

Regulations under the Payment Services Act 2019

**THIS VERSION OF THE REGULATIONS IS IN DRAFT FORM AND IS
SUBJECT TO CLEARANCE BY THE ATTORNEY GENERAL'S CHAMBERS**

PAYMENT SERVICES ACT 2019

PAYMENT SERVICES REGULATIONS

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In exercise of the powers conferred by sections 100(1) and 103(1) of the Payment Services Act, the Monetary Authority of Singapore makes the following Regulations.

PART 1 PRELIMINARY

Citation and commencement

1. These regulations are the Payment Services Regulations 2019 and come into operation on [*commencement date of the Act*].

Interpretation

2. In these Regulations, unless the context otherwise requires—

“base capital”, in relation to a company, means the sum of —

- (a) all of the following items in the latest accounts of the company:
 - (i) paid-up ordinary share capital;
 - (ii) paid-up irredeemable and non-cumulative preference share capital; and
- (b) any unappropriated profit or loss in the latest audited accounts of company,

less—

- (c) any interim loss in the latest accounts of the company; and
- (d) any dividend that has been declared since the latest audited accounts of the company;

“foreign company” has the same meaning as in section 4(1) of the Companies Act (Cap. 50);

“irredeemable and non-cumulative preference share capital”, in relation to base capital, means share capital consisting of preference shares that satisfy all of the following requirements:

- (a) the principal of each share is perpetual;
- (b) the shares are not callable at the initiative of the issuer of the shares or the shareholders, and the principal of the shares is never repaid outside of liquidation of the issuer, except in the case of a repurchase or other manner of reduction of share capital that is initiated by the issuer and permitted under written law;
- (c) the issuer has full discretion to cancel dividend payments, and —
 - (i) the cancellation of dividend payments is not an event of default of the issuer under any agreement;
 - (ii) the issuer has full access to cancelled dividend payments to meet its obligations as they fall due; and

- (iii) the cancellation of dividend payments does not result in any restriction being imposed on the issuer under any agreement, except in relation to dividend payments to ordinary shareholders

“net head office funds”, in relation to a foreign company, means the net liability of the Singapore branch of that foreign company to its head office and any other branch outside of Singapore

PART 2

CONTROL OF PROVISION OF PAYMENT SERVICES

Forms

3. — (1) The forms to be used for the purposes of these Regulations are those set out at the Authority’s website at <http://www.mas.gov.sg>, and any reference in these Regulations to a numbered form is construed as a reference to the current version of the form bearing the corresponding number which is displayed at that website.

(2) Any document required to be lodged with the Authority under any provision of the Act or these Regulations must be lodged in the relevant form and in the manner specified in the website referred to in paragraph (1), or in such other manner as the Authority may specify from time to time.

(3) All forms used for the purposes of these Regulations must be completed in the English language and in accordance with such directions as may be specified in the form or by the Authority.

(4) The Authority may refuse to accept any form if —

- (a) it is not completed or lodged in accordance with this regulation; or
- (b) it is not accompanied by the relevant fee referred to in regulation 5.

(5) Where strict compliance with any form is not possible, the Authority may allow for the necessary modifications to be made to that form, or for the requirements of that form to be complied with in such other manner as the Authority thinks fit.

Time for documents to be lodged

4. Where the period of time within which a document required under the Act or these Regulations to be lodged with the Authority is not prescribed, the document shall be lodged within 14 days after the occurrence of the event to which the document relates.

Fees

5. The fees specified in the Schedule are payable on a non-refundable basis to the Authority for the purposes specified therein.

Manner of application for licence

6. An application for the grant of a licence must be in Form 1 and must be lodged with the Authority together with any relevant annex and information as may be specified in the Form or by the Authority from time to time.

Prescribed class of persons for the purposes of section 6(9)(c)(ii)

7. — (1) For the purposes of section 6(9)(c)(ii) of the Act, the class of persons that is prescribed is the persons who have been issued an employment pass, on the condition that the applicant has at all times at least one director who is a Singapore citizen or Singapore permanent resident.

(2) In these regulations, “employment pass” refers to an employment pass issued under the Employment of Foreign Manpower (Work Passes) Regulations 2012.

Minimum financial requirements applicants must satisfy

8. The minimum financial requirements prescribed for the purposes of section 6(9)(d) of the Act are as follows:

- (a) where the applicant applies for a standard payment institution licence —
 - (i) if the applicant is incorporated in Singapore, its base capital is not less than \$100,000; or
 - (ii) if the applicant is a foreign company, its net head office funds are not less than \$100,000; and
- (b) where the applicant applies for a major payment institution licence —
 - (i) if the applicant is incorporated in Singapore, its base capital is not less than \$250,000; or
 - (ii) if the applicant is a foreign company, its net head office funds are not less than \$250,000.

Lapsing of licence

9. For the purposes of section 11(1)(c) of the Act, where the Authority has not revoked or suspended the licence under section 11(2) or (3) of the Act, respectively, the licence shall lapse —

- (a) if the licensee has not commenced business in at least one of the payment services authorised to be provided by the licence for a continuous period of 6 months after the grant of the licence (or such longer period as the Authority may allow), immediately upon the expiry of that period;
- (b) if the licensee—
 - (i) has ceased to carry on business in providing all of the payment services authorised to be provided by the licence; and
 - (ii) has not resumed business in any of those payment services for a continuous period of 6 months (or such longer period as the Authority may allow) from the date of such cessation of business, immediately upon the expiry of that period.;
- (c) in the case of a licensee that is licensed to carry on a business of providing one or more payment services other than digital payment token services, if licensee does not accept, process or execute any payment transactions for a continuous period of 6 months (or such longer period as the Authority may allow), immediately upon the expiry of that period, unless the Authority otherwise determines; or
- (d) in the case of a licensee that is licensed to carry on a business of providing digital payment token services, if the licensee fails to provide at least one of the following services—
 - (i) accept, process or execute any payment transactions;
 - (ii) buy or sell any digital payment token in exchange for any other digital payment token (whether of the same or a different type);
 - (iii) facilitate the exchange of any digital payment token in exchange for any digital payment token (whether of the same or a different type),

for a continuous period of 6 months (or such longer period as the Authority may allow), immediately upon the expiry of that period, unless the Authority otherwise determines.

Licence variation

10. — (1) An application for the variation of a licence under section 7 of the Act shall be in Form 2 and shall be lodged with the Authority together with any relevant annex and information as may be specified in the Form or by the Authority from time to time.

(2) A standard payment institution or major payment institution that—

- (a) is authorised to provide more than one payment service; and
- (b) has commenced business in providing one or more but not all of the payment services it is authorised to provide,

must lodge with the Authority the Form referred to in paragraph 1 to remove every payment service it has not commenced business in, immediately upon the expiry of the period of 6 months from the grant of the licence.

