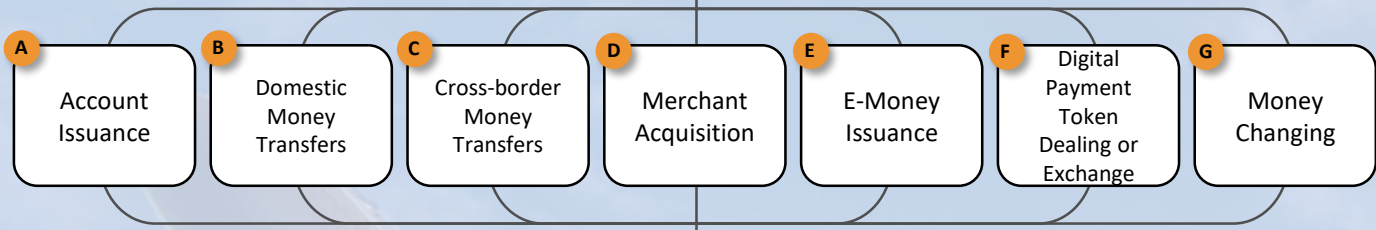


PAYMENT SERVICES ACT

2019

One Licencing Framework, Seven Payment Activities

Omnibus framework that covers both new and traditional payment activities, and fosters synergies between activity types



Modular approach enables calibration of regulations to account for the specific risks and context of each activity type

Activity-Based, Risk-Focused Regulation

Three Licence Classes

Four Key Risks



Money Changing Licensee

- Conducts money-changing service only



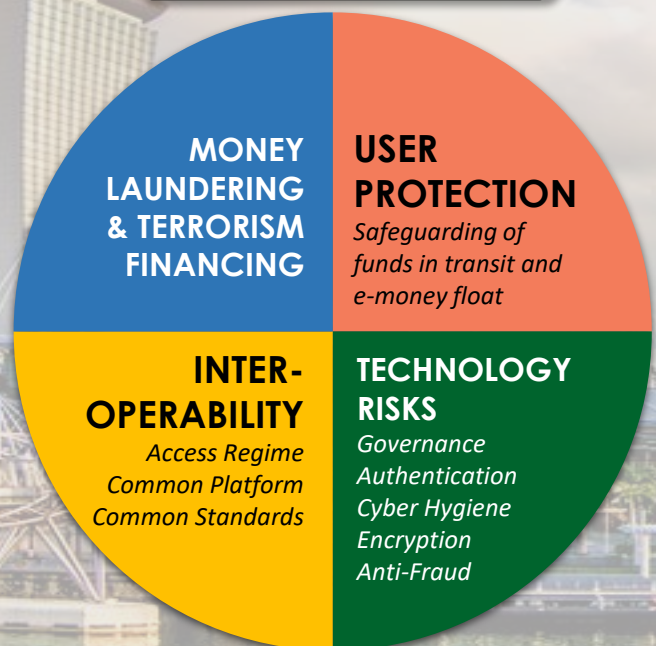
Standard Payment Institution

- ≤ S\$3m monthly transactions for any activity type
- ≤ S\$6m monthly transactions for two or more activity types
- ≤ S\$5m of daily outstanding e-money



Major Payment Institution

- > S\$3m monthly transactions for any activity type
- > S\$6m monthly transactions for two or more activity types
- > S\$5m of daily outstanding e-money



Designation Regime

*Closer supervision for critical payment systems.
 Powers to designate critical payment systems to ensure stability, fair competition and market efficiency in Singapore's financial system*

Examples of Designated Payment Systems



Risk focused Licensing Regime

*Lower-level requirements for lower risk activities
 More comprehensive regulation of higher risk activities*

	Interoperability	User Protection	ML/TF Risks	Technology Risks
A Account Issuance	Interoperability powers	Protection of access to funds	CDD	Guidelines on Tech Risk Management *** Notice on Cyber Hygiene Practices
B Domestic Transfers		Safeguard funds in transit	CDD	
C Cross-border Transfers		Safeguard funds in transit	CDD	
D Merchant Acquisition	Interoperability powers	Safeguard funds in transit		
E E-Money Issuance		Safeguard float		
F DPT Dealing or Exchange			CDD	
G Money Changing			CDD	

Activity Restrictions

No Consumer Lending or Activity Similar to Deposit Taking
 Banking or moneylenders licence required for these regulated activities

No Cash Withdrawals
 PS Act facilitates e-payments, not cash services which are already well provided for

Caps on Personal Payment Accounts
 Stock cap of S\$5,000
 Annual flow cap of S\$30,000

KEY MEASURES

PART I

Fragmented Landscape



Interoperability Powers

- ✓ Mandate acceptance of a **Common Standard**
- ✓ Require payment service providers to join a **Common Platform**
- ✓ Impose an **Access Regime** in relation to selected payment systems

Enhanced Interoperability



User Protection Measures



Major Payment Institutions

Must safeguard customer money using **one** of the following means



Undertaking

by a bank or prescribed financial institution to be fully liable to the customer



Guarantee

by a bank or prescribed financial institution



Segregation

in a trust account maintained by a bank or prescribed financial institution



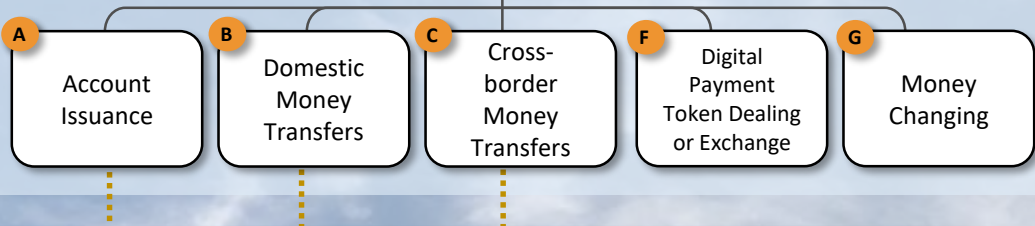
Standard Payment Institutions

- Are **not** subjected to these safeguarding measures, and
- Must **alert** customers so they can make informed decisions

KEY MEASURES PART II

AML/CFT Measures

Are imposed on these payment services...



... But can be **lifted** for these Low Risk services

E-Wallets

Accounts issued:

- Have a wallet capacity below S\$1,000
- Does not allow cash withdrawals
- Requires identification for cash refunds above S\$100

Domestic Transfers

Users are allowed to only perform transactions that meet **two** of the following criteria:

- Only for payment of goods or services
- Only permit transactions ≤S\$20,000
- Funded from an identifiable source

Cross-Border Transfers

Users are allowed to only perform transactions that meet **both** the following criteria:

- Only for payment of goods or services
- Funded from an identifiable source

Technology Risk Management

Applicable to all licensees

