

Asset Recovery Asia Conference 2019

**Keynote address by
Solicitor-General,
Kwek Mean Luck S.C.**

13 May 2019



The world is flat



1MDB

- In 2017:

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Thursday, June 15, 2017

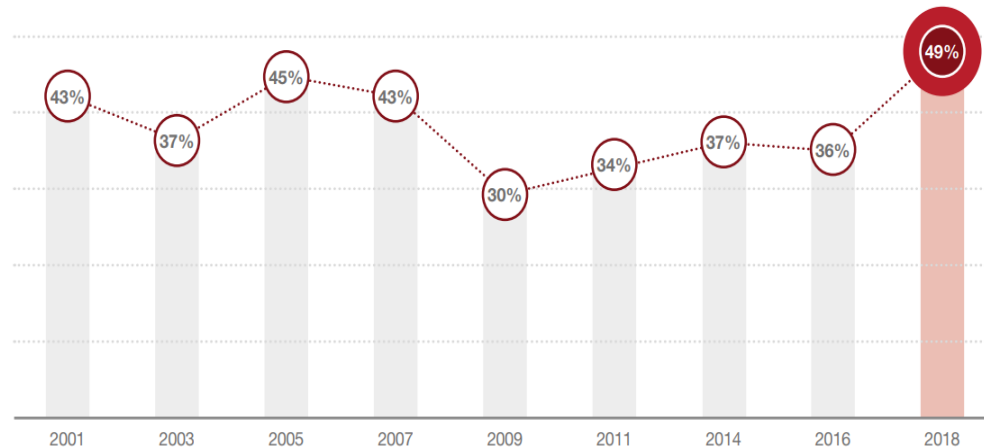
U.S. Seeks to Recover Approximately \$540 Million Obtained From Corruption Involving Malaysian Sovereign Wealth Fund

“Today’s announcement is the result of untangling a global labyrinth of multi-layered financial transactions allegedly used to divert billions of dollars from the people of Malaysia and fund the co-conspirators’ lavish lifestyles,” said Deputy Chief Fort.

- May 2019: US to return US\$200m in seized funds to Malaysia

Increased losses from fraud

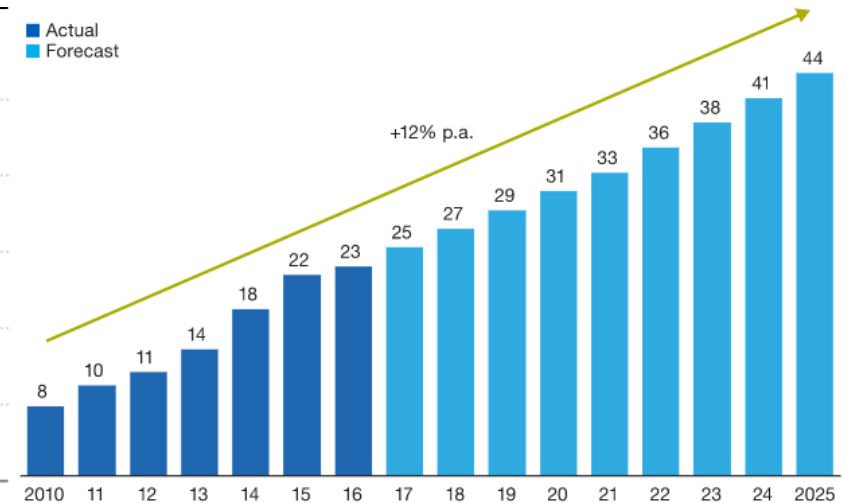
Exhibit 1: The reported rate of economic crime is on the rise



Q. Has your organisation experienced any fraud and/or economic crime within the last 24 months?

Source: PwC's 2018 Global Economic Crime and Fraud Survey

Global card fraud losses totaled almost \$23 billion in 2016.¹



The US accounted for 24% of global card purchase volume and 40% of fraud losses (\$9 billion) in 2016.

¹General-purpose and private-label global and domestic credit, debit, and prepaid cards; excludes operational costs incurred by issuers, merchants, acquirers, call centers, and chargeback management.

McKinsey&Company | Source: The Nilson Report, 2017

Collapse of Lehman Brothers

American finance

Nightmare on Wall Street

The
Economist

A weekend of high drama reshapes American finance

Sep 15th 2008 | New York and Washington, DC



EVEN by the standards of the worst financial crisis for at least a generation, the events of Sunday September 14th and the day before were extraordinary. The weekend began with hopes that a deal could be struck, with or without government backing, to save Lehman Brothers, America's fourth-largest investment bank. Early Monday morning Lehman filed for Chapter 11 bankruptcy protection. It has more than \$613 billion of debt.