(3) A standard payment institution or major payment institution that—

- (a) is authorised to provide more than one payment service;
- (b) has ceased to carry on business in providing one or more of the payment services it is authorised to provide (called in this regulation a ceased payment service), but has not ceased to provide every type of payment service it is authorised to provide; and
- (c) has not resumed business in a ceased payment service for a continuous period of 6 months from the date of such cessation of business,

must lodge with the Authority the Form referred to in paragraph 1 to remove every ceased payment service referred to in sub-paragraph (c), immediately upon the expiry of that period of 6 months.

(4) For the purposes of section 6(6)(a) of the Act, the prescribed period is 30 days after the relevant date.

Restriction on soliciting

11. — (1) For the purposes of section 9(5) of the Act, in determining whether an offer, invitation or advertisement is made or issued to the public or any section of the public in Singapore, regard shall be had to the following considerations:

- (a) whether the offer, invitation or advertisement contains any information specifically relevant to Singapore;
- (b) whether the offer, invitation or advertisement is published in or through any of the following—
 - (i) any newspaper, magazine, journal, or other periodical publication;
 - (ii) any broadcast media;

- (iii) any Internet website, mobile application or other electronic media;
- (iv) any posters or notices;
- (v) any circulars, handbills, brochures, pamphlets, books or other documents,

which is principally for—

- (vi) display, circulation, reception or use in Singapore;
 - (vii) display or circulation to persons in Singapore; or
 - (viii) reception or use by persons in Singapore;
- (c) whether the offer, invitation or advertisement, directly or indirectly, states that e-money or digital payment token is available to be purchased or otherwise acquired by persons in Singapore;
 - (d) whether the offer, invitation or advertisement, directly or indirectly, states that e-money denominated in Singapore dollars is available to be purchased or otherwise acquired;
 - (e) whether the offer, invitation or advertisement, is for dealing in or facilitating the exchange of digital payment tokens in exchange for Singapore dollars;
 - (f) whether the offer, invitation or advertisement contains a prominent notice that no payment service shall be provided to persons in Singapore, and whether such notice is viewed with or before the advertisement; or
 - (g) whether reasonable steps are taken to guard against the provision of payment services to persons in Singapore.

(2) In this regulation, “mobile application” means a software application that operates on mobile devices such as smartphones and tablet computers.

Application by licensee for appointment of CEO, director or partner

12. For the purposes of section 34(2) of the Act, a licensee must submit to the Authority an application for approval of the appointment of a person as its chief executive officer, partner or director, as the case may be, in Form 3.

Duties of CEO and directors

13. For the purposes of section 35(2)(i) of the Act and without prejudice to any other matter that the Authority may consider relevant, the Authority must, in determining whether a chief executive officer, director or partner of a licensee has failed to discharge the duties of his office or employment, have regard to whether the chief executive officer, director or partner has ensured compliance by the licensee with each of the following duties:

- (a) compliance with all laws and rules governing the operations of the licensee; and

- (b) in a manner that is commensurate with the nature, scale and complexity of its business —
 - (i) implement, and ensure compliance with, effective written policies on all operational areas of the licensee, including the licensee’s financial policies, and accounting and internal controls; and
 - (ii) put in place compliance function and arrangements including specifying the roles and responsibilities of officers and employees of the licensee in helping to ensure its compliance with all applicable laws, codes of conduct and standards of good practice in order to protect investors and reduce its risk of incurring legal or regulatory sanctions that may be imposed by the Authority or any other public authority, financial loss, and reputational damage;
 - (iii) identify, address and monitor the risks associated with the business activities of the licensee;
 - (iv) ensure that the business activities of the licensee are subject to compliance checks;
 - (v) set out in writing the limits of the discretionary powers of each officer, committee, sub-committee or other group of persons of the licensee empowered to commit the licensee to any financial undertaking or to expose the licensee to any reputational risk;
 - (vi) keep a written record of the steps taken by the licensee to monitor compliance with its policies, its accounting and operating procedures, and the limits on discretionary powers;
 - (vii) ensure the accuracy, correctness and completeness of any report, return or statement submitted by the licensee to the Authority; and
 - (viii) ensure effective controls and segregation of duties to mitigate potential conflicts of interest that may arise from the operations of the licensee.

PART 3

CONDUCT OF BUSINESS

Financial requirements

14. The minimum financial requirements prescribed for the purposes of section 6(12)(a) are as follows:

- (a) for standard payment institutions —
 - (i) if the standard payment institution is incorporated in Singapore, its base capital is not less than \$100,000; or
 - (ii) if the standard payment institution is a foreign company, its net head office funds are not less than \$100,000; and

- (b) for major payment institutions —
 - (i) if the major payment institution is incorporated in Singapore, its base capital is not less than \$250,000; or
 - (ii) if the major payment institution is a foreign company, its net head office funds are not less than \$250,000.

Safeguarding of relevant moneys by undertaking

15. — (1) This regulation applies to a major payment institution that safeguards relevant money in the manner described in section 23(2)(a) or section 23(4)(a) of the Act.

(2) For the purposes of paragraph (a)(ii) of the definition of “safeguarding institution” in section 23(14) of the Act, the prescribed financial institutions are--

- (a) any merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186); or
- (b) any finance company licensed under the Finance Companies Act (Cap. 108).

(3) A licensee must, before obtaining an undertaking from a safeguarding institution, assess, and satisfy itself of, the suitability of the safeguarding institution from which the undertaking is obtained.

(4) A licensee must periodically assess, and satisfy itself of, the suitability of the safeguarding institution from which the undertaking is obtained.

(5) The licensee must keep, for a period of not less than 5 years, records of the grounds on which the licensee satisfied itself of the safeguarding institution’s suitability at each assessment under paragraph (3) or (4).

(6) The licensee must, before obtaining an undertaking from the safeguarding institution, give written notice to the safeguarding institution and obtain an acknowledgement from the safeguarding institution that the undertaking is being obtained by the licensee for the purposes of compliance with section 23 of the Act.

(7) The licensee must ensure that the undertaking which it obtains from the safeguarding institution is not subject to any condition or restriction in respect of being fully liable to the licensee’s customers for the relevant money.

(8) The licensee must disclose in writing to the customer the manner in which the money is being safeguarded.

Safeguarding of relevant moneys by guarantee

16. — (1) This regulation applies to a major payment institution that safeguards relevant money in the manner described in section 23(2)(b) or section 23(4)(b) of the Act.

(2) For the purposes of section paragraph (b)(ii) of the definition of “safeguarding institution” in section 23(14) of the Act, the prescribed financial institutions are –

- (a) any merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186);
- (b) any finance company licensed under the Finance Companies Act (Cap. 108); or
- (c) any financial guarantee insurer as defined in the Insurance (Financial Guarantee Insurance) Regulations.

(3) A licensee must, before obtaining a guarantee from a safeguarding institution, assess, and satisfy itself of, the suitability of the safeguarding institution from which the guarantee is obtained.

(4) A licensee must periodically assess, and satisfy itself of, the suitability of the safeguarding institution from which the guarantee is obtained.

