A World-Class FinTech Hub

Ravi Menon, Managing Director, MAS, kicked off the FinTech Conference with an update on Singapore’s progress as a global FinTech Hub and the initiatives MAS had implemented to bring about Singapore’s transformation into a Smart Financial Centre.

Mr Ong Ye Kung (fourth from left), Minister for Education (Higher Education & Skills) and MAS Board Member, and Chief FinTech Officer Sopnendu Mohanty (second from right) in discussions with polytechnic students at the Singapore FinTech Festival.

The Singapore FinTech Festival 2016 attracted more than 13,000 participants from 60 countries.

Riding on the success of the event, a second run of the Singapore FinTech Festival will be organised over the week of 13 November to 17 November 2017.

**Singapore FinTech Festival 2016**

MAS organised the inaugural Singapore FinTech Festival in partnership with The Association of Banks in Singapore (ABS) in November 2016. The Festival featured conferences on FinTech, Technology Risk, and RegTech; a Global FinTech Hackcelerator; a FinTech Awards; and an innovation lab crawl. The Festival not only received wide and positive coverage in mainstream and social media, but also ignited keen global interest in Singapore’s growing FinTech hub.

Mr Ong Ye Kung (fourth from left), Minister for Education (Higher Education & Skills) and MAS Board Member, and Chief FinTech Officer Sopnendu Mohanty (second from right) in discussions with polytechnic students at the Singapore FinTech Festival.

The FinTech Festival featured the latest applications of technology in financial services.
Opening of MAS Innovation Lab

In August 2016, the MAS Innovation Lab, named “Looking Glass @ MAS”, was launched. Located in the MAS building, the lab provides a platform for the FinTech community to connect, collaborate, and co-create with one another. It allows MAS to experiment FinTech solutions with FIs, start-ups, and technology vendors; facilitate consultations for start-ups by industry experts on areas of interest such as legal, regulation, and business-related matters; and provide a venue for relevant training sessions and networking activities for the FinTech community.
Establishing a Network of Collaboration

To enhance Singapore’s attractiveness as a regional hub for foreign startups, MAS signed nine cooperation agreements (CAs) with the following regulators and authorities on FinTech in FY2016/2017.

- UK’s Financial Conduct Authority
- Australian Securities and Investment Commission
- Switzerland’s Financial Market Supervisory Authority
- Korea’s Financial Services Commission
- Government of Andhra Pradesh
- France’s Autorité de Contrôle Prudentiel et de Résolution
- France’s Autorité des Marchés Financiers
- Abu Dhabi Global Market
- Japan’s Financial Services Agency

MAS has received sandbox applications for innovations covering:

- FX Risk Management
- Remittance
- Payments
- Insurance Broking
- Retail Investment
- Trading

FinTech Regulatory Sandbox

In June 2016, MAS launched a regulatory sandbox for FIs as well as FinTech players to test their innovations. The sandbox allows experiments to take place, even where it is not possible at the outset to anticipate every risk or meet every regulatory requirement. Further, the sandbox provides an environment where if an experiment fails, it fails safely and cheaply within controlled boundaries, without widespread adverse consequences.

Finance-As-A-Service API Playbook

On 16 November 2016, the API Playbook co-created by ABS and MAS was launched at the FinTech Festival to guide industry stakeholders in their implementation of Application Programming Interfaces (APIs). To support efficient data sharing and interoperability, the Playbook recommends...
The Playbook features a list of over 400 APIs that the financial services industry can consider publishing, selected based on their potential to transform the financial ecosystem.

**Distributed Ledger Interbank Payments Proof-of-Concept**
MAS launched a proof-of-concept project with a consortium of FIs to use distributed ledger technology and smart contracts to make financial transactions and processes more transparent, resilient and at lower cost. Lessons learnt from the project will guide MAS and the industry in the development of better solutions for cross border payments, securities trading, and settlement of assets using distributed ledger technology. A trial on interbank payments was completed in December 2016.

**Proposed Payments Framework**
In August 2016, MAS consulted on a proposed activity-based framework for all payments services and the establishment of a payments council to enhance collaboration between users and payment providers. The proposed framework will provide for the licensing, regulation and supervision of all payments service providers. These will include stored value facility holders, remittance companies, and virtual currency intermediaries.

**Developing a Know-Your-Customer Utility**
MAS is working closely with local and foreign banks, and other Singapore government agencies to pilot an industry Know-Your-Customer (KYC) utility for financial services, leveraging on trusted, government-verified data sources, such as MyInfo. KYC is a critical process for the financial services industry that has become increasingly resource-intensive. A KYC utility could potentially offer:

- Efficiencies of scale and improved productivity as a centralised hub for KYC processes;
- Better customer experience by reducing the need for customers to provide similar information to multiple FIs during on-boarding;
- Broader adoption of quality monitoring and screening capabilities across the industry;
- Harmonising and enhancing KYC procedures across participating FIs; and
- Freeing up FI resources to focus on other more complex aspects of the Customer Due Diligence process.