on a group basis for (i) locally-incorporated banks and insurers[7] and (ii) approved exchanges and approved clearing houses that are operated as a single

[1] Persons providing financial advisory services for up to 30 Accredited Investors (AIs) under Regulation 27(1)(d) of the Financial Advisers Regulations.

[2] Persons giving advice on corporate finance to only AIs, Expert Investors (EIs) or Institutional Investors (IIs) under Paragraph 7(1)(b) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations (SFR).

[3] Any practising solicitor, foreign practitioner, Singapore law practice, Joint Law Venture, Formal Law Alliance or Qualifying Foreign Law Practice carrying out trust business for up to 30 clients with each client's trust assets not exceeding S$2 million under Regulation 4(1)(b)(iv) of the Trust Companies (Exemption) Regulations.

[4] Corporations carrying on business in dealing in capital markets products that are over-the-counter derivatives contracts with only AIs, EIs or IIs under Paragraph 3A(1)(d) of the Second Schedule to the SFR.

[5] Corporations carrying on business in dealing in capital markets products that are block futures contracts with only AIs, EIs, or IIs under Paragraph 3(1)(d) of the Second Schedule to the SFR.

[6] Persons exempted from the requirement to have a license to carry on a business of providing any payment service under Section 13 of the Payment Services Act 2019.

[7] For locally-incorporated banks and insurers that are headquartered in Singapore, this refers to the group including the holding company in Singapore, as well as local and overseas subsidiaries and branches, where applicable. For locally-incorporated subsidiaries of foreign banks and insurers, this refers to the local

group[8]. This is in line with MAS' consolidated supervision approach, and our expectation that effective governance arrangements, including proper accountability and conduct, are consistently embedded across all entities within a group. Please refer to Annex A for more information on group application for locally-incorporated banks and insurers.

operations in Singapore and its downstream subsidiaries and branches in Singapore and overseas, where applicable.

[8] For approved exchanges and approved clearing houses that are run as separate entities, the Guidelines apply separately to the disparate entities in the group.

DEFINITIONS

For the purposes of the Guidelines,

"Board" refers to:

(i) in the case of an FI incorporated in Singapore, the Board of directors; and

(ii) in the case of an FI incorporated or established outside Singapore, a governing body or committee beyond local management that is charged with oversight and supervision responsibilities for the FI's operations in Singapore.

"Material risk personnel" refer to individuals who have the authority to make decisions or conduct activities that can significantly impact the FI's safety and soundness, or cause harm to a significant segment of the FI's customers or other stakeholders.

"Senior managers" refer to individuals who are employed by, or acting for or by arrangement with, the FI, and are principally responsible for the day-to-day management of the FI.

1 ACCOUNTABILITY AND CONDUCT OUTCOME ONE

Senior managers responsible for managing and conducting the FI's core functions are clearly identified.

Purpose

1.1 Clarity in individual responsibilities and the FI's overall management structure ensures that senior managers are held to account for matters under their purview. This is fundamental to an effective governance framework, and facilitates greater transparency in the management and decision-making processes of the FI. Conversely, if an FI is unable to clearly articulate these roles and reporting relationships, this could be telling of senior managers' poor understanding of their roles, or of the FI being too large or complex for senior managers to exercise effective oversight.

Specific Guidance

1.2 The Board or Head Office, as applicable, should ensure the following:

(i) clear identification of senior managers who have responsibility for functions that are core to the management of the FI's affairs, including but not limited to the core management functions (CMFs) in Annex B;

(ii) accurate identification of senior managers that reflects actual oversight responsibilities and decision-making authority, regardless of his or her physical location; and

(iii) appropriate management oversight over all material aspects of the FI's affairs, including but not limited to the CMFs in Annex B.

1.3 FIs should review how each CMF applies in the context of their operations in Singapore and where applicable, across the group. Seniority within the organisation should be taken into account in the identification of senior managers. Apart from the Chief Executive Officer (CEO) who is directly accountable to the Board or Head Office, senior managers should in general have direct reporting lines to the CEO, or equivalent and, where relevant to the performance of that function, to the Board or Head Office as appropriate.