(5) The licensee must keep, for a period of not less than 5 years, records of the grounds on which the licensee satisfied itself of the safeguarding institution’s suitability at each assessment under paragraph (3) or (4).

(6) The licensee must, before obtaining a guarantee from the safeguarding institution, give written notice to the safeguarding institution and obtain an acknowledgement from the safeguarding institution that the guarantee is being obtained by the licensee for the purposes of compliance with section 23 of the Act.

(7) The licensee must ensure that—

- (a) the guarantee states that in the event of insolvency of the licensee, the safeguarding institution assumes a primary liability to pay a sum equal to the amount of relevant money held at the end of the business day immediately preceding the date the licensee becomes insolvent; and
- (b) there is no other condition or restriction on the immediate paying out of money by the safeguarding institution to a separate trust account held by the licensee in accordance with section 23(6) of the Act, in the event of insolvency of the licensee.

(8) The licensee must disclose in writing to the customer the manner in which the money is being safeguarded.

Safeguarding of relevant moneys by segregation of funds

17. — (1) This regulation applies to a major payment institution that safeguards relevant money in the manner described in section 23(2)(c) or section 23(4)(c) of the Act.

(2) A licensee must—

- (a) treat and deal with all relevant money received from a customer as belonging to that customer;
- (b) deposit all relevant money in a trust account that is maintained with a safeguarding institution; and
- (c) must not commingle relevant money with other moneys, except that relevant moneys of all the licensee's customers may be commingled or deposited in the same trust account.

(3) A licensee must, before opening a trust account for the purposes of depositing relevant money, assess, and satisfy itself of, the suitability of the safeguarding institution with which the trust account is to be opened.

(4) A licensee must periodically assess, and satisfy itself of, the suitability of the safeguarding institution that maintains the licensee's trust account in which relevant moneys are deposited.

(5) The licensee must keep, for a period of not less than 5 years, records of the grounds on which the licensee satisfied itself of the safeguarding institution's suitability at each assessment under paragraph (3) or (4).

(6) A licensee must, before depositing relevant moneys in a trust account in accordance with paragraph (2)(b), give written notice to the safeguarding institution and obtain an acknowledgment from the safeguarding institution that —

- (a) all moneys deposited in the trust account are held on trust by the licensee for its customer and the safeguarding institution cannot exercise any right of set-off against the moneys for any debt owed by the licensee to the safeguarding institution; and
- (b) the account is designated as a trust account, or a customer's or customers' account, which shall be distinguished and maintained separately from any other account in which the licensee deposits its own moneys.

(7) A licensee must, before depositing moneys in a trust account in accordance with paragraph (2)(b), disclose in writing to its customer —

- (a) that the relevant money received from the customer will be held on behalf of the licensee by, as the case may be —
 - (i) a bank licensed under the Banking Act;

- (ii) a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act; or
 - (iii) a finance company licensed under the Finance Companies Act;
-
- (b) whether or not the relevant money received from the customer will be deposited in a trust account together with, and commingled with, the relevant money received from the licensee's other customers;
 - (c) if the relevant money received from the customer will be deposited in a trust account together with, and commingled with, the relevant money received from the licensee's other customers, the risks of such commingling; and
 - (d) the consequences for the relevant money received from the customer if the safeguarding institution with which the trust account is maintained becomes insolvent.

(8) A licensee must not withdraw any money from a customer's trust account maintained in accordance with paragraph (2)(b) except for the purpose of reimbursing the licensee—

- (a) any money paid in accordance with paragraph (b)(i) to (vi) of the definition of "relevant money" in section 23(14) of the Act;
- (b) any money that it has advanced to the account; and
- (c) any interest that it is entitled to by virtue of paragraph (9).

(9) All interest earned from the maintenance of relevant money in a trust account in accordance with paragraph (2)(b) shall accrue to the licensee.

(10) Notwithstanding paragraph (2)(c) the licensee may from time to time advance sufficient money to a customer's trust account from its own moneys to open or maintain the trust account in accordance with paragraph (2)(b);

(11) Subject to paragraph (8), any money belonging to the licensee that is deposited in a customer's trust account may be used for the purpose of payment to the customer.

(12) Nothing in this regulation shall be construed as avoiding or affecting any lawful claim or lien which any person has in respect of any money held in a trust account in accordance with this regulation or any money belonging to a customer before the money is paid into a trust account.

(13) The licensee must disclose in writing to the customer the manner in which the money is being safeguarded.

(14) In this regulation—

“safeguarding institution” means a person that satisfies any one of the following criteria—

- (a) the person holds a licence under section 7 of the Banking Act (Cap. 19);
- (b) the person is approved as a merchant bank under section 28 of the Monetary Authority of Singapore Act (Cap. 186); or
- (c) the person holds a licence under section 6 of the Finance Companies Act (Cap. 108);

“trust account” means an account opened by a licensee that—

- (a) is designated as a trust account, a customer’s account or a customers’ account; and
- (b) is distinguished and maintained separately from any other account in which the licensee deposits its own moneys.

Security deposit

18. For the purposes of section 22 of the Act, the prescribed amount of security is—

- (a) \$100,000, if the average, over a calendar year, of the total value of all payment transactions that are accepted, processed or executed by the licensee in one month, does not exceed \$6 million (or its equivalent in a foreign currency), for any one payment service it provides; and
- (b) \$200,000, in all other cases.

Restrictions on personal payment accounts that contain e-money

19. — (1) For the purposes of sections 24(1)(a) and 24(1)(c)(i) of the Act, the prescribed amount is \$5,000.

(2) For the purposes of sections 24(1)(b) and 24(1)(c)(ii) of the Act, the prescribed amount is \$30,000.

PART 4 AUDIT

Auditing requirements for licensees

20. Where the Authority requires an auditor to submit a report under section 37(4)(c) of the Act, the report must—

- (a) be submitted by the auditor to the Authority in Form 4—
 - (i) where the licensee is a company, not later than 6 months after the end of the financial year; or
 - (ii) where the licensee is a partnership, a limited liability partnership or an individual, not later than 6 months after the end of the period for which the licensee’s financial statements are made up; and
- (b) be signed by the auditor and indicate the name and contact particulars of the auditor.

PART 5 DESIGNATED PAYMENT SYSTEMS

Provision of information by DPS entities

21. For the purposes of section 41(1) of the Act, a request for information by the Authority to any participant, operator, person acting on behalf of an operator, or settlement institution of a payment system shall be made in Form 5.

Submission of periodic reports

22. — (1) For the purposes of section 49(1) of the Act, an operator of a designated payment system must submit to the Authority the following reports:

- (a) within 3 months after the end of its financial year or such longer period as the Authority may permit, a copy of its —
 - (i) annual report and directors’ report prepared in accordance with the provisions of the Companies Act (Cap. 50); and
 - (ii) auditors’ long form report;
- (b) a report relating to the business of operating the designated payment system, at such time or on such periodic basis as may be specified by the Authority; and
- (c) such other report as the Authority may require for the proper administration of the Act, at such time or on such periodic basis as may be specified by the Authority.

