

MAS Notice No.: PSN08

Notice to licensees and exempt payment service providers

Payment Services Act 2019 (Act 2 of 2019)

Issue Date: 5 December 2019

Last revised on 7 March 2022

NOTICE ON DISCLOSURES AND COMMUNICATIONS

Introduction

1. This Notice is issued pursuant to section 102(1) of the Payment Services Act 2019 (the “Act”) and applies to—
 - (a) a licensee; and
 - (b) an exempt payment service provider mentioned in section 13 (1)(a), (b), (c) or (d) of the Act.

Definitions

2. For the purpose of this Notice –

“delayed money-changing service” means a money-changing service where the transaction for the purchase or sale of foreign currency notes, or both, is not completed immediately;

“relevant payment service” has the same meaning as in section 13(13) of the Act

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.

Disclosures by Standard Payment Institutions

4. A standard payment institution must provide the following statement to all customers and potential customers in the manner specified in paragraph 11:

“< Name of standard payment institution> is licensed by the Monetary Authority of Singapore to provide <payment service which is being provided or will be provided to the customer or potential customer>. Please note that this does not mean you will be

able to recover all the money you paid to <name of standard payment institution> if <name of standard payment institution>'s business fails."

Disclosures by Major Payment Institutions that provide delayed money-changing services

5. Where a major payment institution carries on a business of providing any delayed money-changing service, the major payment institution must provide the following statement to all customers and potential customers in the manner specified in paragraph 11:

"<Name of major payment institution> is licensed by the Monetary Authority of Singapore to provide money-changing services. Please note that this does not mean you will be able to recover all the money you paid to <name of major payment institution> if <name of major payment institution>'s business fails."

Disclosures by Major Payment Institutions that issue e-money that is not specified e-money

6. Where a major payment institution issues e-money that is not specified e-money to any customer, the major payment institution must provide the following statement to the customer in the manner specified in paragraph 12:

"Notice for non-Singapore residents

<Name of major payment institution> is licensed by the Monetary Authority of Singapore to provide e-money issuance services. Please note that this does not mean you will be able to recover all the money you paid to <name of major payment institution> if <name of major payment institution>'s business fails."

Disclosures by Exempt Payment Service Providers that provide delayed money-changing services

7. Where an exempt payment service provider carries on a business of providing a relevant payment service that is a delayed money changing service, the exempt payment service provider must provide the following statement to all customers and potential customers in the manner specified in paragraph 11:

"<Name of exempt payment service provider> is exempted by the Monetary Authority of Singapore from holding a licence to provide money-changing services. Please note that you may not be able to recover all the money you paid to <name of exempt

payment service provider> if < name of exempt payment service provider>'s business fails."

Disclosures by Exempt Payment Service Providers that issue e-money that is not specified e-money

8. Where an exempt payment service provider issues e-money that is not specified e-money to any customer, the exempt payment service provider must provide the following statement to the customer in the manner specified in paragraph 12:

"Notice for non-Singapore residents

<Name of exempt payment service provider> is exempted by the Monetary Authority of Singapore from holding a licence to provide e-money issuance services. Please note that you may not be able to recover all the money you paid to <name of exempt payment service provider> if < name of exempt payment service provider>'s business fails."

Disclosures by digital payment token service providers

9. Any licensee that provides digital payment token services must provide all customers and potential customers with the risk warning statement set out in Annex A1 in the manner specified in paragraph 11.

10. Any exempt payment service provider that provides digital payment token services must provide all customers and potential customers with the risk warning statement set out in Annex A2 in the manner specified in paragraph 11.

Disclosures must be clear and conspicuous

11. The statement referred to in paragraphs 4, 5, 7, 9 or 10, as the case may be, must—

- (a) be published at least once in publicly available material issued by the licensee or exempt payment service provider;
- (b) be provided to a potential customer prior to the potential customer using the payment services provided by the licensee or exempt payment service provider;
- (c) be provided at least once in writing to any customer where such a customer was not provided the statement in the manner set out in paragraph (b);

- (d) not be obstructed or obscured, or embedded within other unrelated writing; and
 - (e) be of a reasonable size and typeface.
12. A statement referred to in paragraph 6 or 8 must—
- (a) be provided to a customer before any e-money that is not specified e-money is issued to that customer for the first time;
 - (b) be provided at least once in writing to any customer, where such customer was not provided the statement in the manner set out in paragraph (a);
 - (c) not be obstructed or obscured, or embedded within other unrelated writing; and
 - (d) be of a reasonable size and typeface.

Disclosures by money-changing service provider

13. A licensee that provides a delayed money-changing service to a customer must provide the customer with the risk warning statement as set out in Annex B and obtain the customer's acknowledgement of the statement, in writing, before the transaction is entered into.

14. A licensee must ensure that the statement referred to in paragraph 13 is:
- (a) not obstructed or obscured, or embedded within other unrelated writing; and
 - (b) of a reasonable size and typeface.