1.4 FIs should consider designating senior managers for CMFs which are relevant to their circumstances, but are presently not assigned to any individual. For example, if an FI has not appointed a Chief Data Officer within their organisation, but the function has been assessed to be core to the management of the FI's affairs, the FI should accordingly identify a senior manager to oversee the responsibilities for that CMF.

1.5 FIs are allowed to deviate from the list of CMFs, if they have determined that any of the CMFs are not applicable to their circumstances. In a similar vein, the onus is on FIs to identify other individuals who would be considered senior managers by virtue of their seniority, decision-making authority, and responsibilities, even if the particular function that they manage does not fall within the list of CMFs in Annex B.

1.6 For the avoidance of doubt, Board directors are considered senior managers under the Guidelines, only to the extent that they are employed in the capacity of an executive function within the FI. For such executive directors, the Guidelines address the issue of accountability specifically as regard to their role as senior managers concerned with or taking part in the day-to-day management of the FI's affairs. The roles and responsibilities of directors on FIs' Boards are separately set out in other existing legislation and guidelines, as applicable to the relevant FI.[9]

[9] These include the various Acts, the Banking (Corporate Governance) Regulations 2005, Insurance (Corporate Governance) Regulations 2013, Securities and Futures (Corporate Governance) Regulations 2005, Securities and Futures (Licensing and Conduct of Business) Regulations, Guidelines on Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are Incorporated in Singapore, Guidelines on Risk Management Practices, and Guidelines on Fair Dealing – Board and Senior Management Responsibilities for Delivering Fair Dealing Outcomes to Customers, as applicable to the relevant FI.

2 ACCOUNTABILITY AND CONDUCT OUTCOME TWO

Senior managers are fit and proper for their roles, and held responsible for the actions of their employees and the conduct of the business under their purview.

3 ACCOUNTABILITY AND CONDUCT OUTCOME THREE

The FI's governance framework supports senior managers' performance of their roles and responsibilities, with a clear and transparent management structure and reporting relationships.

Purpose

3.1 FIs are responsible for conducting the necessary due diligence prior to appointing senior managers. In addition, FIs should establish the appropriate governance policies and processes to promote proper accountability, and facilitate senior managers' performance of their roles and responsibilities in an effective manner.

3.2 As part of its internal governance framework, FIs should clearly articulate the roles and responsibilities of its senior managers and their overall management structure. FIs are expected to maintain accurate and comprehensive records of these arrangements. MAS will not typically require regular submissions from FIs on the roles and responsibilities of senior managers. As part of on-going supervision, MAS may engage FIs on the rigour of their screening and hiring processes, and review the effectiveness of FIs' governance frameworks, including the relevant policies, systems, and documentation, as well as senior managers' understanding of their areas of responsibility.

Specific Guidance

3.3 The Board or Head Office, as applicable, should ensure the following:

(i) robust standards and processes to assess the fitness and propriety of each senior manager, prior to appointment and on an on-going basis thereafter;

(ii) clear specification of each senior manager's individual areas of responsibility and his or her appointment and responsibilities in management committees;

(iii) appropriate delineation of the FI's overall management structure, including the reporting relationships among senior managers and management committees, between senior managers or management committees and the Board, and across entities within the group, as applicable;

(iv) acknowledgement by each senior manager of his or her specified roles, responsibilities and reporting lines;

(v) approval by the Board or Head Office, as applicable, of each senior manager's specified roles and responsibilities and the FI's overall management structure;

(vi) documentation of each senior manager's specified roles and responsibilities and the FI's overall management structure, including timely updates where there are material changes;

(vii) appropriate incentive, escalation, and consequence management frameworks that hold senior managers accountable for the effective performance of their specified roles and responsibilities, including the actions of their employees and the conduct of the business under their purview; and

(viii) a succession plan that is regularly reviewed and updated, including the identification of potential candidates in the pipeline and appropriate handover policies and procedures to facilitate smooth transition in the senior management team.