(2) The auditors’ long form report referred to in paragraph (1)(a)(ii) must include the findings and recommendations of the auditors, if any, on —

- (a) the internal controls of the operator of the designated payment system; and
- (b) the non-compliance with any —
 - (i) provision of the Act;
 - (ii) direction issued by the Authority under the Act; or
 - (iii) other relevant laws or regulations.

Application for appointment of CEO and directors of DPS operator

23. — (1) For the purposes of section 65(2) of the Act, an operator of a designated payment system must apply for approval under section 65(1) of the Act by submitting Form 6 to the Authority.

(2) The Authority may require the operator of the designated payment system to furnish it with such information or documents as the Authority considers necessary in relation to the application referred to in paragraph (1) and the operator of the designated payment system must furnish such information or documents as required by the Authority.

Criteria for approval of CEO and directors of DPS operator

24. For the purposes of section 65(3)(a) of the Act, the Authority may have regard to the following matters in determining whether to grant its approval in respect of an application for approval of the appointment of a person under section 65(1) of the Act:

- (a) whether the person is, under the Guidelines on Fit and Proper Criteria, fit and proper to be so appointed;
- (b) whether the appointment of the person would be consistent with any applicable written law relating to the qualifications for the position or the requirements for the composition of the board of directors of the operator of the designated payment system;
- (c) whether it would be contrary to the interests of the public to approve the appointment of the person.

Criteria to determine failure to discharge duties or functions by CEO and directors

25. For the purposes of section 66(2)(i) of the Act, the Authority may, in determining whether the executive officer or a director of an operator or a settlement institution, as the case may be of a designated payment system has failed to discharge the duties of the individual's office or employment, take into consideration whether that person has taken reasonable steps to discharge the following duties:

- (a) ensure the proper functioning of the designated payment system;

- (b) ensure the compliance of the operator or the settlement institution, as the case may be, of the designated payment system with the Act and these Regulations and any other relevant laws or regulations;
- (c) set out and ensure compliance with written policies on all operational areas of the operator or the settlement institution, as the case may be of the designated payment system, including its financial policies, accounting and internal controls, internal auditing and compliance with all laws and rules governing the operations of the designated payment system;
- (d) identify, monitor and address the risks associated with the business activities of the operator or the settlement institution, as the case may be, of the designated payment system;
- (e) ensure that the business activities of the operator or the settlement institution, as the case may be, of the designated payment system are subject to adequate internal audit;
- (f) oversee the financial undertakings or exposure of the operator or the settlement institution, as the case may be of the designated payment system to risks of any nature, by setting out proper delegation limits and risk management controls; and
- (g) ensure —
 - (i) that the operator or the settlement institution, as the case may be of the designated payment system maintains written records of the steps taken by it to monitor compliance with its policies, the limits on discretionary powers and its accounting and operating procedures; and
 - (ii) that every report, return or statement submitted by the operator or the settlement institution, as the case may be, of the designated payment system to the Authority is complete and accurate.

Application and criteria for approval to acquire substantial shareholding of DPS entities

26. — (1) A person applying for approval under section 59(1) of the Act must —

- (a) submit to the authority a written application that sets out —
 - (i) the name of the applicant;
 - (ii) in the case where the applicant is a corporation —
 - (A) its place of incorporation;
 - (B) its substantial shareholders;
 - (C) its directors and chief executive officer; and
 - (D) its principal business;
 - (iii) in the case where the applicant is a natural person —
 - (A) his nationality;
 - (B) his principal occupation; and

- (C) his directorships;
- (iv) all corporations in which the applicant has a substantial shareholding;
- (v) the percentage of shareholding and voting power that the applicant has in the operator of the designated payment system;
- (vi) the percentage of shareholding and voting power that the applicant is seeking to have in the operator of the designated payment system;
- (vii) the reasons for making the application;
- (viii) the mode and structure, as appropriate, under which the increase in shareholding would be carried out;
- (ix) whether the applicant will seek representation on the board of directors of the operator of the designated payment system; and
- (x) any other information that may facilitate the determination of the Authority as to whether the applicant is a fit and proper person for the purposes of paragraph (4)(a); and

(b) pay to the Authority a fee of \$500 for every application for approval.

(2) The Authority may require the applicant to furnish it with such information or documents as the Authority considers necessary in relation to the application referred to in paragraph (1) and the applicant must furnish such information or documents as required by the Authority.

(3) Payment of the fee referred to in paragraph (1)(b) may be made through such electronic funds transfer system as the Authority may designate from time to time, whereby payment may be effected by directing the transfer of funds electronically from the bank account of the payer to a bank account designated by the Authority.

(4) The Authority may approve an application made under section 59(1) of the Act if the Authority is satisfied that —

- (a) the applicant is, under the Guidelines on Fit and Proper Criteria, a fit and proper person to be a 5% controller, or a 12% controller or 20% controller within the meaning of section 2(1) of the Act (as the case may be), of the operator of the designated payment system;
- (b) having regard to the applicant's likely influence, the operator of the designated payment system will be or is conducting and will continue to conduct its business prudently and in compliance with the provisions of the Act; and
- (c) it would not be contrary to the interests of the public to do so.

Business continuity plan of DPS operator

27. — (1) An operator of a designated payment system must maintain at all times a plan of action (referred to in this regulation as a business continuity plan) setting out the procedures

and establishing the systems necessary to restore safe and efficient operations of the designated payment system in the event of any disruption to the processes of the designated payment system.

(2) An operator of a designated payment system must review the procedures and systems referred to in paragraph (1) on such regular basis as may be specified in the business continuity plan.

(3) An operator of a designated payment system must immediately notify the Authority of any activation of its business continuity plan and of any action taken or intended to be taken to restore safe and efficient operations of the designated payment system.

(4) An operator of a designated payment system must, within 14 days or such longer period as may be permitted by the Authority, inform the Authority of any material change to the business continuity plan and must submit, at the request of the Authority, a copy of the new plan to the Authority.

PART 6 EXEMPTIONS

Exemption from sections 28 and 34 of the Act

28. — (1) Sections 28 and 34 of the Act does not apply to any holder of a money-changing licence whose provision of money-changing services is solely incidental to its business of keeping or managing a hotel.

(2) In this regulation, “hotel” means any premises registered as a hotel under section 5 of the Hotels Act (Cap. 127).

Exemption from requirement to hold a standard payment institution licence

29. — (1) A person that –

- (a) performs any one or more of the following payment services only:
 - (i) in respect of account issuance, domestic money transfer or cross border money transfer, accepts, processes or executes non-relevant payment transactions only;
 - (ii) e-money issuance;
 - (iii) merchant acquisition;
- (b) complies with section 19, section 20(1) or section 20(2) of the Act, where applicable, as if it were a licensee and
- (c) does not provide any one or more payment services in excess of the thresholds mentioned in section 6(5) of the Act,

is exempt from sections 5(1) and 6(4) and (5) of the Act in respect of any business of providing account issuance service, domestic transfer service, cross border money transfer, e-money issuance service or merchant acquisition service.

