Mr Ravi Menon, Managing Director of MAS and Chairman of IBF

IBF Council members

Distinguished guests

Ladies and Gentlemen

1. I’m very happy to join all of you this evening for your IBF Distinction Evening.

2. I was last here for this event in 2013. I explained then our strategy to build a strong Singaporean core in the financial sector, and how we are providing more support to raise standards of competency in the financial industry. I am glad that we have made good progress in the last three years. I want to acknowledge the effort of the IBF Council members, all the IBF members, as well as the support of all our industry partners.

3. We have done well but there is still a lot of work ahead of us and this work has become much more urgent.

Profound Changes in the Financial Sector

4. We are in the midst of profound changes in the global financial sector. We are in the midst of a low interest rate and low growth environment, and this has been happening for some time. It has been happening since the Global Financial Crisis in 2008 where there was significant monetary easing and this has resulted in low interest rates, even negative interest rates in some countries.

5. Despite the surge in liquidity, demand has remained stubbornly sluggish. There are many reasons for this – it could be that we are partly caught in a liquidity trap which has rendered monetary policies less effective; it could be due to increased uncertainty in the global environment, including geo-political uncertainty which has resulted in the holding back of private investments; it could be partly a structural trend, a shift towards a more ageing society where people are getting worried about retirement and therefore shifting more towards saving rather than spending.
6. Whatever the reason, global growth has been slow for the past six years since the Global Financial Crisis. This trend may well continue for some time. The risk is that we are all globally caught in a low growth trap.

7. Amidst this difficult economic environment, global sector regulatory reforms are also adding significantly to regulatory and compliance costs. Again, it is the confluence of several factors – partly the result of an effort to end the problem of two big failed banks but it is also a stepping up of global efforts to curb the abuse of illegal money flows globally, particularly against money laundering and to counter terrorism financing. These are risks that we are very mindful of in Singapore as a financial centre. We take this seriously, and that’s why we have also stepped up our regulatory and supervisory regimes against such illegal money flows. These two factors are adding and forcing consolidation pressures across many banks. Overall, we are seeing shrinkage in the global financial sector and redundancies have been outpacing new hires globally.

8. Against this challenging backdrop, there is another driving force which is impacting the financial sector, and that is technological change. Technology is not new in the financial sector. It has been happening for a long time. But what’s new is a surge in technological advances, in data analytics, in the cheaper use of data, of data storage, and a more widespread availability of data.

9. Traditional financial institutions now also have to deal with yet another challenge – the challenge of technological advances, and the challenge of a rapidly proliferating class of technological start-ups. In many ways, it is an “Uber” moment for finance, except that you don’t have just one “Uber”, you have hundreds of “Ubers”. Because in every area of financial service – from payments to lending and even investment banking, new Fintech start-ups are emerging to challenge the status quo. This is prompting reassessment of business models and priorities in financial institutions everywhere. Some are adapting by partnering Fintech start-ups. Others are investing in their own in-house skunkworks operations. Different strategies are being adopted, but everyone is adapting to this new environment.

10. So what’s very clear is that the next decade will be a highly disruptive one for financial institutions worldwide. All this will have a significant bearing on the scale and nature of financial sector jobs in all financial centres including in Singapore. Many of you have read the recent Citi Report which said that FinTech alone will impact one-third of employees at traditional banks over the next 10 years. These are trends we have to understand, we have to respond to, and we have to also take advantage of.

11. It will be tough over the next few years, but there are also new opportunities for Singapore because we are well-placed in many aspects to take advantage of the trends ahead of us. Asia finance will continue to grow. There are opportunities in Asia and we are well-placed to tap on this growth. We are
moving forward in many ways from the position of strength, not weakness. And this is a position of strength that we have built up over many decades.

12. We can build on these strengths to widen our lead as a financial sector for the region and for Asia. We can create more growth, more opportunities, and more jobs for our people. That’s our overall strategy, bearing in mind that there are difficult circumstances ahead, but recognising that there are still opportunities in times of difficulty. So we plan ahead, not just one to two years, but well ahead into the future, and we start work now to build the financial centre of tomorrow. That’s how we built today’s financial sector, and that’s the same way which we must build the financial sector of tomorrow.