Singapore: open and globalised economy

- Crossroads of global trade and financial flows
- Movement of people and goods
- Global financial and wealth management centre



AGC's Role



AGC's role: Public Prosecutor

- Effective Prosecution of money-laundering and financial crimes
- Trace and recover proceeds of crime

Legislative Tools

CPC

CDSA

OCA

SFA

MACMA

TFSA

AGC's role: Effective Prosecution

- Convictions:
 - Multi-disciplinary joint teams with law enforcement agencies, working upstream
- Sentencing:
 - Consistent and fair sentencing frameworks

Sentencing framework: *Huang Ying-Chun v PP*

Culpability \ Harm	Harm		
	Slight	Moderate	Severe
Low	Fine and/or short custodial term	10 to 30 months' imprisonment	30 to 60 months' imprisonment
Medium	10 to 30 months' imprisonment	30 to 60 months' imprisonment	60 to 90 months' imprisonment
High	30 to 60 months' imprisonment	60 to 90 months' imprisonment	90 to 120 months' imprisonment

1MDB: Seizure of assets



- Malaysian and Singapore authorities working together
 - Seized and restrained assets in Singapore
 - Repatriation of assets to Malaysia
- US and Singapore authorities working together
 - Assisting the filing of civil forfeiture complaints in the US

Ezubao Ponzi scheme

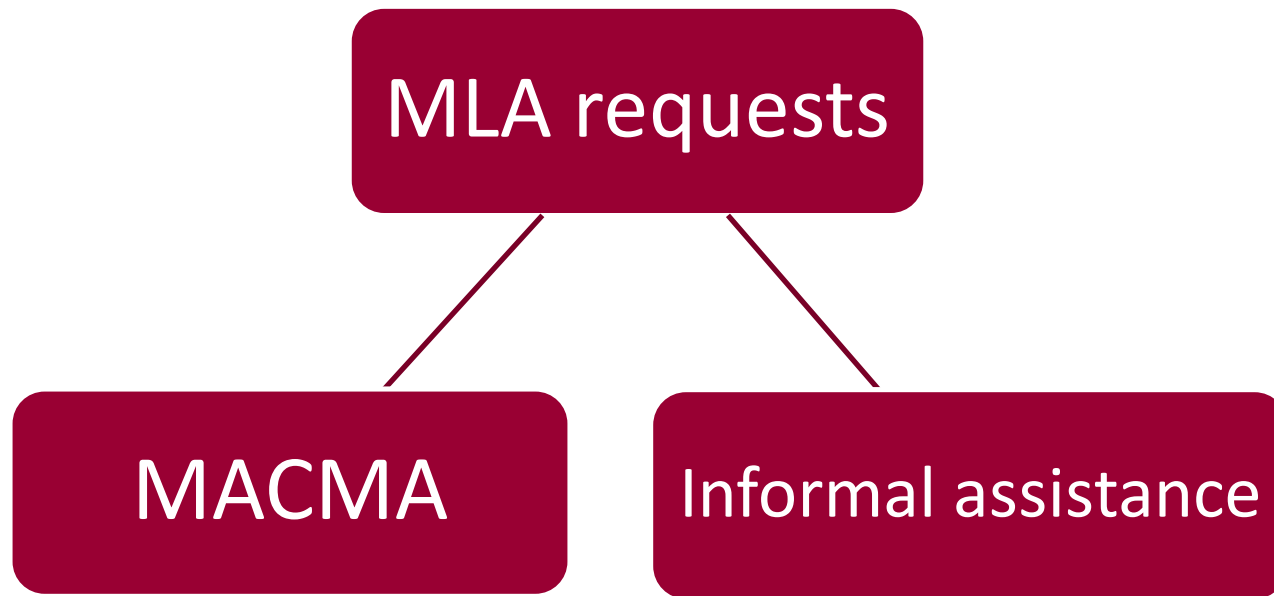


- Ezubao: Peer-to-peer lending platform
- Investigations by CAD and PRC's Economic Crime Investigation Department
- Over S\$27 million seized in Singapore. AGC obtained court order to repatriate seized funds to PRC authorities

Eric Ding Si Yang

- International match-fixer
- Convicted of corruption for giving bribes to football officials
- Around S\$3.4 million in concealed income from illegal sources. AGC obtained confiscation order of S\$3.4 million against Eric Ding

Mutual Legal Assistance



Types of assistance under MACMA framework

- Taking of witness evidence
- Production orders
- Enforcement of foreign confiscation orders
- Search and seizure
- Service of process

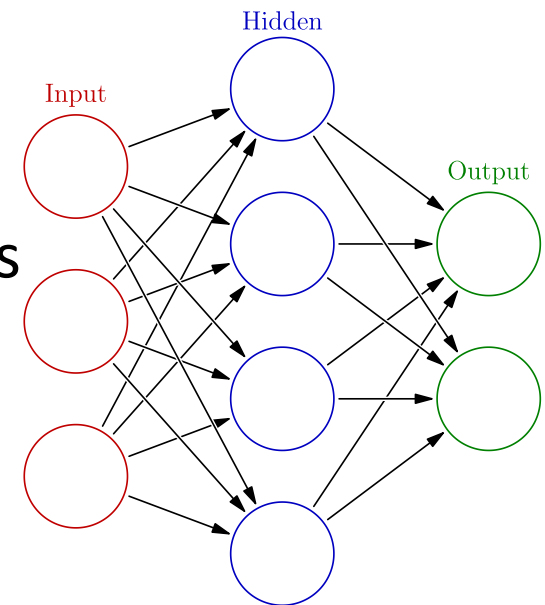
Challenges in tracing and recovering proceeds of crime

- Growing volume and complexity of cross-border fund flows
- Increase in amount of foreign illicit funds seized by CAD
 - S\$33.6 million (2015)
 - S\$164.5 million (2016)
- Increase in Suspicious Transaction Reports received by CAD
 - 30,511 (2015)
 - 34,129 (2016)
 - 35,471 (2017)
- New asset forms, e.g. crypto-currency



Meeting the challenges through innovations

- Technological innovations
 - AI and machine learning to flag out suspicious transactions
 - Use of robot in document review
 - Overcoming anonymity of blockchains
- Legal Innovations



Conclusion

