

Published Date: 02 April 2024

MAS Expands Scope of Regulated Payment Services; Introduces User Protection Requirements for Digital Payment Token Service Providers

Singapore, 2 April 2024... The Monetary Authority of Singapore (MAS) today introduced amendments to the Payment Services Act (PS Act) and its subsidiary legislation to expand the scope of payment services regulated by MAS, and to impose user protection and financial stability-related requirements on digital payment token (DPT) service providers. These amendments will take effect in stages from 4 April 2024. [1]

2 The amendments will bring the following activities within the scope of regulation under the PS Act:

- (i) Provision of custodial services for DPTs;
- (ii) Facilitation of the transmission of DPTs between accounts and facilitation of the exchange of DPTs, even where the service provider does not come into possession of the moneys or DPTs; and
- (iii) Facilitation of cross-border money transfer between different countries, even where moneys are not accepted or received in Singapore.

3 The amendments will empower MAS to impose requirements relating to anti-money laundering and countering the financing of terrorism, user protection and financial stability on DPT service providers.

4 Transitional arrangements will be provided for entities currently conducting activities under the PS Act's expanded scope. Such entities must notify MAS within 30 days, and submit a licence application within six months from 4 April 2024, if they wish to continue the activities on a temporary basis while MAS reviews their licence applications. The licence application must be accompanied by an attestation report of the entity's business activities and compliance with anti-money laundering and countering the financing of terrorism requirements, duly completed by a qualified external auditor, within nine months from 4 April 2024.

5 Entities that do not fulfil the requirements above are required to cease the activities when the amendments come into effect.

6 The amended Payment Services Regulations on safeguarding of assets belonging to customers of DPT service providers [2] will take effect six months from 4 April 2024. These include segregating customers' assets and placing them in a trust account for the benefit of customers, maintaining proper books and records, and ensuring that effective systems and controls are in place to protect the integrity and security of customers' assets.

[1] The commencement of the Payment Services (Amendment) Act 2021 (PS Amendment Act) is accompanied by the amended Payment Services Regulations (PS Regulations) and Notices (PS Notices). Documents relating to the consultation processes are linked [here](#) and [here](#). Entities who wish to notify MAS that they are conducting the newly regulated activities, should submit the notification [here](#).

[2] MAS has also published Guidelines on implementation measures to safeguard customers' assets [here](#).

Related News

Media Releases

Published Date: 03 April 2024

Brunei Darussalam Central Bank (BDCB) and Bank of the Lao PDR (BOL) Formally Join the Regional Payment Connectivity Initiative (RPC)

Brunei Darussalam Central Bank (BDCB) and Bank of the Lao PDR (BOL) have officially joined the Regional Payment Connectivity (RPC) after previously expressing their interest in joining the initiative. The inclusion of BDCB and BOL bring the RPC group to a total of eight ASEAN central banks.

Media Releases

Published Date: 01 April 2024

MAS Launches COSMIC Platform to Strengthen the Financial System's Defence Against Money Laundering and Terrorism Financing

MAS has launched COSMIC, the first centralised digital platform to facilitate sharing of customer information among financial institutions to combat money laundering, terrorism financing, and proliferation financing globally.

[Anti-Money Laundering](#)

Media Releases

Published Date: 27 March 2024

MAS Extends Suspension of Remittances to China Through Channels that are not Specifically Permitted

MAS has issued a Notice to extend, for a further six months until 30 September 2024, the suspension of the use of channels that are not specifically permitted (non-specified channels) by remittance companies when transmitting money to persons in the People's Republic of China (PRC).

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