13. To achieve this strategy and to realise our goal, we will need deeper skills and expertise. In fact, that will be our key constraint or our key enabler. That will determine how we move forward – whether or not we have the ability to strengthen our base or capability and to have these requisite skills or expertise to capitalise on the new trends of the future.

14. And that’s why we have embarked on SkillsFuture. It’s not just a slogan in Singapore but an important national economic strategy. It’s key in terms of how we want to go about adapting to our future economy. And this is especially important in the financial sector, given the changes I have just highlighted.

15. We must all have a greater sense of urgency towards reskilling, upskilling, and acquiring new skills. The mindset must be – “Train today, prepare for tomorrow”. This is a useful mindset that epitomises our overall approach for the financial sector.

16. This is a major priority for MAS, and MAS has been working very closely with IBF and the Financial Sector Tripartite Committee (FSTC), to ensure that there is better matching of our local workforce with different growth segments, and to nurture a more competent, a more versatile workforce that is nimble, that is ready to transit to new and evolving job roles within the financial sector.

17. Going forward, this work will be a major priority for us. We aim to strengthen our efforts on three fronts.

**Strengthening Linkages with IHLs**

18. First, we will strengthen our linkages with Institutes of Higher Learning (IHLs), our tertiary institutions, to boost our manpower pipeline in the financial sector. This is something that MAS is already doing today. MAS has very close collaborations with our polytechnics and universities to strengthen the relevance of the curriculum to meet industry needs. I know industry captains and employers always have a view on the work readiness of fresh hires. I am sure all of you would wish that they would be more work-ready. We are mindful;
MAS always takes in these feedback and work very closely with our tertiary institutions across all areas of finance. We are always looking to fine-tune and improve the curriculum.

19. There is one area which we need to step up our efforts to prepare our students and future workforce, and that’s for the new wave of FinTech. It’s a cross functional area because this is not about having more coding skills or programming skills. You also need to understand the business. It is a combination of bringing together business skills, finance skills, as well as the ability to do software development, integration and programming. MAS will help to strengthen this curriculum, for a start, by working closely with our five polytechnics.

20. In particular, MAS and various financial industry players will advise the polytechnics on areas of job demand, and work closely with them on curriculum reviews. We will facilitate internships with start-ups, incubators, accelerators, and financial institutions. Polytechnic students can also look forward to real-world project work to hone their software development skills.

21. MAS and the polytechnics intend to formalise this collaboration later in October this year in a Memorandum of Understanding (MoU). We expect over 2,500 students to benefit from this enhanced curriculum development, internship opportunities, and project work in FinTech development. Hopefully, many of them will be joining your institutions after their internship. We are starting with the polytechnics, but we will extend further to the universities in a later phase.

Creating Stronger Mechanisms for Job Transition

22. Secondly, we are also looking to strengthen our mechanisms to help finance professionals with job transition. We want to help current financial services professionals who are in between jobs.

Financial Industry Career Advisory Centre (FiCAC)

23. To do that, the Tripartite Committee I mentioned earlier has already set up a Financial Industry Career Advisory Centre, or FiCAC, in April this year. The centre provides various services including career coaching, expert talks, and placement support services among others. So far, more than 600 finance professionals have tapped on and benefitted form these services.

24. One of the beneficiaries is a Singaporean professional Ms Mina Koskinen. Mina was a senior analyst in compliance and risk management at a bank before her contract ended. She approached the centre for assistance after searching for a new job for six months. The coaches at the centre guided her on ways to enhance her resume, and shared other job opportunities that could leverage on her transferrable skills. With referral from the centre, Mina successfully secured a new position in an anti-money laundering (AML) function with another bank.
Conversion Programme

25. The Tripartite Committee, with the help of WDA, is also working on Professional Conversion Programmes, or PCPs. This is to provide on-the-job training support for financial professionals to help them to take on new or expanded job roles.

26. For a start, the PCP will support individuals who plan to move into key areas of demand in the financial sector. For example, one area of demand now is in compliance. There is a huge demand for experienced compliance professionals in the industry, in line with tighter regulatory standards and reforms. But in Singapore, there is a limited pool of experienced compliance professionals, although we do have a potential pool of professionals with relevant financial, legal or accounting skills. They may not all be specifically trained in compliance but there are accountants, there are lawyers, there are people who could potentially move into this area. The PCP in Compliance will allow these individuals to be placed and trained within the financial institution.

