



Monetary Authority
of Singapore



JOINT MEDIA RELEASE

Managing the Risks of Remote Working in Financial Institutions

Singapore, 2 March 2021... The Monetary Authority of Singapore (MAS) and The Association of Banks in Singapore (ABS) jointly issued today a paper on managing new risks that could emerge from extensive remote working arrangements adopted by financial institutions (FIs) amid the COVID-19 pandemic.

2 The paper “Risk Management and Operational Resilience in a Remote Working Environment” highlights that, in view of the protracted remote working arrangements and the likely adoption of hybrid working¹ arrangements in future, it is important that FIs remain vigilant towards remote working risks and take pre-emptive steps to mitigate them. The Paper seeks to –

- raise awareness of key remote working risks in the financial sector;
- share good practices adopted by FIs to mitigate key remote working risks; and
- encourage all FIs to adopt good practices on managing remote working risks.

3 The Paper looks at possible risks to FIs in the areas of operations, technology and information security, fraud and staff misconduct, and legal and regulatory risks. It also examines the impact on people and culture that may be brought about by remote working. Drawing from the experiences of ABS member banks, the Paper suggests key risk management actions needed to address these areas of concern. The risks and risk mitigation measures set out in the Paper are also applicable to non-bank FIs.

4 MAS encourages FIs to benchmark their remote working controls against the examples in the Paper. FIs should also continually review and enhance their risk management practices to address evolving risks. This Paper is part of the ongoing collaboration between MAS and ABS’ Return to Onsite Operations Taskforce (ROOT), to coordinate responses to the crisis and prepare for a post COVID-19 new normal.

5 Mr Ong Chong Tee, Deputy Managing Director (Financial Supervision), MAS, said, “Financial institutions in Singapore have swiftly adapted to remote working and split-team

¹ A hybrid working arrangement is one where staff work in the office for part of the time, and remotely for other times.

arrangements in response to COVID-19. The operational resilience of our financial institutions during this period reflects the soundness of their business continuity management plans. It also underscores the importance of regular tests through internal drills and industry-wide exercises jointly organised by the MAS and the financial industry. Investments in the digitalisation of work processes and services over the past five years have also enabled our financial institutions to continue to provide a high level of support to meet the needs of individuals and businesses, during the pandemic. MAS will continue to work closely with ABS and other industry associations to enhance operational resilience and maintain high service standards.”

6 Mr Samuel Tsien, Chairman of ABS, said, “Over the years, banks have invested consistently and significantly in risk management and technology. The investments have enabled the industry to quickly and effectively respond to the COVID-19 outbreak and ensure that banking services are not disrupted during the crisis. Where their roles permitted, banks have made arrangements to facilitate their employees to work from home in a safe and secured environment and allowed the continued provision of services that our customers needed. This outcome is not only due to individual banks’ efforts. It was also a collective one. ABS and ROOT, working together with MAS, coordinated the financial sector’s response to the crisis. The good practices are now captured in this Paper. It will serve as a valuable reference guide to all banks as remote and flexible work arrangements continue to be adopted as the pandemic evolves. The Paper is also a good guide to banks when dealing with other types of crises”.

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About the Monetary Authority of Singapore (MAS)

The Monetary Authority of Singapore (MAS) is Singapore's central bank and integrated financial regulator. As a central bank, MAS promotes sustained, non-inflationary economic growth through the conduct of monetary policy and close macroeconomic surveillance and analysis. It manages Singapore's exchange rate, official foreign reserves, and liquidity in the banking sector. As an integrated financial supervisor, MAS fosters a sound financial services sector through its prudential oversight of all financial institutions in Singapore – banks, insurers, capital market intermediaries, financial advisors, and stock exchanges. It is also responsible for well-functioning financial markets, sound conduct, and investor education. MAS also works with the financial industry to promote Singapore as a dynamic international financial centre. It facilitates the development of infrastructure, adoption of technology, and upgrading of skills in the financial industry.

About The Association of Banks in Singapore

The Association of Banks in Singapore (ABS) plays an active role in promoting and representing the interests of the banking community in Singapore. In doing so, ABS works closely with the relevant government authorities towards the development of a sound financial system in Singapore. Since its establishment in 1973, ABS has promoted common understanding among its members and projected a unifying voice on banking issues. It has brought its members closer together through various guidelines and banking practices as well as the support of projects of mutual benefit to face the challenges of the financial and banking community in Singapore. Today, ABS has a membership of more than 150 local and foreign banks. More information on ABS is available on the website: www.abs.org.sg

About ABS ROOT and Workstream 8

ABS ROOT is formed to provide members with a platform to share and coordinate responses to the COVID-19 situation and plan for the post-COVID “new normal”. ABS ROOT also consolidates good practices by its members, and shares them by (i) conducting industry briefings for ABS member banks/institutions and other industry associations, and (ii) addressing queries from the briefings’ participants. ABS ROOT, which is supported by eight Workstreams, has been deeply involved in assessing the operational changes and challenges triggered by COVID-19. ABS ROOT has expanded its coverage beyond focusing on onsite and retail activities to reviewing forward-looking human resource practices, future workspaces, new remote working risks, sustainability practices, and also finding ways for technology to play an active role in the delivery of solutions.

Workstream 8, which focuses on remote working risks, has collaborated with MAS to co-publish this information paper. Members from ABS ROOT Workstream 8 are:

- Bank of America NA, Singapore Branch
- Bank of China Limited, Singapore Branch
- Barclays Bank PLC, Singapore Branch
- Citibank Singapore Limited
- DBS Bank Limited
- Deutsche Bank AG Singapore Branch
- HSBC Bank (Singapore) Limited
- Maybank Singapore Limited
- Network for Electronic Transfers (Singapore) Pte Ltd
- Oversea-Chinese Banking Corporation Limited
- Standard Chartered Bank (Singapore) Limited
- United Overseas Bank Limited