

Exemption from section 23 of Act

32.—(1) Subject to paragraph (2), a major payment institution that is licensed to carry on a business of providing a merchant acquisition service is exempt from section 23(2) of the Act in respect of the relevant money that is received by the major payment institution —

- (a) on account of a customer that is a foreign entity in respect of a provision of a merchant acquisition service by the major payment institution to the customer; or
- (b) on account of a customer that is a foreign entity in respect of a provision of a cross-border money transfer service by the major payment institution to the customer for the purpose of enabling the major payment institution to provide a merchant acquisition service to the customer.

(1A) Subject to paragraph (2A), a major payment institution that is licensed to carry on a business of providing a cross-border money transfer service is exempt from section 23(2) of the Act in respect of the relevant money that is received by the major payment institution from, or on account of a customer, in respect of a provision of any relevant service, by the major payment institution to the customer.

(2) The major payment institution must inform the customer mentioned in paragraph (1)(a) or (b) (as the case may be) in writing that the money the major payment institution receives on account of the customer is not safeguarded under the Act.

(2A) The exemption in paragraph (1A) is subject to all of the following conditions:

- (a) the major payment institution must inform the customer mentioned in paragraph (1A) in writing that the money the major payment institution receives from, or on account of the customer is not safeguarded under the Act;
- (b) the major payment institution must not accept or receive the relevant money in Singapore; and
- (c) the payer and payee must each be either a foreign individual or foreign entity.

(3) In this regulation —

“foreign entity” means any entity that —

- (a) is not incorporated, formed or registered in Singapore; and
- (b) does not carry on business in Singapore;

“foreign individual” means any individual that is not a Singapore resident;

“relevant service” means any service of arranging for the transmission of money from any country or territory to another country or territory (whether as principle or agent), where such service is not a service referred to in paragraphs (a) or (b) of the definition of “cross-border money transfer service”;

“Singapore resident” means —

- (a) any person with whom the major payment institution has agreed in writing, is a Singapore resident; or

(b) any person that the major payment institution has determined is resident in Singapore based on evidence of the person's actual residency in Singapore including the person's Singapore residential address or Singapore phone number.