(2) For the purpose of this regulation, non-relevant payment transaction means a transaction that is not a relevant payment transaction as defined in paragraph 2 of MAS Notice [*relevant AML/CFT notice*].

Exemption for certain domestic money transfer providers

30. — (1) A person who has in force a licence that entitles the person to carry on a business of providing domestic money transfer service is, subject to the condition in paragraph 2, exempt from sections 5(1) and 6(4) and (5) in respect of any business of providing cross-border money transfer service when the person accepts money in Singapore, for the purpose of transmitting the money in Singapore to a person who has in force a licence that entitles the person to carry on a business of providing cross-border money transfer service.

(2) The condition mentioned in paragraph (1) is that the second mentioned person in paragraph (1) has a contract with the person from whom the first mentioned person accepts money from, to provide the cross-border transfer service.

Exemption from section 9

31. Any person that is exempt under section 100 from sections 5(1) and 6(4) and (5) in respect of any business of providing any payment service, is exempt from section 9(1) in respect of such payment service.

PART 7 MISCELLANEOUS

Compoundable offences

32. The following offences may be compounded by the Authority in accordance with section 96 of the Act:

- (a) any offence under the Act which is punishable by a fine only;
- (b) any offence under section 8(2), 16(5), 41(4) or 43(2) of the Act; or

- (c) any offence under section 92(1) or 92(2) of the Act, where the non-compliance referred to in that section constitutes an offence which is compoundable under paragraph (a)

Acceptance of composition of offence

33. — (1) The Authority may compound an offence under section 96 of the Act only if the person reasonably suspected of having committed the offence —

- (a) accepts the offer of composition made by the Authority in writing, in the form set out in [*MAS website URL*]; and
- (b) pays the composition sum to the Authority,

within 14 days after the offer of composition is made or such longer period as the Authority may specify.

(2) Where the person referred to in paragraph (1) is not an individual, the acceptance of composition shall be made —

- (a) in the case of a body corporate, by an officer of that body corporate;
- (b) in the case of a partnership, by a partner of that partnership; or
- (c) in the case of an unincorporated association (other than a partnership), by an officer of that association or a member of its governing body.

(3) In paragraph (2), “officer”—

- (a) in relation to a corporation, has the same meaning as in section 90(6) of the Act; or
- (b) in relation to an unincorporated association (other than a partnership), has the same meaning as in section 91(6) of the Act.

Opportunity to be heard

34. — (1) Where the Act provides for a person to be given an opportunity to be heard by the Authority, the Authority must post or deliver to that person a notice —

- (a) stating the decision it intends to make that affects him and the grounds for the decision; and
- (b) inviting him to give to the Authority, within such period as may be specified in the notice (not being less than 10 days from the date of the receipt of the notice), any written statement, accompanied by relevant supporting documents, as to why the Authority should reconsider the decision it intends to make.

(2) Any written statement referred to in paragraph (1)(b) shall be signed by the person to whom the opportunity to be heard is given, a duly authorised employee of that person, or an advocate and solicitor acting for that person.

(3) The Authority must consider any written statement and supporting document referred to in paragraph (1)(b) in making its decision.

(4) In this regulation, “decision” includes any action of, direction by or order issued by the Authority under the Act.

Offences

35. Any person who contravenes any of the following provisions shall be guilty of an offence: sections 10(2) and (3), 15(3), (4), (5), (6), (7), and (8), 16(3), (4), (5), (6), (7), and (8), and 17(3), (4), (5), (6), (7), (8), and (13), 22(1), and 27(1), (2), (3) and (4)

and shall be liable on conviction—

- (a) in the case of an individual, to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part of a day during which the offence continues after conviction; and
- (b) in any other case, to a fine not exceeding \$100,000, and, in the case of a continuing offence, a further fine not exceeding \$10,000 for every day or part of a day during which the offence continues after conviction.

THE SCHEDULE

Regulation 5(1) and (5)

FEES

	First Column	Second Column	Third column
No.	Provision of Act	Matter	Amount
1.	Section 6(8)	Application for grant of a money-changing licence	\$500
2.	Section 6(9)	<p>Application for grant of a standard payment institution licence in respect of –</p> <p style="padding-left: 40px;">(a) providing one of the following payment services –</p> <p style="padding-left: 80px;">(i) an account issuance service;</p> <p style="padding-left: 80px;">(ii) a domestic money transfer service;</p> <p style="padding-left: 80px;">(iii) a cross-border money transfer service;</p> <p style="padding-left: 80px;">(iv) a merchant acquisition service;</p> <p style="padding-left: 80px;">(v) an e-money issuance service;</p> <p style="padding-left: 80px;">(vi) a digital payment token service; or</p> <p style="padding-left: 40px;">(b) providing 2 or more of the following payment services –</p> <p style="padding-left: 80px;">(i) an account issuance service;</p> <p style="padding-left: 80px;">(ii) a domestic money transfer service;</p> <p style="padding-left: 80px;">(iii) a cross-border money transfer service;</p> <p style="padding-left: 80px;">(iv) a merchant acquisition service;</p> <p style="padding-left: 80px;">(v) an e-money issuance service;</p>	<p>\$1,000</p> <p>\$1,000</p> <p>\$1,000</p> <p>\$1,000</p> <p>\$1,000</p> <p>\$1,000</p> <p>\$1,000</p> <p>Total amount derived below is subjected to a minimum of \$1,000</p> <p>\$0</p> <p>\$1,000</p> <p>\$1,000</p> <p>\$1,000</p> <p>\$1,000</p> <p>\$1,000</p>

		(vi) a digital payment token service;	\$1,000
		(vii) a money-changing service.	\$500
3.	Section 6(9)	Application for grant of a major payment institution licence in respect of –	
		(a) providing one of the following payment services –	
		(i) an account issuance service;	\$1,500
		(ii) a domestic money transfer service;	\$1,500
		(iii) a cross-border money transfer service;	\$1,500
		(iv) a merchant acquisition service;	\$1,500
		(v) an e-money issuance service;	\$1,500
		(vi) a digital payment token service; or	\$1,500
		(b) providing 2 or more of the following payment services –	Total amount derived below is subjected to a minimum of \$1,500
		(i) an account issuance service;	\$0
		(ii) a domestic money transfer service;	\$1,500
		(iii) a cross-border money transfer service;	\$1,500
		(iv) a merchant acquisition service;	\$1,500
		(v) an e-money issuance service;	\$1,500
		(vi) a digital payment token service;	\$1,500
		(vii) a money-changing service.	\$500
4.	Section 7(3)	Application to add the following types of payment services to standard payment institution licence –	
		(a) an account issuance service;	\$0