3.4 The emphasis on individual accountability does not absolve the collective accountability of management committees and vice versa. A key objective of forming management committees is to leverage the diverse views and expertise of individual members in coming to a collective decision on the FI's affairs. This should be reinforced, rather than displaced, by a strong culture of individual accountability.

3.5 In setting up management committees, FIs should establish a formal mandate and articulate the terms of reference and reporting lines for each committee. Individual senior managers constituting the committee are expected to have a robust understanding of the matters under their purview, and how these interact with the FI's business and risks. Accordingly, it is the responsibility of each senior manager to determine the issues that ought to be raised at the relevant committee meeting and make constructive contributions to the discussion, so as to facilitate more informed decision-making by the committee collectively.

4 ACCOUNTABILITY AND CONDUCT OUTCOME FOUR

Material risk personnel are fit and proper for their roles, and subject to effective risk governance, and appropriate incentive structures and standards of conduct.

Purpose

4.1 "Material risk personnel" (MRPs) are individuals who have the authority to make decisions or conduct activities that can significantly impact the FI's safety and soundness, or cause harm to a significant segment of the FI's customers or other stakeholders. MRPs can include employees in front, middle, and back office functions, as applicable to the FI, as well as any other employee with supervisory capacity over such functions who are not senior managers. Given the nature of their roles, it is appropriate for FIs to subject such employees to more stringent oversight and higher conduct standards than non-MRPs.

4.2 The principle-based definition of MRPs seeks to facilitate proportionate application by FIs, in a manner applicable to FIs' business models and commensurate with the nature of their business and risk. FIs are responsible for critically assessing and identifying MRPs, and subjecting them to the necessary oversight. MAS, in its on-going supervision, may engage FIs and assess the appropriateness of their identification of MRPs in achieving Outcome 4.

Specific Guidance

4.3 The Board and senior management should ensure that the appropriate standards and processes are in place to:

(i) identify MRPs, including establishing the relevant criteria for identifying such employees;

(ii) assess the fitness and propriety of MRPs, prior to their appointment and on an on-going basis thereafter, taking into account the specific nature and risk implications of their roles;

(iii) facilitate effective risk governance, including:

(a) subjecting MRPs to the appropriate mandates, decision-making authority, risk limits, and supervisory oversight as relevant to the type(s) of activities which they undertake; and

(b) according the necessary stature and authority to MRPs where such employees perform risk management or control functions; and

(iv) subject MRPs to:

(a) standards of proper conduct in relation to the type(s) of activities they undertake;

(b) regular training on the competencies required for their roles, risk implications of their activities, and standards of proper conduct; and

(c) an appropriate incentive structure, including on performance evaluation, compensation, and promotion, that is aligned with the nature and time horizon of risks, and effective in encouraging behaviour that is consistent with the desired conduct outcomes.

4.4 The identification of MRPs is built on two primary considerations – the risks that an FI is exposed to due to the nature, size, and complexity of its business; and the individuals who have the authority to make decisions or conduct activities that could materially impact this risk profile, regardless of whether they are physically based in Singapore or overseas. Accordingly, in identifying MRPs, the Board and senior management of FIs should establish criteria that consider:

(i) the financial and non-financial risks which the FI is or may be exposed to including, but not limited to, credit, market, liquidity, operational, technology, conduct, money laundering and terrorist financing (ML/TF), legal, regulatory, reputational, and strategic risks; and

(ii) the materiality of the impact that an individual's decisions or activities could have on this risk profile, based on the appropriate quantitative and qualitative indicators.

4.5 Quantitative indicators may include the authority or mandate to structure, deal in, or approve transactions or trades that give rise to credit, market, or liquidity risk exposures beyond a certain risk limit; responsibility for the investment management of, or advising on, assets beyond a certain size; authority or mandate to underwrite or approve insurance or reinsurance policies, including claims, beyond a certain risk limit. An individual's level of remuneration may also be a quantitative indicator as it is often correlated to the returns generated by the individual, and hence the materiality of risks the individual may potentially expose the FI to. The onus is on the FI's Board and senior management to determine the appropriate materiality thresholds for the quantitative indicators used, based on the nature, scale, and complexity of the FI's activities.

