



Monetary Authority of Singapore

**GUIDELINES ON PROVISION OF
DIGITAL PAYMENT TOKEN SERVICES TO THE PUBLIC**

Guideline No : PS-G02
Issue Date : 17 January 2022

GUIDELINES ON PROVISION OF DIGITAL PAYMENT TOKEN SERVICES TO THE PUBLIC

1 Introduction

1.1 The Monetary Authority of Singapore (“MAS”) has consistently warned the public that the trading of digital payment tokens (“DPTs” or commonly referred to as cryptocurrencies) is highly risky and not suitable for the general public. The public should not be encouraged to engage in the trading of DPTs.

1.2 Under the Payment Services Act (“PS Act”), entities which provide services¹ relating to DPTs are regulated primarily for money laundering and terrorism financing risk, as well as technology risk. Customers of regulated entities must be informed of the risks of trading in DPTs under the PSN08 Notice on Disclosures and Communications but are otherwise not subject to any statutory protection for their trading of DPTs.

1.3 MAS stresses that DPT service providers should conduct themselves with the understanding that trading of DPTs is not suitable for the general public. These Guidelines set out MAS’ expectation that DPT service providers should not promote their DPT services to the general public in Singapore.

1.4 In view of the rapidly changing landscape for DPT services in Singapore, MAS will continue to review the provision of DPT services to the public by DPT service providers and may update these Guidelines as necessary.

1.5 Unless stated otherwise, these Guidelines apply to DPT service providers which have been granted a licence under the PS Act, banks and all other financial institutions providing

¹ The service of dealing in DPTs or a service of facilitating the exchange of DPTs is regulated under the PS Act. Amendments to the PS Act have also been passed in Parliament in January 2021 to expand the definition of DPT service in the PS Act to include transfer of DPTs, provision of custodian wallet services for DPTs; and facilitating the exchange of DPTs without possession of moneys or DPTs by the DPT service provider.

DPT services in Singapore, as well as DPT service providers which are currently operating under the transitional exemption² (collectively referred to as “DPT service providers”).

2 Promotion of DPT services to the general public

2.1 DPT service providers should not portray the trading of DPTs in a manner that trivialises the high risks of trading in DPTs, and should not promote their DPT services in public areas in Singapore or through any other media directed at the general public in Singapore. This includes placing of any form of advertisements or promotional materials in public areas such as Singapore public transport, public transport venues, broadcast media or periodical publications³, third party websites, social media platforms⁴, public events or roadshows.

2.2 DPT service providers may promote their services on their own corporate website, mobile applications, or official social media accounts, but must not trivialise the risks of trading in DPTs in a manner that is inconsistent with or contradicts the risk disclosures under the PS Act⁵.

2.3 DPT service providers should also not engage third parties, such as social media influencers or third-party websites, to promote their DPT services to the general public in Singapore. This includes joint promotional campaigns to solicit new customers.

3 Provision of DPT services in public areas

3.1 Providing in-person access to DPT services in public areas through the use of automated teller machines (“ATMs”) is a form of promotion of DPT services to the public. Such convenient access may mislead the public to trade in DPTs on impulse, without considering

² These are entities that have been providing DPT services before the commencement of the PS Act and have notified MAS pursuant to the Payment Services (Exemption for Specified Period) Regulations 2019. These entities are not licensed under the PS Act but are allowed to continue to provide DPT services while their licence application is being reviewed by MAS.

³ Includes any newspaper and magazine.

⁴ For instance, there should not be promotional banners or pop-ad advertisements on social media platforms to general public or specific consumer segment in Singapore.

⁵ Under the PSN08 Notice on Disclosures and Communications, all licensees and exempt payment service providers that provide DPT services must provide all customers and potential customers with a risk warning statement highlighting the risks associated with trading in DPTs.

the risks of trading in DPTs. DPT service providers should not provide physical ATMs in public areas in Singapore to facilitate public access to their DPT services.

4 Provision of services relating to DPT-related products

4.1 Payment token derivatives (“PTDs”) are derivatives contracts that reference DPTs as underlying assets. These include contracts-for-differences and futures contracts. MAS does not regulate PTDs unless they are offered by an Approved Exchange under the Securities and Futures Act⁶.

4.2 DPT service providers should not promote PTDs to the public as a convenient unregulated alternative to trading in DPTs. DPT service providers should not mislead the public that PTDs are less risky than DPTs.

4.3 Licensees under the PS Act should take all necessary steps to ensure that its customers do not confuse any PTD services associated with the licensee as being regulated by MAS. PTD services may only be offered through a legal entity which is not licensed under the PS Act⁷.

⁶ Please refer to MAS’ consultation paper on “Proposed Regulatory Approach for Derivatives Contracts on Payment Tokens” published in November 2019.

⁷ The expectation for PTD services to be offered through a separate legal entity will not be applicable for entities that are licensed under both the PS Act and Securities and Futures Act (“SFA”) or Financial Advisers Act (“FAA”). Such financial institutions are already required to comply with all regulatory requirements issued under the SFA and FAA in respect of PTDs.