

MAS Notice No.: PSN11

Notice to licensees providing a cross-border money transfer service

Payment Services Act 2019

Issue Date: 29 December 2023

(MAS Notice No.: PSN11 dated 18 December 2023 is cancelled with effect from 1 January 2024.)

Last revised on 27 March 2024

TEMPORARY RESTRICTIONS IN RELATION TO THE PROVISION OF CROSS-BORDER MONEY TRANSFER SERVICES TO PERSONS IN THE PEOPLE’S REPUBLIC OF CHINA

Introduction

1. This Notice is issued pursuant to section 102(1) of the Payment Services Act 2019 (the “Act”) and applies to all licensees that carry on a business of providing cross-border money transfer services (“licensees”)¹.

Definitions

2. For the purpose of this Notice –

“bank” means –

- (a) any company which holds a valid bank licence under section 7 or 79 of the Banking Act 1970; or
- (b) any entity established or incorporated in a foreign country or jurisdiction which is licensed, approved, registered or regulated under any law administered by an authority in a foreign country or jurisdiction (the functions of which correspond to the functions of the Authority) to carry on any banking business in that country or jurisdiction;

“card payment system” means a payment system that enables a payer to make payment transactions through the use of a debit card, credit card or charge card;

“correspondent account services” and “similar services” have the same meanings as in paragraph (b) of their respective definitions in paragraph 13.2 of MAS Notice PSN01 on the Prevention of Money Laundering and Countering the Financing of Terrorism – Holders of

¹ This Notice is issued in connection with the the police reports and complaints received in relation to frozen bank accounts or forfeiture of monies in the People’s Republic of China. For more information, please refer to the Authority’s website at <http://www.mas.gov.sg>.

Payment Services Licence (Specified Payment Services), save that a reference in the definitions to payment service provider is a reference to a licensee;

“correspondent financial institution” has the same meaning as in paragraph 13.2 of MAS Notice PSN01 on the Prevention of Money Laundering and Countering the Financing of Terrorism – Holders of Payment Services Licence (Specified Payment Services), save that a reference in the definition to –

- (a) payment service provider is a reference to a licensee; and
- (b) correspondent account services and similar services is a reference to correspondent account services and similar services respectively as defined in paragraph 2 of this Notice;

“financial institution” means any person that –

- (a) is licensed, approved, registered or regulated by the Authority under any written law;
or
- (b) is licensed, approved, registered or regulated under any law administered by an authority in a foreign country or jurisdiction (the functions of which correspond to the functions of the Authority) to carry on any financial activity in that country or jurisdiction.

To avoid doubt, “financial institution” excludes any person that is exempt from being licensed, approved, registered or regulated (a) by the Authority under any written law; or (b) under any law administered by an authority in a foreign country or jurisdiction (the functions of which correspond to the functions of the Authority) to carry on any financial activity in that country or jurisdiction.

“payment service” in paragraph 4(c) of this Notice refers to any of the following payment services as defined in Part 3 of the First Schedule to the Act:

- (a) account issuance service;
- (b) domestic money transfer service;
- (c) cross-border money transfer service;
- (d) e-money issuance service; and
- (e) merchant acquisition service.

“related corporation” has the meaning given by section 4(1) of the Companies Act 1967.

3. The expressions used in this Notice shall, except where defined in this Notice or where the context otherwise requires, have the same meanings as in the Act.

Temporary restrictions relating to the use of agents and correspondent financial institutions

4. For the duration specified in paragraph 5, where a licensee accepts money from a customer, who is an individual, for the purpose of transmitting, or arranging for the transmission of, the money to any person in the People's Republic of China, the licensee must not engage any person to assist in the transmission or arrangement of the transmission of the money other than an agent or a correspondent financial institution that is:

- (a) a bank;
- (b) an operator of a card payment system;
- (c) a non-bank payment institution that is licensed under any law administered by an authority in the People's Republic of China to carry on a business of providing an equivalent of a payment service in the People's Republic of China;
- (d) a financial institution or a related corporation of the licensee, that directly engages any person specified in sub-paragraphs (a), (b), or (c) above to assist the licensee in the provision of the cross-border money transfer service; or
- (e) a licensee that directly, or through another licensee, engages any person specified in sub-paragraphs (a), (b), (c), or (d) above.

Effective Date

5. This Notice shall take effect from 1 January 2024 to 30 September 2024 (both dates inclusive). The Authority may extend this Notice for such further period(s) by notice in writing.

[MAS Notice No. PSN11 (Amendment) 2024]

*** Endnotes of History of Amendments:**

1. MAS Notice No. PSN11 (Amendment) 2024 dated 27 March 2024 with effect from 29 March 2024.