		(b) a domestic money transfer service;	\$1,000
		(c) a cross-border money transfer service;	\$1,000
		(d) a merchant acquisition service;	\$1,000
		(e) an e-money issuance service;	\$1,000
		(f) a digital payment token service;	\$1,000
		(g) a money-changing service.	\$500
5.	Section 7(3)	Application to add the following types of payment services to major payment institution licence –	
		(a) an account issuance service;	\$0
		(b) a domestic money transfer service;	\$1,500
		(c) a cross-border money transfer service;	\$1,500
		(d) a merchant acquisition service;	\$1,500
		(e) an e-money issuance service;	\$1,500
		(f) a digital payment token service;	\$1,500
		(g) a money-changing service.	\$500
6.	Section 7(3)	Application to remove any type of payment services from standard payment institution licence	\$0
7.	Section 7(3)	Application to remove any type of payment services from major payment institution licence	\$0
8.	Section 7(3)	Application to change money-changing licence to –	
		(a) a standard payment institution licence –	
		(i) where the change involves an addition of account issuance service only; or	\$500
		(ii) where the change involves any other addition; or	\$0
		(b) a major payment institution licence –	

		(i) where the change involves an addition of account issuance service only; or	\$1,000
		(ii) where the change involves any other addition.	\$0
9.	Section 7(3)	Application to change standard payment institution licence to –	
		(a) a money-changing licence; or	\$0
		(b) a major payment institution licence in respect of -	
		(i) providing one of the following payment services –	
		i. an account issuance service;	\$500
		ii. a domestic money transfer service;	\$500
		iii. a cross-border money transfer service;	\$500
		iv. a merchant acquisition service;	\$500
		v. an e-money issuance service;	\$500
		vi. a digital payment token service; or	\$500
		(ii) providing 2 or more of the following payment services –	Total amount derived below is subjected to a minimum of \$500
		i. an account issuance service;	\$0
		ii. a domestic money transfer service;	\$500
		iii. a cross-border money transfer service;	\$500
		iv. a merchant acquisition service;	\$500
		v. an e-money issuance service;	\$500
		vi. a digital payment token service;	\$500

		vii. a money-changing service.	\$0
10.	Section 7(3)	Application to change major payment institution licence to – (a) a money-changing licence; or (b) a standard payment institution licence.	\$0 \$0
11.	Section 10(1)	Annual licence fee for money-changing licence	\$1,500
12.	Section 10(1)	Annual licence fee for standard payment institution licence in respect of – (a) providing one of the following payment services – (i) an account issuance service; \$5,000 (ii) a domestic money transfer service; \$5,000 (iii) a cross-border money transfer service; \$5,000 (iv) a merchant acquisition service; \$5,000 (v) an e-money issuance service; \$5,000 (vi) a digital payment token service; or \$5,000 (b) providing 2 or more of the following payment services – (i) an account issuance service; \$0 (ii) a domestic money transfer service; \$5,000 (iii) a cross-border money transfer service; \$5,000 (iv) a merchant acquisition service; \$5,000 (v) an e-money issuance service; \$5,000 (vi) a digital payment token service; \$5,000	Total amount derived below is subjected to a minimum of \$5,000

		(vii) a money-changing service.	\$1,500
13.	Section 10(1)	Annual licence fee for major payment institution licence in respect of –	
		(a) providing one of the following payment services –	
		(i) an account issuance service;	\$10,000
		(ii) a domestic money transfer service;	\$10,000
		(iii) a cross-border money transfer service;	\$10,000
		(iv) a merchant acquisition service;	\$10,000
		(v) an e-money issuance service;	\$10,000
		(vi) a digital payment token service; or	\$10,000
		(b) providing 2 or more of the following payment services –	Total amount derived below is subjected to a minimum of \$10,000
		(i) an account issuance service;	\$0
		(ii) a domestic money transfer service;	\$10,000
		(iii) a cross-border money transfer service;	\$10,000
		(iv) a merchant acquisition service;	\$10,000
		(v) an e-money issuance service;	\$10,000
		(vi) a digital payment token service;	\$10,000
		(vii) a money-changing service.	\$1,500

PAYMENT SERVICES ACT 2019

PAYMENT SERVICES (EXEMPTIONS FOR A LIMITED PERIOD OF TIME) REGULATIONS

ARRANGEMENT OF REGULATIONS

Regulation

1. Citation and commencement
2. Interpretation
3. Exemption for persons providing account issuance services
4. Exemption for persons providing domestic money transfer services
5. Exemption for persons providing cross border money transfer services
6. Exemption for persons providing merchant acquisition services
7. Exemption for persons providing e-money issuance
8. Exemption for persons providing digital payment token services

In exercise of the powers conferred by section 100(1) of the Payment Services Act, the Monetary Authority of Singapore makes the following Regulations.

Citation and commencement

1. These Regulations are the Payment Services (Exemptions for a Limited Period of Time) Regulations and come into operation on [*commencement date of the Act*].

Interpretation

2. In these Regulations, unless the context otherwise requires—

“appointed day” has the meaning given by section 121 of the Act;

“deemed licensee” means a person deemed to have been granted a licence under section 122 of the Act.

Exemption for persons providing account issuance services

3. — (1) Any person (A) who before or on the appointed day, carries on the business of providing account issuance services where —

- (a) the payment account issued by A does not store e-money and A meets the condition specified in paragraph 3(b);
- (b) the payment account issued by A stores e-money and A meets the condition specified in paragraph 3(b), but such payment account —
 - (i) does not allow e-money in excess of \$1,000 (or its equivalent in a foreign currency) to be stored;
 - (ii) does not allow the withdrawal of any currency from the payment account;
 - (iii) does not allow a refund of any e-money in excess of \$80 (or its equivalent in a foreign currency) in currency on termination of the use of the payment account to a person, except upon the production of the person’s photograph identification document and when records relating to both the refund and identification of such person are subject to a record retention policy of at least 5 years; and
 - (iv) satisfies at least 2 of the following requirements:
 - (A) does not allow any form of cross border money transfer or withdrawal;
 - (B) is to be used only as a means of making payment for goods or services;
 - (C) the e-money is funded from an identifiable source; or
- (c) the payment account issued by A stores e-money other than in the circumstances in paragraph (b) and A meets the conditions specified in paragraphs 3(a) and (b),

is exempt from sections 5(1) and 6(4) and (5) in respect of any business of providing any account issuance service carried on by A for the period mentioned in paragraph (2).

(2) For the purpose of paragraph (1) —

- (a) the period is 12 months after the appointed day; or
- (b) where —
 - (i) A is not a deemed licensee and A applies for a licence to provide account issuance services on or before the end of the period in paragraph (a), the period starting on the appointed day and ending on the date on which the licence is granted to A or the application is refused or withdrawn; or
 - (ii) A is a deemed licensee and A applies on or before the end of the period in paragraph (a), under section 7(1)(a), to vary its licence to provide account issuance services, the period starting on the appointed day and ending on the date on which the Authority approves the application or the application is refused or withdrawn.

(3) The conditions mentioned in paragraph (1) are —

- (a) A must comply with MAS Notice [*relevant AML/CFT notice*];
- (b) A must on the appointed day notify the Authority, in such form and manner as may be specified by the Authority, of the date on which he commenced the business of providing account issuance services.