Additional requirements for licensees and exempt payment service providers which have arrangements with third parties to solicit for the provision of payment services

15. Paragraph 16 applies to any licensee or exempt payment service provider ("regulated person") that has an agreement or arrangement with any third party ("soliciting party") for the soliciting party to do any of the following on behalf of the regulated person:

- (a) offer to provide, or issue any advertisement containing any offer to provide, to the public in Singapore or any section of the public in Singapore, any type of payment service to be provided by the regulated person, whether in Singapore or elsewhere; or
- (b) make an offer or invitation, or issue any advertisement containing any offer or invitation, to the public in Singapore or any section of the public in Singapore, to enter into any agreement relating to the provision by

the regulated person of any type of payment service, whether in Singapore or elsewhere.

16. In addition to complying with paragraphs 4, 5, 7, 9, or 10 as the case may be, a regulated person must ensure that in every offer, invitation or advertisement the soliciting party makes on behalf of the regulated person—

- (a) where the regulated person is a standard payment institution, the soliciting party provides the statement in paragraph 4;
- (b) where the regulated person is a major payment institution that carries on a business of providing any delayed money-changing service, the soliciting party provides the statement in paragraph 5;
- (c) where the regulated person is an exempt payment service provider that carries on a business of providing a relevant payment service that is a delayed money changing service, the soliciting party provides the statement in paragraph 7;
- (d) where the regulated person is a licensee that provides digital payment token services, the soliciting party provides the statement in Annex A3;
- (e) where the regulated person is an exempt payment service provider that provides digital payment token services, the soliciting party provides the statement in Annex A4; and
- (f) the soliciting party provides a statement to the regulated person's customer and potential customers that the payment service referred to in the offer, invitation or advertisement, as the case may be, is or will be provided by the regulated person and not the soliciting party, in the manner specified in paragraph 17.

17. The statement referred to in paragraphs 16 (a) to (f), as the case may be, must—

- (a) not be obstructed or obscured, or embedded within other unrelated writing; and
- (b) be of a reasonable size and typeface.

Accurate representation of scope of licence

18. Where a licensee makes a representation in respect of the scope of its regulation by the Authority in any publicly available material, the licensee must at all times ensure that the representation is accurate and not false or misleading.

19. (a) Without prejudice to the generality of paragraph 18, the licensee must ensure that any representation it makes—

- (i) does not misrepresent the scope of the activities that a licensee is licensed to carry out; and
 - (ii) where a licensee is part of a group of related entities, states clearly that it is the licensee (and not any other entity in the group of related entities) that holds the licence under the Act.
- (b) In this paragraph—
- “equity interest”, in relation to an entity, means any right or interest, whether legal or equitable, in the entity, by whatever name called, and includes any option to acquire any such right or interest in the entity;
- “related entity” means any entity that is a related entity of the first mentioned entity under paragraph
- (c) For the purposes of this paragraph, an entity is (called in this paragraph the first entity) is related to another entity (called in this paragraph the second entity) if the first entity is—
- (i) a subsidiary of the second entity;
 - (ii) a holding entity of the second entity; or
 - (iii) a subsidiary of the holding entity of the second entity;
- (d) For the purposes of paragraph (c),
- (i) an entity (called in this paragraph the first entity) is, subject to subparagraph (g), a subsidiary of another entity (called in this paragraph the second entity) if—
 - (A) the second entity—
 - (AA) controls the composition of the board of persons (called in this paragraph the board) of the first entity that is equivalent to the board of directors of a corporation;
 - (AB) controls more than half of the voting power of the first entity; or
 - (AC) holds more than half of the issued equity interests of the first entity; or
 - (B) the first entity is a subsidiary of another entity that is a subsidiary of the second entity.
 - (ii) a reference to the holding entity of an entity shall be read as an entity of which the last-mentioned entity is a subsidiary.

- (e) For the purposes of sub-paragraph (d)(i)(A), the second entity controls the composition of the board of the first entity if the second entity has the power to, without the consent or concurrence of any other person, appoint or remove all or a majority of the board of the first entity.
- (f) For the purposes of sub-paragraph (e), the second entity has the power mentioned in that sub-paragraph if —
 - (i) a person cannot be appointed as a member of the board of the first entity without the exercise in the person's favour by the second entity of that power; or
 - (ii) a person's appointment as a member of the board of the first entity follows necessarily from the person holding an appointment in relation to the second entity that is equivalent to that of a director or officer of a corporation.
- (g) In determining whether an entity (called in this paragraph the first entity) is a subsidiary of another entity (called in this paragraph the second entity)—
 - (i) any equity interests held in, and any powers exercisable over, the first entity by the second entity in a fiduciary capacity are not to be treated as held or exercisable by the second-mentioned entity;
 - (ii) subject to sub-paragraphs (iii) and (iv), any equity interests held in, and any powers exercisable over, the first entity —
 - (A) by any person as a nominee for the second entity (except where the second entity is concerned only in a fiduciary capacity); or
 - (B) by, or by a nominee for, a subsidiary of the second entity, not being a subsidiary that is concerned only in a fiduciary capacity,

are to be treated as held or exercisable by the second entity;
 - (iii) any equity interests held in, and any powers exercisable over, the first entity by any person by virtue of the provisions of any debentures of the first entity, or of a trust deed for securing any issue of such debentures, are to be disregarded; and
 - (iv) any equity interests held in, and any powers exercisable over, the first entity by, or by a nominee for, the second entity or its subsidiary (not being any equity interests or powers mentioned in sub-paragraph (c)) are not to be treated as held or exercisable by the second entity, if —

- (A) the ordinary business of the second entity or its subsidiary (as the case may be) includes the lending of money; and
- (B) the equity interests are held or powers are exercisable as security only for the purposes of a transaction entered into in the ordinary course of that business.