27. The PCP will start with compliance, but we will extend to other growth areas in future, including new revenue-generating functions. I am pleased to note that some banks are already on board as a first wave, including DBS, Standard Chartered, and Credit Suisse. I encourage more banks and financial institutions to come on board to make use of this conversion programme.

Supporting Individuals in their Learning and Professional Development

28. Finally, we will do more to enable individuals to take charge of their own continual learning and professional development. We will empower and support individuals in their own undertaking for lifelong learning.

IBF Future-Enabled Capabilities

29. In particular, digitalisation will take on a more important and integral role in banking and financial processes. IT skills will become increasingly critical in finance.

30. IBF, in partnership with the industry, will be offering new learning modules on a set of six core capabilities which will underpin a more digitalised financial sector. Among them are digital communications, as well as cyber-risk and governance. We will encourage finance professionals to take up these modules and to embrace technology and digital transformation in their own work functions.

31. IBF will also be enhancing the delivery of its learning modules through online and mobile applications, as it also has to adapt to the trends of e-learning. IBF will make these learning modules more readily accessible, so that it will be more convenient for finance professionals to access the modules.
32. The IBF Portal itself will be enhanced to facilitate more customised learning. This will enable users to easily track their own training and assessment records, as well as monitor the fulfilment of any Continuous Professional Development (CPD) hours. You can make use of suggested certification pathways and competency modules to map out your own training programmes and plans.

33. There will also be a new mobile app developed by next year which will support more bite-sized and modular learning, anytime and anywhere.

Financial Support

34. Under the National SkillsFuture framework, MAS will also provide more financial support for individuals who are undertaking continuous and lifelong learning. We already have various awards, including Study Awards, SkillsFuture Credit, and training grant schemes. These awards cover different levels in the workplace, not just for new and young employees but also mid-career employees. In fact, MAS recently enhanced the training grant schemes to provide a higher funding support to employees above 40 years old.

35. I am pleased to note that to date, more than 70 Singaporeans have received Study Awards for the financial sector. One of them is Mr Chu Soon Kit. He has a passion in environmental and natural resources conservation. He is also an aspiring financial risk manager. We are helping him to realise his aspirations in both areas. Upon the completion of a Masters programme in insurance and risk management, he can look forward to structuring corporate finance for renewable energy projects through innovative insurance solutions.

36. Another beneficiary is Ms Joline Shi. She is now an administrative assistant at Proa Partners, a local asset management company. She is taking a Professional Diploma in Accounting and Financial Service. Upon completion of the course, she can look forward to a larger role, helping her company with insourcing its accounting function.

37. These are all the schemes we are doing to enable and empower individuals, from more online learning modules to financial support for individuals. I encourage everyone in the financial sector to take full advantage of these programmes, training grants, and study awards.

Conclusion

38. We all know that the financial sector is moving very quickly, is undergoing profound changes, and is at the cross road. When we meet ten years from now, the nature of finance in Singapore, and the work many of you do, will be quite different. That may be unsettling, but that is the reality. If the work is still the same, we should not take comfort and should be worried as well, because it would mean that changes are happening elsewhere and we are at risk of becoming irrelevant. We have to accept and recognise that change is
happening. We have to embrace the change and we have to take full advantage of it. These are challenging times for the global economy, for the global financial sector, and we must expect stronger headwinds. But we have all on hands on board, and together we can steer the ship through stormy waters.

39. This is not the work of MAS or IBF alone. It's the work of all of us in the financial sector. Even as the Government steps in to provide more support, employers and individuals also have a role to play.

40. Tonight, I’m very glad that we have with us many financial sector veterans who have been generously sharing their knowledge and experience to groom new generations of financial professionals and leaders. In particular, I want to congratulate our six IBF Distinguished Fellows and 24 IBF Fellows who will be appointed as leaders and captains of the industry. All of them now join the ranks of industry mentors who will help drive the transformation of our financial sector.

41. I would like to finally commend the IBF Community – our partners and stakeholders, and the financial institutions and industry captains, for your commitment over the decades in delivering the IBF Standards. Let us work together to step up our training efforts today to build our capabilities for tomorrow, and develop an even stronger financial sector for the future.

42. Thank you and have a pleasant evening.