



TRUST TECH NEWSLETTER

April 2026

Dear Member,

I'm excited to present you this month's Trust Tech Committee newsletter. Each month, the committee delivers exclusive updates that are redefining financial security and strengthening customer trust.

This edition features the **e-book** *The Sword Tips the Scales: AI and Its Governance*, which explores the rapidly evolving landscape of AI regulation and the growing expectations for responsible AI deployment. As frameworks such as the EU AI Act set new benchmarks for accountability, the publication examines how governments, regulators, and organisations are redefining the balance between innovation and oversight. Drawing on recent policy developments and industry perspectives, the e-book highlights the governance challenges organisations must address as AI becomes increasingly embedded in risk management, compliance, and decision-making.

For **Scam Watch**, it spotlights "*From Payslips to Penthouses: The Mortgage Fraud That Slipped Through the Lending System*," a large-scale mortgage fraud uncovered in New South Wales in early 2026 involving the so-called Penthouse Syndicate. Investigators allege that fraudulent home loans exceeding **AUD 100 million** were secured across multiple banks using falsified income documents, fabricated employment records, and insider-enabled access—highlighting how organised crime is increasingly exploiting lending systems to convert fraudulent credit into property-backed wealth before detection systems catch up.

For the **AFC Community Corner**, this edition of *FinCrime Files* explores how **Real Estate-Based Money Laundering** is evolving through increasingly complex property and financial structures. From shell companies flipping pre-sale properties to embezzled funds layered through developer payments, renovation contracts, and short-term rental activity, criminal networks are exploiting the real estate ecosystem to convert illicit funds into seemingly legitimate investment returns.

I invite you to be a member of the committee and be part of a community that strives to navigate the complex landscape of anti-money laundering and fraud prevention, empowering all financial institutions in the Philippines to stay ahead of financial crimes.

Abhishek Chatterjee
Trust Tech Committee Chairperson

Member Benefits



Priority Access to Trust Tech Events



Active Participation in AFC Community Dialogues



E-book



The Sword Tips the Scales: AI and Its Governance

This e-book explores the rapidly evolving global landscape of AI governance and what it means for organisations deploying artificial intelligence today. As governments and regulators introduce clearer guardrails for AI—most notably through frameworks such as the EU AI Act—companies are facing growing expectations around transparency, accountability, and responsible AI deployment.

The publication examines how this shift is reshaping the balance between innovation and regulation, particularly in the financial sector where AI is increasingly used for fraud detection, risk monitoring, and compliance operations. It also highlights the governance challenges organisations must address as AI systems become more embedded in decision-making processes.

Through this e-book, we provide perspectives on how financial institutions and technology providers can navigate emerging regulatory expectations while continuing to innovate responsibly in an increasingly AI-driven world.

👉 Access the full edition here: [2026 Q1 E-book](#)

Scam Watch



“From Payslips to Penthouses: The Mortgage Fraud That Slipped Through the Lending System”

In early 2026, investigators in New South Wales uncovered a large-scale mortgage fraud operation involving the so-called Penthouse Syndicate, with fraudulent home loans allegedly exceeding AUD 100 million across multiple banks. Using falsified documents, inflated income claims, fabricated employment details, and insider-enabled access, the network allegedly secured legitimate bank loans for property purchases. The case shows how organised crime is exploiting the lending system itself to turn fraudulently obtained credit into property-backed wealth.

Why it matters: This case reflects a significant shift in real estate-linked financial crime. Criminal networks are no longer only using property as a passive destination for illicit proceeds. They are increasingly manipulating the financial infrastructure around property, including brokers, applications, and internal lending processes, to manufacture legitimacy at the point of funding itself. That makes detection harder, because the suspicious activity may sit not in a single transaction, but in the connections between borrowers, intermediaries, documentation, and asset movements.

What to watch for: Repeated use of the same brokers or facilitators across multiple loan applications, borrower income and employment profiles that do not align with loan values, similar or irregular supporting documents across separate applications, clusters of property purchases within short timeframes, and refinancing or asset transfers soon after acquisition without a clear economic rationale. When mortgage activity appears commercially valid on the surface but the relationships and patterns do not add up, the fraud-and-laundering cycle may already be underway.

AFC Community Corner



In this edition of **Fincrim** Files, the AFC community dives deep into key scenarios covered under **Real Estate Based Money Laundering**:

1. **Shell Company Pre-Sale Property Acquisition and Flipping**

Criminals use newly incorporated shell companies with nominee directors to receive fragmented cross-border transfers and channel the funds into pre-sale property purchases. Units are later assigned or flipped before completion, creating apparent capital gains that legitimise illicit wealth as property investment returns.

2. **Corporate Embezzlement Laundered Through Developer Stage Payments and Related-Party Loan Structuring**

Misappropriated corporate funds are layered through intermediary accounts and introduced into private holding companies linked to family members. These funds are then used for staged developer payments, supported by shareholder loan documentation and later reinforced through rental income and refinancing activity.

3. **Illicit Proceeds Recycled Through Inflated Renovation Contracts and Rental Deposit Layering**

Properties are acquired through seemingly legitimate means, after which laundering shifts to post-acquisition activity through inflated renovation

invoices, fabricated contractor payments, and excessive rental deposits or advance payments. These transactions help disguise illicit funds as property enhancement and rental income.

4. **Short-Term Rental Platform Laundering Through Fabricated Occupancy and Circular Guest Payments**

Criminals use short-term rental properties to simulate legitimate hospitality income by generating bookings through controlled or related accounts.

Repeated bookings, cancellations, refunds, and rebookings help layer illicit funds while creating the appearance of genuine rental activity.

👉 **Access the full edition here:** [FinCrime Files](#)

Shape the Future of Trust Tech — Join the Committee now!

Join a dynamic community of compliance leaders, innovators, and policy thinkers working together to build a safer financial ecosystem.

As a member of the Trust Tech Committee, you'll gain access to exclusive events, collaborative discussions, and opportunities to contribute to industry-wide initiatives.

👉 [Click here to join the Trust Tech Committee](#)

Let's build trust in fintech—together.

**If you have any questions, please reach out to
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