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Prohibition Orders against individuals involved in 1MDB-related breaches

Singapore, 13 March 2017...The Monetary Authority of Singapore (MAS) announced today that it has issued a 10-year Prohibition Order (PO) against Mr Tim Leissner, a former director of Goldman Sachs (Singapore) Pte (GS S'pore).¹

MAS has also served notice of its intention to issue POs against three individuals who were investigated by the Commercial Affairs Department (CAD) on 1MDB-related matters, and consequently convicted by the Courts in Singapore.

The three individuals are Mr Jens Fred Sturzenegger, former branch manager of Falcon Private Bank Ltd, Singapore branch (Falcon Bank), as well as Mr Yak Yew Chee and Ms Yvonne Seah Yew Foong, both of whom were former employees of BSI Bank Limited (BSI Bank). Given the gravity of their misconduct, MAS intends to issue lifetime POs against Mr Sturzenegger and Mr Yak, and a 15-year PO against Ms Seah.

Mr Tim Leissner

In December 2016, MAS served notice of its intention to issue a PO against Mr Leissner and invited him to submit written representations as to why a PO should not be made against him. Mr Leissner was found to have issued in June 2015 an unauthorised letter to a financial institution based in Luxembourg, and to have made false statements on behalf of Goldman Sachs (Asia) L.L.C., without the firm's knowledge.

Following careful consideration of the representations made by Mr Leissner and the relevant facts, MAS has decided to issue a PO for a period of 10 years against Mr Leissner with effect from 13 March 2017. Mr Leissner will be prohibited for a period of 10 years from: (i) performing any regulated activity under the Securities and Futures Act and (ii) taking part, directly or indirectly, in the management of any capital market services firm in Singapore.

Mr Jens Fred Sturzenegger

MAS has served a notice of its intention to issue a PO against Mr Sturzenegger, who was the Branch Manager of Falcon Bank from August 2011 to October 2016.

As Branch Manager, Mr Sturzenegger was responsible for ensuring the sound management of Falcon Bank and its compliance with regulations, notices and directives issued by MAS, as well as any other relevant laws and regulations.

On 11 January 2017, Mr Sturzenegger was convicted on several charges, which included (i) consenting to Falcon Bank's failure to file any suspicious transaction report on the inflows into Falcon Bank; (ii) failing to disclose information on suspicious outflows from Falcon Bank; and (iii) furnishing false information to MAS and CAD to cover up his relationship with Mr Low Taek Jho as well as his knowledge of Mr Low's involvement in the bank accounts maintained by Falcon Bank.

Mr Yak Yew Chee and Ms Yvonne Seah

MAS has served notice of its intention to issue POs against Mr Yak and Ms Seah, former representatives of BSI Bank.²

Mr Yak was a senior private banker with BSI Bank between 2010 and 2016 and held the designation of Managing Director. He was the relationship manager for Mr Low and Mr Low's father. As the second most senior private banker after Mr Yak in the latter's team, Ms Seah closely assisted Mr Yak in managing the relationship with Mr Low and his father.

On 11 November 2016, Mr Yak was convicted on charges of forging reference letters to entities based in Switzerland, using the letterhead of BSI Bank. On 16 December 2016, Ms Seah was convicted for intentionally aiding Mr Yak to forge reference letters. The letters were issued to misrepresent Mr Low's net worth or conceal the source of Mr Low's fund transfers. Mr Yak and Ms Seah had also failed to report the suspicious movement of funds by Mr Low.

The proposed POs will prohibit Mr Sturzenegger and Mr Yak for life, and Ms Seah for a period of 15 years, from:

- (i) performing any regulated activity or acting as a representative in respect of any regulated activity as stipulated under the Securities and Futures Act;
- (ii) taking part, directly or indirectly, in the management of, acting as a director of, or becoming a substantial shareholder of, any holder of a capital market services licence or any exempt person under the Securities and Futures Act.
- (iii) providing any financial advisory service as stipulated under the Financial Advisers Act; and
- (iv) taking part, directly or indirectly, in the management of, acting as a director of, or becoming a substantial shareholder of, a licensed financial adviser or exempt financial adviser under the Financial Advisers Act.

Conclusion

Mr Ong Chong Tee, Deputy Managing Director (Financial Supervision), MAS, said, “MAS will not tolerate conduct by any finance professional that threatens to undermine trust and confidence in Singapore’s financial system. MAS will not hesitate to bar such individuals from carrying out regulated activities in the financial industry. It is imperative that industry professionals and representatives of financial institutions are fit and proper persons. They must be worthy of the trust that people place in them and their institutions.”

¹ Mr Leissner was a representative of GS S’pore from June 2002 to February 2016, and a director of GS S’pore from June 2007 to September 2011. However, from November 2011 onwards, Mr Leissner was based in Hong Kong.

² Under the Representatives Notification Framework, Mr Yak was an appointed representative of BSI Bank from November 2010 to May 2015, while Ms Seah was an appointed representative of BSI Bank from November 2010 to December 2015.