



**EMBARGOED TILL 1 OCTOBER 2021, 1530HRS**

**MAS and financial industry to use new digital platform to fight money laundering**

Singapore, 1 October 2021...The Monetary Authority of Singapore (MAS) announced today that it will introduce a digital platform and enabling regulatory framework for financial institutions (FIs) to share with one another relevant information on customers and transactions to prevent money laundering (ML), terrorism financing (TF) and proliferation financing (PF)<sup>1</sup>.

2 A common challenge that FIs in most jurisdictions face is that they are unable to warn one another about unusual activity in customers' accounts. This gap is frequently exploited by financial criminals to make illicit transactions through a web of entities with accounts in different FIs, such that each FI on its own does not have sufficient information to detect these transactions in a timely manner.

3 The new digital platform, named COSMIC, for "Collaborative Sharing of ML/TF Information & Cases", will enable FIs to securely share information on customers or transactions, where they cross material risk thresholds. Such information sharing will help FIs identify and disrupt illicit networks, thus helping to safeguard the Singapore financial centre.

4 The COSMIC platform is co-created by MAS and six major commercial banks in Singapore, namely, DBS, OCBC, UOB, SCB, Citibank and HSBC. It will have strong security features to prevent unauthorised access to information, and will be operated by MAS. MAS will provide in legislation that this information sharing by FIs is permitted only for the purpose of combating ML, TF and PF. MAS will also require all COSMIC participants to implement robust measures to safeguard against unauthorised use and disclosure of COSMIC information. MAS will supervise FIs for compliance with these requirements and take action against errant FIs.

5 While some other countries have introduced arrangements for information sharing among FIs, the COSMIC platform will be the first centralised platform where information is shared in a structured format that allows for seamless integration with data analytics tools. This will help FIs collaborate productively and at scale. COSMIC's regulatory framework will also be unique in clearly specifying the types of information to be shared, and the circumstances under which information sharing will be permitted or mandated. MAS will use the information from COSMIC in its risk surveillance to detect illicit networks operating in the financial system and to target these activities for timely supervisory intervention.

6 MAS plans to launch the COSMIC platform in the first half of 2023. COSMIC will initially focus on three key financial crime risks in commercial banking, namely, abuse of shell companies, misuse of trade finance for illicit purposes, and PF. The six banks involved in

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<sup>1</sup> PF refers to the raising, moving or making available of financing, funds, assets or other economic resources to individuals or entities to support the proliferation of weapons of mass destruction, including the proliferation of their means of delivery or related materials.

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COSMIC's development, which are leading players in commercial banking, will participate and be permitted to share information in COSMIC during this initial phase. MAS plans to progressively extend COSMIC's coverage to more FIs and focus areas and make some aspects of sharing mandatory.

7 Ms Loo Siew Yee, Assistant Managing Director (Policy, Payments & Financial Crime), said "COSMIC will significantly enhance our financial institutions' ability to detect and curb suspicious activity, while minimising the impact on legitimate actors. The information sharing framework is designed to target serious criminal behaviours and allow FIs to more quickly detect the bad actors to purge and deter them. It will strengthen Singapore's position as a trusted financial centre and place to do business, where FIs can better serve the vast majority of legitimate customers."

8 MAS seeks feedback on the proposed legislative framework for COSMIC as well as the platform's features. MAS invites interested parties to submit their comments on the proposals and legislative amendments, outlined in the consultation paper at the link [here](#) by 1 November 2021.

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## Collaborative Sharing of Money Laundering/ Terrorism Financing Information & Cases (COSMIC)

**A digital platform where financial institutions collaborate  
to detect criminal activities**

Robust legal framework safeguards information security  
and appropriate use

### Purpose of Sharing



Permitted **only for AML/CFT**  
purposes  
Information shared is necessary  
to **assess suspicion**

### Conditions for Sharing



Financial institution detected **“red flag”**  
behaviours or indicators of  
**serious financial crime**  
Financial institution seeks to  
**understand if there were**  
**legitimate reasons for “red flag”**  
behaviours

### How does COSMIC work?



Financial institution detects a number of red flags → **requests** information  
from other financial institutions to assess unusual activities



Financial institution detects multiple red flags → **provides** information to  
warn other financial institutions with links to the higher risk activities



Financial institution reports suspicion to authorities and exits account →  
**alerts** other financial institutions of suspicious bad actors using Watchlist



Automated escalation to MAS – platform **escalates** networks of suspicious  
bad actors operating across financial institutions for further analysis