4.6 Qualitative indicators may include the authority to make decisions on or approve the development, structuring, or distribution of products and services, development or deployment of new technologies in internal processes or products and services offered to customers, or on-boarding or retention of customers that present higher risks; or privileged rights in relation to the handling or administration of critical infrastructure and systems of the FI, or assets of the FI or its customers, among others.

4.7 The examples of indicators in paragraphs 4.5 and 4.6 are not exhaustive. The Board and senior management are to establish criteria for identifying MRPs that are suitable to the FI's circumstances. Such criteria should be applied not only to individuals in front-line risk-taking functions, but also to those in risk management, control, or support functions whose mandates over the management of risks, internal controls, or other support activities could likewise impact the FI's risk profile materially.

4.8 The direct supervisors of MRPs are automatically considered MRPs, unless they have already been designated as a senior manager. The direct supervisors of groups of individuals who may not individually be considered MRPs, but whose activities could collectively have a significant impact on the FI's risk profile, should likewise be considered MRPs. This is in view of the supervisors' responsibilities for overseeing the conduct of the business and the activities initiated by personnel under their purview which have propensity to expose the FI to material risks.

5 ACCOUNTABILITY AND CONDUCT OUTCOME FIVE

The FI has a framework that promotes and sustains among all employees the desired conduct.

Purpose

5.1 The manner in which an FI conducts business and interacts with customers and other stakeholders is driven by the values, attitude, and behaviour of its employees at all levels. In particular, the Board and senior management have a critical role in defining, and taking steps to actively and consistently embed, the conduct standards that they would expect of all employees. The tone-from-the-top, and the extent to which this is reinforced by the policies, systems, and processes of the FI, have a significant impact on the effectiveness with which the desired conduct standards are cascaded down and embedded throughout the organisation.

Specific Guidance

5.2 MAS already has in place various legislation and guidelines that set out requirements and expectations on the conduct of FIs and their employees.[10] To augment the existing regulatory regime and underscore our expectations on FIs' responsibility for fostering sound conduct standards, the Board and senior management should ensure that a framework is in place which addresses the following:

(i) the standards of conduct expected of all employees, including but not limited to standards on honesty and integrity, due care and diligence, fair dealing (treating customers fairly), management of conflicts of interest, competence and continuous development, adequate risk management, and compliance with the applicable laws and regulations;

[10] These include, but are not limited to, the Securities and Futures (Licensing and Conduct of Business) Regulations, Notice on Minimum Entry and Examination Requirements for Representatives of Holders of a Capital Markets Services Licence and Exempt Financial Institutions, Notice on Minimum Entry and Examination Requirements for Representatives of Licensed Financial Advisers and Exempt Financial Advisers, Notice on Market Conduct Standards for Life Insurers Providing Financial Advisory Services as Defined under the Financial Advisers Act, Notice on Market Conduct Standards for Direct Life Insurer as a Product Provider, Guidelines on Standards of Conduct for Financial Advisers and Representatives, Guidelines on Fit and Proper Criteria, Guidelines on Fair Dealing – Board and Senior Management Responsibilities for Delivering Fair Dealing Outcomes to Customers, and Guidelines on Risk Management Practices, among others.

(ii) consistent and effective communication of the expected standards of conduct, such as through a code of conduct, on-boarding and regular training programmes, and sharing of lessons learnt where misconduct has occurred, to ensure that employees understand and observe these standards;

(iii) the appropriate policies, systems, and processes to enforce the expected standards of conduct, including but not limited to:

(a) regular monitoring, reporting, and escalation to the Board and senior management on matters relating to the FI's and employees' conduct;

(b) an incentive structure which considers risk and control objectives, as well as feedback from human resources, compliance, risk management, internal audit, and other control or support functions as applicable to the FI, in performance evaluation, compensation, and promotion decisions;

(c) a consequence management system, including transparent investigation and disciplinary procedures; and

(d) a formalised whistleblowing programme, including the whistleblowing channel(s) available to employees, procedures to ensure anonymity and adequate protection of employees who raise concerns over the FI's policies, practices, and activities via this channel; and procedures for handling whistleblower complaints; and

(iv) engagement strategies with key stakeholders, including depositors, policyholders, investors, corporate and institutional clients and counterparties, shareholders, and regulators, to ensure transparent and timely communication of relevant material information.

