

**Welcome Address by Mr Wee Ee Cheong, Chairman ABS  
at the Asia-Pacific Financial Crime Conference & Exhibition 2005, 28 July 2005**

Distinguished Guests, Ladies and Gentlemen

On behalf of the Association of Banks in Singapore, let me extend my warmest welcome to all of you. This is the second time ABS is organising this Asia Pacific Financial Crime Conference and Exhibition.

We want to be able to protect the integrity and security of our financial institutions and systems. We want to be able to prevent hackers, fraud, and any sort of tampering. And we also want to integrate security measures in a way that we can continue smoothly with business operations. After all, we all need to be able to continue making money. It's just that we don't want the money that we make to be stolen, laundered, Nor our investors and customers cheated, or our security systems broken into.

For Singapore, it's indeed our privilege to be hosting such a major conference and exhibition. Over the next two days, I'm sure you will find your time well-spent.

Let's talk about financial crimes:

When I started out in banking some 25 years ago, almost the entire security system was that big, strong security guard, at the bank door. Well, maybe a bit more than that...

But even up to about 10 years ago, combating crimes at the international level, was almost unheard of. When investigations crossed international borders, the trail quickly became cold.

But then came the rapid liberalization of global financial markets. Along with it came major breakthroughs in information technology, and freer flow of capital and people.

So the irony is - as our financial systems became more open and borderless – so did the playing field for criminals.

Financial criminals have progressed, to a level of sophistication, never seen before.

The sheer speed at which funds can be moved, has made it even more difficult for crime-fighters to track movements, hunt down criminals.

Many of you in the audience have traveled long distances to attend this event. It goes to show the growing awareness and commitment to fighting financial crimes. In fact, I believe, there has never been a time in history, when people have been so aware, and so determined to fight financial crime together.

A couple of weeks back, a former WorldCom executive was sentenced to 25 years in jail. It was for his part in the largest case of accounting fraud, in US history. His sentence was somewhat historic. In fact, the government had originally sought an 85-year sentence.

This reflects the kind of hardline, which is now being taken on corporate misconduct and white-collar crime.

Massive damage can be caused by those who abuse financial systems. We know this only too well.

And we also know, that to prevent and combat crime, it is necessary for regulators and crime-fighters to adopt a concerted approach – and be even more proactive than they already are.

Today, governments everywhere recognize the importance, of maintaining transparency and integrity, of financial institutions - for these institutions to continue to prosper.

Where markets are not transparent and where integrity is violated, financial markets suffer. Governments and regulators are having to constantly upgrade their own technologies to police and combat crime. They have been instituting new regulatory measures to prevent fraud and other crimes. Unfortunately it's tough – and costly - trying to outwit criminals.

9/11 was a watershed. Governments all over the world, including Singapore, mounted major anti-terrorism measures on all fronts. Physical security was beefed up. Countries share now much more information, on movements of terrorists and their activities. And, financial regulators, have moved in, to close the gap on terrorist funding.

But I wonder if we have scrutinized some of these, no-doubt well-intentioned, reforms - enough?

It remains to be seen, if the right balance is struck, between implementing security measures, and allowing businesses to operate smoothly. It is crucial to have strong corporate governance and reporting. But on the other hand, given the open and competitive environments we operate in, we cannot afford to have business curtailed/slowed down. Financial regulators have to be careful not to impede enterprise.

Just imagine a soccer game. Played with five referees instead of one. You probably won't get any fouls or too many injuries. And chances are you will get excessive stoppages. But it would be a truly boring game. Spectatorship would fall. And then so would the live telecasts and the sponsorships.

In some cases, the benefits of the tightened rules are not clear. In extreme cases, management is spending more resources on reporting and corporate governance, at the expense of developing markets and talents. Surely, this not the intent of the law?

There must be some middle-path. We should be able to protect businesses on one hand - and - promote enterprise, on the other.

Boards and managements have to strike a proper balance. They should allocate appropriate time and resources to robust risk management systems. But balance this, with the effort and expertise to grow businesses and create jobs.

Still, events, like the recent bombings in London, remind us that the fight against global terror needs to carry on. We must continue to be vigilant. I acknowledge that our financial regulators and crime-fighters certainly have their work, cut out. Their job is never done. And we are fortunate and grateful that they do work, tirelessly.

There is still more to do. Especially in the area of international cooperation. As well as the policing of illegal fund flows. No effort should be spared in instituting appropriate innovative reforms. Hopefully, these tighten the noose on financial criminals and terrorists.

To be successful, we must all share ideas and move ahead of the criminals.

In Singapore, the government through the Monetary Authority of Singapore is committed to keeping up the momentum in this fight. They are in the process of revising guidelines on Anti-Money Laundering and Terrorist Financing, incorporating market players' feedback. We believe it is a constructive initiative. It should further strengthen Singapore's position as a well-regulated and - vibrant - financial hub.

On our part, the ABS has been a champion of best practices. We work hand-in-hand with industry players. We will continue to play an active role in the fight against money laundering and terrorist financing.

I'd like to thank all the speakers and participants for coming here to share your ideas, innovation and experience. I look forward to a fruitful and enlightening experience over the next two days.

In conclusion just let me say: We need to continue making profits. And we also need to work together, to take the profit out of financial crime. We need to preserve the integrity of our financial systems, for everyone's benefit.

Together, let's make sure that - crime - does not pay.

Thank you.

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