20. Where the Authority has informed a licensee that a third party has made a false or misleading statement in respect of the licensee's scope of regulation, the licensee must request the third party to correct the statement.

Effective Date

21. This Notice shall take effect on 28 January 2020.

* Notes on history of amendments

1. MAS Notice PSN08 (Amendment) 2022 with effect from 7 April 2022.

DIGITAL PAYMENT TOKEN SERVICE RISK DISCLOSURE

RISK WARNING ON DIGITAL PAYMENT TOKEN SERVICES

The Monetary Authority of Singapore (MAS) requires us to provide this risk warning to you as a customer of a digital payment token (DPT) service provider.

Before you pay your DPT service provider any money or DPT, you should be aware of the following.

1. Your DPT service provider is licensed by MAS to provide DPT services. Please note that this does not mean you will be able to recover all the money or DPTs you paid to your DPT service provider if your DPT service provider's business fails.
2. You should not transact in the DPT if you are not familiar with this DPT. This includes how the DPT is created, and how the DPT you intend to transact is transferred or held by your DPT service provider.
3. You should be aware that the value of DPTs may fluctuate greatly. You should buy DPTs only if you are prepared to accept the risk of losing all of the money you put into such tokens.
4. You should be aware that your DPT service provider, as part of its licence to provide DPT services, may offer services related to DPTs which are promoted as having a stable value, commonly known as "stablecoin".

[MAS Notice PSN08 (Amendment) 2022]

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The Monetary Authority of Singapore (MAS) requires us to provide this risk warning to you as a customer of a digital payment token (DPT) service provider.

Before you pay your DPT service provider any money or DPT, you should be aware of the following.

1. Your DPT service provider is exempted by MAS from holding a licence to provide DPT services. Please note that you may not be able to recover all the money or DPTs you paid to your DPT service provider if your DPT service provider's business fails.
2. You should not transact in the DPT if you are not familiar with this DPT. This includes how the DPT is created, and how the DPT you intend to transact is transferred or held by your DPT service provider.
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[MAS Notice PSN08 (Amendment) 2022]

DIGITAL PAYMENT TOKEN SERVICE RISK DISCLOSURE

RISK WARNING ON DIGITAL PAYMENT TOKEN SERVICES

The Monetary Authority of Singapore (MAS) requires <Name of licensee> to provide this risk warning to you as a customer of a digital payment token (DPT) service provider.

Before you pay your DPT service provider any money or DPT, you should be aware of the following.

1. Your DPT service provider is licensed by MAS to provide DPT services. Please note that this does not mean you will be able to recover all the money or DPTs you paid to your DPT service provider if your DPT service provider's business fails.
2. You should not transact in the DPT if you are not familiar with this DPT. This includes how the DPT is created, and how the DPT you intend to transact is transferred or held by your DPT service provider.
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[MAS Notice PSN08 (Amendment) 2022]

DIGITAL PAYMENT TOKEN SERVICE RISK DISCLOSURE

RISK WARNING ON DIGITAL PAYMENT TOKEN SERVICES

The Monetary Authority of Singapore (MAS) requires <name of exempt payment service provider> to provide this risk warning to you as a customer of a digital payment token (DPT) service provider.

Before you pay your DPT service provider any money or DPT, you should be aware of the following.

1. Your DPT service provider is exempted by MAS from holding a licence to provide DPT services. Please note that you may not be able to recover all the money or DPTs you paid to your DPT service provider if your DPT service provider's business fails.
2. You should not transact in the DPT if you are not familiar with this DPT. This includes how the DPT is created, and how the DPT you intend to transact is transferred or held by your DPT service provider.
3. You should be aware that the value of DPTs may fluctuate greatly. You should buy DPTs only if you are prepared to accept the risk of losing all of the money you put into such tokens.
4. You should be aware that your DPT service provider, as part of its licence to provide DPT services, may offer services related to DPTs which are promoted as having a stable value, commonly known as "stablecoin".

[MAS Notice PSN08 (Amendment) 2022]

MONEY CHANGING SERVICE RISK DISCLOSURE

While <Name of Licensee> is licensed under the Payment Services Act 2019 to carry on a business of providing money-changing services, the Act does not require <Name of Licensee> to duly deliver any currency purchased at such later time as may be agreed between <Name of Licensee> and you, or otherwise guarantee that any debt owing to you will be settled. You are advised to read the terms and conditions of our services carefully.