5.3 The Board and senior management should notify MAS as soon as it becomes aware of any material adverse developments. These refer to developments, including but not limited to misconduct, lapses in risk management and controls, or breaches in legal or regulatory requirements that have the potential to cause widespread disruption to the FI's day-to-day operations, services, or activities, and/or significantly impact the FI's customers and other stakeholders, or the safety and soundness of the financial system in

Singapore.[11] MAS should also be notified in a timely manner of any information that may have a material negative impact on the fitness and propriety of senior managers or MRPs.

5.4 Effective monitoring and management of conduct risks at both the organisation-wide and individual levels is an iterative process. The Board and senior management should regularly review the adequacy and effectiveness of the FI's conduct framework, taking into account any gaps between observed behaviours and the desired standards of conduct.

[11] Please refer to the Frequently Asked Questions on Guidelines on Individual Accountability and Conduct for further guidance on how to assess materiality of adverse developments.

Annex A

GROUP APPLICATION OF THE GUIDELINES FOR LOCALLY INCORPORATED BANKS AND INSURERS

1 A key objective of the Guidelines is for FIs to ensure effective management of all material aspects of their operations and proper conduct throughout the organisation. For locally-incorporated banks and insurers [12] (the "parent" bank or insurer), group application has two main implications. First, the specification of senior managers' responsibilities should include their responsibilities in respect of both the operations of the parent bank or insurer and, where relevant, the operations of the group. For example, the responsibilities of the Group Chief Risk Officer should relate to the identification, monitoring, and management of the risks of the parent bank or insurer, as well as the risks across the bank or insurance group.

2 Second, material aspects of the group's operations will normally include significant downstream subsidiaries or other entities (hereafter collectively referred to as "downstream entities"), whether located in Singapore or overseas. The parent bank or insurer may consider a range of metrics in identifying significant downstream entities. Some examples include contribution to the group in terms of assets, profit, revenue, gross premium, or assets under management (AUM), proportion of capital attribution, and/or number of employees, as appropriate to the group's circumstances. Each significant downstream entity would be considered a *"material business function"*[13] of the parent bank or insurance group that could have bearing on the group's safety and soundness. Therefore, to ensure proper management accountability, the parent bank or insurer should designate the CEO or equivalent of each significant downstream entity as a senior manager, per the definition of the "Head of Business Function". Figure 1 provides an

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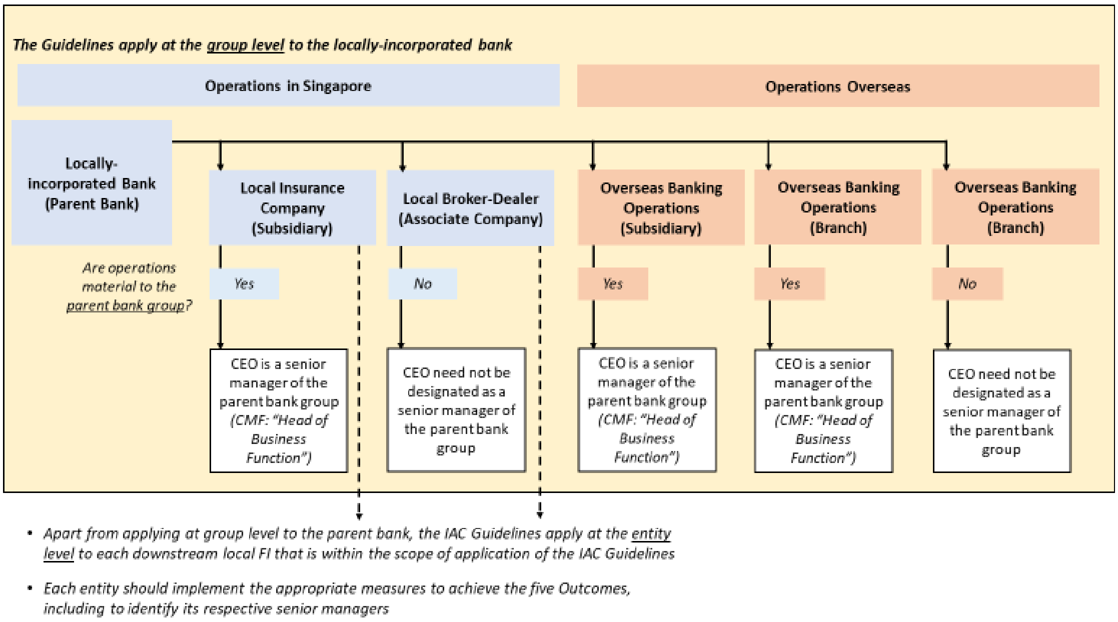
[12] For locally-incorporated banks and insurers that are headquartered in Singapore, this refers to the group including the holding company in Singapore, as well as local and overseas subsidiaries and branches, where applicable. For locally-incorporated subsidiaries of foreign banks and insurers, this refers to the local operations in Singapore and its downstream subsidiaries and branches in Singapore and overseas, where applicable.

