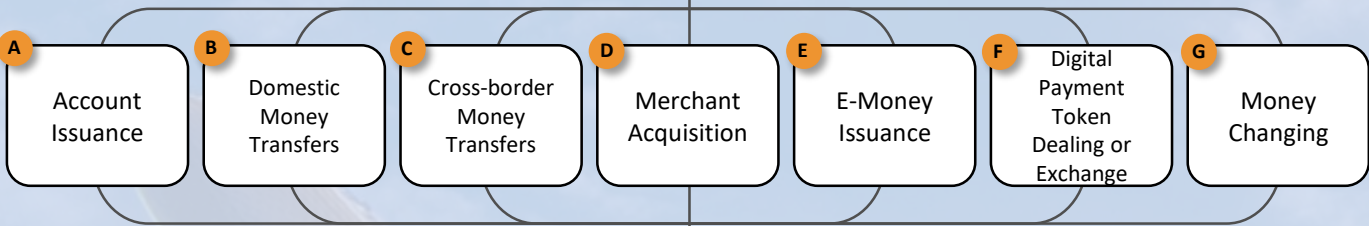


# PAYMENT SERVICES ACT

2019

**One Licensing 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



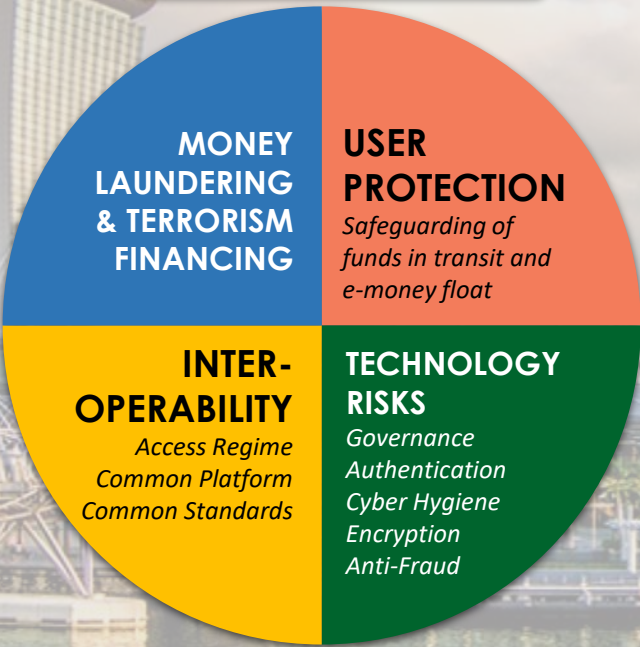
**Standard Payment Institution**

- ≤ 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 significant payment systems to ensure stability, fair competition and market efficiency in Singapore’s financial system

# Examples of Designated Payment Systems



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

# Risk-focused Licensing Regime

|                           | Interoperability        | User Protection               | ML/TF Risks | Technology Risks  |
|---------------------------|-------------------------|-------------------------------|-------------|---|
| A Account Issuance        | Interoperability powers | Protection of access to funds | CDD         | <div>Guidelines on Tech Risk Management</div> <div>***</div> <div>Notice on Cyber Hygiene Practices</div> |
| 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         |   |

# Right-sizing Activities



**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



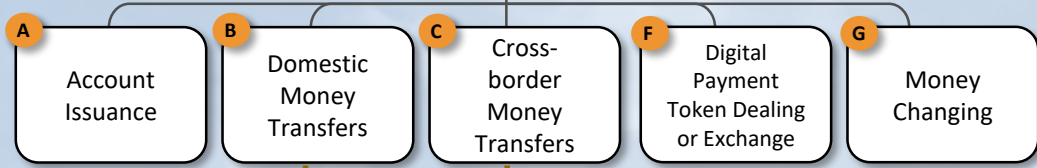
### Standard Payment Institutions

- 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