(4) In this regulation —

“AML/CFT” means anti-money laundering and countering the financing of terrorism;

“FATF” means the Financial Action Task Force;

“identifiable source” means —

- (a) an account which is maintained with a financial institution that is the subject of any direction issued or regulation made by the Authority under section 27B of the Monetary Authority of Singapore Act (Cap. 186), and where the financial institution must comply with AML/CFT requirements in respect of such an account; or
- (b) an account which is maintained with a financial institution incorporated or established outside Singapore that is subject to and supervised for compliance with AML/CFT requirements consistent with standards set by the FATF.

Exemption for persons providing domestic money transfer services

4. — (1) Any person (A) who before or on the appointed day, carries on the business of providing domestic money transfer services and who meets the condition specified in

paragraph (3) is exempt from sections 5(1) and 6(4) and (5) in respect of any business of providing any domestic money transfer service carried on by A for the period mentioned in paragraph (2).

(2) For the purpose of paragraph (1) —

- (a) the period is 12 months after the appointed day; or
- (b) where —
 - (i) A is not a deemed licensee and A applies for a licence to provide domestic money transfer services on or before the end of the period in paragraph (a), the period starting on the appointed day and ending on the date on which the licence is granted to A or the application is refused or withdrawn; or
 - (ii) A is a deemed licensee and A applies on or before the end of the period in paragraph (a), under section 7(1)(a), to vary its licence to provide domestic money transfer services, the period starting on the appointed day and ending on the date on which the Authority approves the application or the application is refused or withdrawn.

(3) The condition mentioned in paragraph (1) is that A must on the appointed day, notify the Authority, in such form and manner as may be specified by the Authority, of the date on which he commenced the business of providing domestic money transfer services.

Exemption for persons providing cross border money transfer services

5. — (1) Any person (A) who before or on the appointed day, carries on the business of providing cross border money transfer services only in respect of receiving any money from outside Singapore for, or arranging for the receipt of any money from outside Singapore by, a person in Singapore, and who meets the condition specified in paragraph (3), is exempt from sections 5(1) and 6(4) and (5) in respect of any business of providing those cross border money transfer services carried on by A for the period mentioned in paragraph (2).

(2) For the purpose of paragraph (1) —

- (a) the period is 12 months after the appointed day; or
- (b) where —
 - (i) A is not a deemed licensee and A applies for a licence to provide cross border money transfer services on or before the end of the period in paragraph (a), the period starting on the appointed day and ending on the date on which the licence is granted to A or the application is refused or withdrawn; or
 - (ii) A is a deemed licensee but not in respect of providing cross border money transfer services and A applies on or before the end of the period in paragraph (a), under section 7(1)(a), to vary its licence to provide cross border money transfer services, the period starting on the appointed day and

ending on the date on which the Authority approves the application or the application is refused or withdrawn.

(3) The condition mentioned in paragraph (1) is that A must on the appointed day, notify the Authority, in such form and manner as may be specified by the Authority, of the date on which he commenced the business of providing cross border money transfer services.

Exemption for persons providing merchant acquisition services

6. — (1) Any person (A) who before or on the appointed day carries on the business of providing merchant acquisition services and who meets the condition specified in paragraph (3), is exempt from sections 5(1) and 6(4) and (5) in respect of any business of providing any merchant acquisition services carried on by A for the period mentioned in paragraph (2).

(2) For the purpose of paragraph (1) —

- (a) the period is 12 months after the appointed day; or
- (b) where —

- (i) A is not a deemed licensee and A applies for a licence to provide merchant acquisition services on or before the end of the period in paragraph (a), the period starting on the appointed day and ending on the date on which the licence is granted to A or the application is refused or withdrawn; or
- (ii) A is a deemed licensee and A applies on or before the end of the period in paragraph (a), under section 7(1)(a), to vary its licence to provide merchant acquisition services, the period starting on the appointed day and ending on the date on which the Authority approves the application or the application is refused or withdrawn.

(3) The condition mentioned in paragraph (1) is that A must on the appointed day, notify the Authority, in such form and manner as may be specified by the Authority, of the date on which he commenced the business of providing merchant acquisition services.

Exemption for persons providing e-money issuance

7. — (1) Any person (A) who before or on the appointed day, carries on the business of e-money issuance referred to in section 23(3)(a), where all relevant moneys or such relevant moneys as may be prescribed does not exceed \$30 million (or its equivalent in a foreign currency), and who meets the condition specified in subparagraph (3), is exempt from sections 5(1) and 6(4) and (5) in respect of any business of providing any e-money issuance services carried on by A for the period mentioned in paragraph (2).

(2) For the purpose of paragraph (1) —

- (a) the period is 12 months after the appointed day; or
- (b) where —
 - (i) A is not a deemed licensee and A applies for a licence to provide e-money issuance services on or before the end of the period in paragraph (a), the period starting on the appointed day and ending on the date on which the licence is granted to A or the application is refused or withdrawn; or
 - (ii) A is a deemed licensee but not in respect of providing e-money issuance services and A applies on or before the end of the period in paragraph (a), under section 7(1)(a), to vary its licence to provide e-money issuance services, the period starting on the appointed day and ending on the date on which the Authority approves the application or the application is refused or withdrawn.

(3) The condition mentioned in paragraph (1) is that A must on the appointed day, notify the Authority, in such form and manner as may be specified by the Authority, of the date on which he commenced the business of providing e-money issuance services.

Exemption for persons providing digital payment token services

8. — (1) Any person (A) who before or on the appointed day, carries on the business of providing digital payment token services and meets the condition specified in paragraph (3) is exempt from sections 5(1) and 6(4) and (5) in respect of any business of providing any digital payment token services carried on by A for the period mentioned in paragraph (2).

(2) For the purpose of paragraph (1) —

- (a) the period is 6 months after the appointed day; or
- (b) where —
 - (i) A is not a deemed licensee and A applies for a licence to provide digital payment token services on or before the end of the period in paragraph (a), the period starting on the appointed day and ending on the date on which the licence is granted to A or the application is refused or withdrawn; or
 - (ii) A is a deemed licensee and A applies on or before the end of the period in paragraph (a), under section 7(1)(a), to vary its licence to provide digital payment token services, the period starting on the appointed day and ending on the date on which the Authority approves the application or the application is refused or withdrawn.

(3) The condition mentioned in paragraph (1) is that A must on the appointed day, notify the Authority, in such form or manner as may be specified by the Authority, of the date on which he commenced the business of providing digital payment token services.

PAYMENT SERVICES ACT 2019

PAYMENT SERVICES (SINGAPORE DOLLAR CHEQUE CLEARING SYSTEM AND INTER-BANK GIRO SYSTEM) REGULATIONS

ARRANGEMENT OF REGULATIONS

Regulation

1. Citation and commencement
2. Interpretation
3. Participants to open settlement account
4. Procedure at close of each day's clearing
5. Funds to meet participant's obligations
6. Defaulting participant
7. Re-admission of suspended participant

In exercise of the powers conferred by section 103(1) of the Payment Services Act, the Monetary Authority of Singapore makes the following Regulations.