[13] As set out in paragraph 1(i) of Annex B, the "Head of Business Function" refers to any individual who is principally responsible for the management and conduct of a function which undertakes the business activities of the FI, including the activities stipulated with respect to each type of FI under paragraphs 1(i)(i) to 1(i)(viii), as well as *"any other material [business] function"*.

illustrative example of how the Guidelines apply on a group basis to a parent bank, with regard to the identification of senior managers of significant downstream entities.

Figure 1: Identification of senior managers of significant downstream entities



3 The application of the Guidelines on a group basis to the parent bank or insurer does *not* in any way affect the application of the Guidelines to the downstream FIs of the group that operate in Singapore and are within the scope of application of the Guidelines (the "downstream local FIs"). For these downstream local FIs, the Guidelines continue to apply at the *entity level*. Accordingly, each downstream local FI is responsible for implementing the necessary measures to comply with the Guidelines and achieve the five Outcomes. Specifically, for Outcome 1, each downstream local FI should identify its respective senior managers, including but not limited to those performing the CMFs listed in Annex B.

4 For the avoidance of doubt, apart from the identification of the CEO or equivalent as set out in paragraph 2 above, the Guidelines do *not* apply at the entity level to the significant downstream entities of the group that operate overseas[14]. Nevertheless, the

[14] Accordingly, the Guidelines do not affect the local regulatory requirements that each overseas entity of the group has to comply with in the relevant jurisdiction.

parent bank or insurer is not precluded from adopting the standards set out in the Guidelines in their overseas operations as appropriate.

Annex B

CORE MANAGEMENT FUNCTIONS

In these Guidelines, executives or managers performing "core management functions" include the following persons, by whatever name described –

(a) *"chief executive officer"*, who is principally responsible for the management and conduct of the business of the financial institution, including its subsidiaries and branches if any, in accordance with the strategy and risk appetite approved by the Board or Head Office, as applicable;

(b) *"chief financial officer"* or *"head of finance"*, who is principally responsible for managing the financial resources and financial reporting processes of the financial institution;

(c) *"chief risk officer"* or *"head of risk"*, who is principally responsible for establishing and implementing the risk management framework to identify, monitor, and manage the risks of the financial institution;

(d) *"chief operating officer"* or *"head of operations"*, who is principally responsible for managing the day-to-day operations of the financial institution;

(e) *"chief information officer", "chief technology officer",* or *"head of information technology"*, who is principally responsible for establishing and implementing the overall information technology strategy, overseeing the day-to-day information technology operations, and managing the information technology risks of the financial institution;

(f) *"chief information security officer"* or *"head of information security"*, who is principally responsible for the information security strategy and programme of the financial institution, including but not limited to information security policies and procedures to safeguard information assets, information security controls, and the management of information security breaches;

