

Distinguished Guests,
Ladies and Gentlemen,

On behalf of the Association of Banks in Singapore, I welcome you to the inaugural Asia-Pacific Financial Crime Conference and Exhibition. I am pleased that we have participants and specialists from all corners of the globe, including from our neighbouring countries. Indeed, we have with us 35 international experts ready to share their expertise and experiences in the field of financial crime.

Since its formation in 1973, The Association of Banks in Singapore has been a champion of best practices in the financial markets. The Association's aim is to promote a competitive and vibrant banking sector in Singapore.

But, if Singapore is to continue to be a leading financial center – a leading wealth management center, it will be because Singapore advances its reputation for being the cross-roads for Asian capital flows and formation; it will be because the Singapore financial markets continue to deserve its reputation for operational excellence and unmatched integrity.

The key word is reputation, and the ABS and its members must do what it can to protect that reputation. As we will learn throughout this conference, financial crime presents a serious threat to that reputation.

In the past, financial crime was largely associated with localized fraud – for example, embezzlement of funds, corruption, bribery, insider trading, fraudulent financial statements, and so on. Following the September 11 terrorist attacks in the United States, money laundering and the financing of terrorism have been elevated to the forefront of financial crime. Indeed, there has been a growing number of highly publicized money laundering incidents, including terrorist financing scandals, involving major financial institutions.

- Today, money laundering is a global activity that, like the illegal activities underlying it, ignores local or international borders. If there are weak links or cracks in legislative or institutional frameworks, domestic and international criminals will be quick to exploit them.
- A widely held view is that money laundering is now a US\$600 billion to USD1.5 trillion per-year problem. The IMF estimates that this is between two to five percent of the world's gross domestic product.
- Money laundering has also become a particularly tricky problem in the emerging markets. Like a virus, it is spreading fast and furiously.

In Singapore, The Association of Banks' guidelines on the prevention of money laundering, first issued in 1990, have undergone dramatic change over the last 14 years, to reflect changes in domestic laws and international developments; and to meet the new challenges facing the banking industry here. The Association will soon be issuing revised money laundering guidelines, incorporating new anti-money laundering and anti-terrorism financing laws enacted in Singapore as well as changes in international standards and practices in combating money laundering and terrorist financing.

On behalf of the ABS, I encourage you to take full advantage of this conference to deepen and broaden your understanding of the latest trends in financial crime and to actively exchange ideas and views with your counterparts and international experts.

There are no single easy solutions or silver bullets. Nonetheless, I am confident that if we leave the conference with a deeper understanding of what we are up against, as well as a resolve to work together to counter the threat, we will protect Singapore's reputation for the integrity of its financial market, and continue to advance capital flows and capital formation in Asia Pacific.

Have a rewarding experience. Thank you.