Citation and commencement

1. These Regulations are the Payment Services (Singapore Dollar Cheque Clearing System and Inter-bank GIRO System) Regulations 2019 and come into operation on [*commencement date of the Act*].

Interpretation

2. In these Regulations, unless the context otherwise requires —

“articles” includes —

- (a) cheques, cashiers’ orders, drawing vouchers, dividend warrants, demand drafts, remittance receipts, travellers cheques or gift cheques drawn on a participant and payable in Singapore dollars and cleared in the Singapore dollar cheque clearing system;
- (b) electronic payment instruments that are drawn on a participant and payable in Singapore dollars and cleared in the inter-bank GIRO system; and
- (c) in relation to physical payment instruments, where the original thereof has been certified by any participant as lost, the certified true copies thereof whether in the form of microfilm, photocopy or other means authorised by the Authority;

“bank in Singapore” has the same meaning as in section 2 of the Banking Act (Cap. 19);

“clearing”, in relation to articles presented by any participant to the clearing house through the system (whether the presentation is made by way of physical delivery of the articles or electronic transmission of the data on the articles or transmission of electronic payment instruments to the clearing house), means the process by which the operator collates all articles, data on the articles or electronic payment instruments presented to the clearing house and computes —

- (a) the sum due to a participant from all other participants; and
- (b) the sum payable by the participant to all other participants;

“clearing house” means the Automated Clearing House that is established under the Banking (Clearing House) Regulations (Rg 1);

“operator”, in relation to the system, means the operator specified in the Payment Services (Designated Payment Systems) Order as the operator of the system;

“participant” means a participant of the system;

“settlement account” means an account opened with a settlement institution in the real-time gross settlement system that is deemed to be established by the Authority under section 29A(7) of the Monetary Authority of Singapore Act (Cap. 186)

“system”, in relation to —

- (a) articles that are physical payment instruments, means the Singapore dollar cheque clearing system; and
- (b) articles that are electronic payment instruments, means the inter-bank GIRO system.

Participants to open settlement account

3. — (1) Every participant must —

- (a) open a settlement account; or
- (b) appoint another participant which has opened a settlement account (referred to in these Regulations as a settlement agent),

to settle all obligations due from the first-mentioned participant to any other participant arising out of any clearing in each day.

(2) In the case where a participant appoints a settlement agent under paragraph (1)(b), the participant must, before any obligation is settled by the settlement agent on his behalf, give the operator notice in writing of the appointment, accompanied by a written confirmation from the settlement agent of such appointment.

(3) Any participant who intends to terminate the appointment of his settlement agent must notify the operator in writing not less than 7 days before the date of termination of such appointment.

(4) The operator must notify the Authority of any appointment of a settlement agent under paragraph (1)(b) or any intended termination of such appointment under paragraph (3) as soon as practicable.

(5) Any participant who fails to comply with the requirement in paragraph (2) or (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 and, in

the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction.

Procedure at close of each day's clearing

4. — (1) At the close of any clearing in each day, the operator must deliver a statement of transfer setting out the obligations arising out of the day's clearing to the settlement institution which shall effect the settlements by debiting and crediting the participants' settlement accounts.

(2) In preparing the statement referred to in paragraph (1), the operator must take into account any notice given by participants under regulation 3(2) or (3).

Funds to meet participant's obligations

5. — (1) A participant must —

- (a) where it has opened a settlement account, ensure that there are sufficient funds in its settlement account to meet its obligations arising out of any clearing in each day; or
- (b) where it has appointed another participant as its settlement agent, ensure that its settlement agent shall settle its obligations arising out of any clearing in each day.

(2) A participant referred to in paragraph (1)(a) must make arrangements to ensure that, if the funds in its settlement account are insufficient to meet its obligations arising out of any clearing in each day, the deficit in its settlement account can be covered.

(3) Any participant who fails to settle its obligations arising out of any clearing in each day by such time as may be specified in the rules of the settlement institution shall, except where such failure is due to a default on the part of its settlement agent, if any, be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part thereof during which the offence continues after conviction.

Defaulting participant

6. — (1) Where a participant has contravened regulation 5(1) (referred to in these Regulations as the defaulting participant), the Authority may, in its discretion, exercise all or any of the following powers:

- (a) suspend from clearing the defaulting participant and inform the operator that the defaulting participant has been suspended;

- (b) in the case where the defaulting participant is a bank in Singapore, regard the defaulting participant as being unable to meet its obligations under section 49 of the Banking Act (Cap. 19);
- (c) suspend from clearing all or any of the participants for which the defaulting participant is the settlement agent (referred to in these Regulations as the principal participants) and inform the operator that the principal participants have been suspended; and
- (d) in the case where a principal participant is a bank in Singapore, regard the principal participant as being unable to meet its obligations under section 49 of the Banking Act.

(2) Where a defaulting participant has been suspended from clearing by the Authority under this regulation, no participant shall present articles drawn on or payable to the defaulting participant for clearing.

Re-admission of suspended participant

7. The Authority may, in its discretion, re-admit a participant suspended from participating in the clearing if the participant takes such steps as the Authority may consider necessary to ensure that the participant fulfils its obligations arising out of the clearing.

PAYMENT SERVICES ACT 2019

PAYMENT SERVICES DESIGNATED PAYMENT SYSTEMS) (CONSOLIDATION) ORDER

ARRANGEMENT OF PARAGRAPHS

Paragraph

1. Citation and commencement
2. Designation of payment systems

The Schedule – designated payment systems

In exercise of the powers conferred by section 42(1) of the Payment Services Act, the Monetary Authority of Singapore makes the following Order.

Citation and commencement

1. This Order may be cited as the Payment Services (Designated Payment Systems) (Consolidation) Order and comes into operation on [*commencement date of the Act*].

Designation of payment systems

2. The payment systems set out in the first column of the Schedule are designated as designated payment systems for the purposes of the Act.

THE SCHEDULE

Paragraph 2

	<i>First Column Payment System</i>	<i>Second Column Operator</i>	<i>Third Column Settlement Institution</i>
1.	Singapore Dollar Cheque Clearing System	Banking Computer Services Pte Ltd	The Monetary Authority of Singapore
2.	Inter-bank GIRO System	Banking Computer Services Pte Ltd	The Monetary Authority of Singapore
3.	US Dollar Cheque Clearing System	Banking Computer Services Pte Ltd	Citibank N.A.
4.	New MAS Electronic Payment and Book Entry System	The Monetary Authority of Singapore	The Monetary Authority of Singapore

5.	Fast and Secure Transfers	Banking Computer Services Pte Ltd	The Monetary Authority of Singapore
6.	NETS Electronic Fund Transfers at Point of Sale	Network for Electronic Transfers (Singapore) Pte Ltd	DBS Bank Ltd.