(g) *"chief data officer"*, who is principally responsible for establishing and implementing the policies, systems, and processes of the financial institution as regard to the governance, use, and analysis of data;

(h) *"chief regulatory officer"*, who, in relation to an approved exchange, approved clearing house, or approved holding company, as the case may be, is principally responsible for overseeing the regulatory functions and changes to the business rules of the approved exchange, approved clearing house, or approved holding company;

(i) *"head of business function"*, who is principally responsible for the management and conduct of a function which undertakes the business activities of the financial institution, including –

(i) in relation to a bank licensed under the Banking Act, the functions involving retail banking, private banking, corporate banking, institutional banking, investment banking, and treasury, and any other material function;

(ii) in relation to a merchant bank approved under the MAS Act, the functions involving private banking, corporate banking, institutional banking, investment banking, and treasury, and any other material function;

(iii) in relation to a finance company licensed under the Finance Companies Act, the functions involving retail banking, corporate banking, and treasury, and any other material function;

(iv) in relation to an insurer licensed under the Insurance Act, or foreign insurer operating in Singapore under a foreign insurer scheme established under the Insurance Act, as the case may be, the functions involving agency and distribution, underwriting, marketing, and investment, and any other material function;

(v) in relation to a registered insurance broker under the Insurance Act, the functions of acting as an insurance broker as defined under section 1A of the Insurance Act, and any other material function;

(vi) in relation to an approved exchange, recognised market operator that is incorporated in Singapore, approved clearing house, recognised clearing house that is incorporated in Singapore, approved holding company, licensed trade repository or the Central Depository System under the Securities and Futures Act, as the case may be, the functions involving the creation, sale and marketing of regulated products, regulated activities or membership, and any other material function;

(vii) in relation to a holder of a capital markets services licence under the Securities and Futures Act, the functions involving any regulated activity specified in the Second Schedule of the Securities and Futures Act, and any other material function;

(viii) in relation to a registered fund management company exempted from holding a capital markets services licence under paragraph 5(1)(i) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations, the functions involving the regulated activity of fund management as defined in the Second Schedule of the Securities and Futures Act, and any other material function;

(ix) in relation to an approved trustee under the Securities and Futures Act, the functions involving acting as a trustee for collective investment schemes which are authorised under the Securities and Futures Act and constituted as unit trusts, and any other material function;

(x) in relation to a financial adviser licensed under the Financial Advisers Act, the functions involving any regulated activity specified in the Second Schedule of the Financial Advisers Act, and any other material function; and

(xi) in relation to a trust company licensed under the Trust Companies Act, the functions involving any trust business specified in the First Schedule of the Trust Companies Act, and any other material function;

(j) *"head of actuarial"*, *"appointed actuary"*, or *"certifying actuary"*, who, in relation to a licensed insurer or foreign insurer operating in Singapore under a foreign insurer scheme, as the case may be, is principally responsible for the actuarial function, including but not limited to the approval of premium rates, valuation of liabilities, computation of protected liabilities relating to policy owners' protection scheme, financial condition investigation, risk management, investment, and product pricing and development of the insurer;

(k) *"head of human resources"*, who is principally responsible for establishing and implementing the financial institution's employment policies and processes, including on recruitment, on-boarding, regular training, performance evaluation, compensation, promotion, consequence management, and termination;

(l) *"head of compliance"*, who is principally responsible for monitoring and managing the financial institution's compliance with regulatory requirements under the applicable laws and regulations as well as internal policies and procedures;

(m) *"head of financial crime prevention"*, who is principally responsible for establishing and managing the policies, systems, and processes to counter the risks of the financial institution's involvement in money laundering, terrorism financing, weapons proliferation and sanctions evasion, bribery, and corruption, as well as for filing Suspicious Transactions Reports (STRs)[15]; and

(n) *"head of internal audit"*, who is principally responsible for ensuring the adequacy and effectiveness of the financial institution's internal controls, and reporting directly to the Board Audit Committee or the financial institution's Head Office, as appropriate, on these matters.

[15] STRs are filed with the Suspicious Transactions Reporting Office, which is part of the Singapore Police Force's Commercial Affairs Department.