



Monetary Authority of Singapore

Response to Feedback Received

P010-2018 – 26 June 2026

Response to Feedback Received on Review of the Recognised Market Operator Regime



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1. Preface

- 1.1. On 22 May 2018, MAS issued a consultation paper on the Review of the Recognised Market Operator (“RMO”) Regime. The paper proposed expanding the existing RMO regime¹ into a three-tiered regime (comprising RMO Tier 1, Tier 2 and Tier 3)² with regulatory requirements calibrated to the risks posed by each tier’s business model. The proposal aimed to better support growth and innovation in Singapore’s capital markets while safeguarding investors’ interests.
- 1.2. The consultation period closed on 22 June 2018. MAS received feedback from a total of 20 respondents, including financial institutions, law firms, industry associations and members of the public, with a mix of some respondents highlighting potential areas of operational or commercial concerns with the proposal, while others expressed support for a more calibrated RMO regulatory regime. MAS would like to thank all respondents for their contributions.
- 1.3. MAS has carefully considered the feedback received on the consultation paper. Having assessed the proposal and feedback against subsequent regulatory and market developments, MAS has decided not to proceed with the proposed three-tiered RMO regime. The key developments that informed MAS’ decision are set out below.

¹ MAS currently regulates market operators under two categories, namely the Approved Exchanges (“AE”) and the RMOs. Systemically important market operators are regulated as AEs and are subject to a higher level of statutory obligations, while other market operators are regulated as RMOs.

² RMO Tier 1 would allow market operators to serve a limited number of retail investors, subject to additional requirements on retail investor protection. RMO Tier 2 was intended for market operators qualifying under the existing RMO regime. RMO Tier 3 was intended for smaller-scale market operators, which would be subject to less stringent requirements on capital, technology risk management, and outsourcing.



2. MAS' Response

Regulatory and market developments

- 2.1. The proposed RMO Tier 3 was originally intended to calibrate regulatory and technology risk management requirements for smaller-scale market operators that may have more limited resources than established market operators under the existing RMO regime. However, MAS has since taken steps to address the regulatory burden on market operators where appropriate, achieving in substance the policy intent of the proposed RMO Tier 3.
- a) On capital requirements, MAS revised its requirements for locally-incorporated RMOs in 2022, replacing the previous financial resources requirements (which included a S\$500,000 floor)³ with (i) a solvency requirement of the higher of S\$250,000 or 25% of their annual operating expenses and (ii) a liquidity requirement of 25% of annual operating expenses. These revisions lower the barriers to entry for smaller-scale RMOs, while ensuring that they retain sufficient resources for an orderly wind-down if necessary. The revised requirements also bring Singapore's RMO capital requirements broadly in line with international peers.
 - b) The introduction of the Payment Services Act 2019 has since provided a more fit-for-purpose regulatory framework for digital players exploring regulatory pathways for their businesses, particularly for digital payment token platforms. Interest in securitised digital assets has been more limited, and the existing RMO regime remains appropriate for such players.
 - c) On technology risk management, the technology and cyber threat landscape has intensified considerably since 2018, with cyber-attacks targeting financial institutions growing in both frequency and sophistication. MAS has responded by issuing the Cyber Hygiene Notice in 2019, and consulting on revised Technology Risk Management Notice requirements in June 2026 to ensure that baseline requirements across all financial institutions keep pace with evolving threats. At the same time, the revised Technology Risk Management Guidelines issued in 2021 adopted a risk-calibrated approach that recognises the varying scale of financial institutions, addressing one of the original objectives of the RMO Tier 3 proposal, which was to ensure that technology risk management requirements are commensurate with market operators' scale of operations.
- 2.2. The proposed RMO Tier 1 was intended to allow market operators with suitable business models to serve a limited number of retail investors, supported by safeguards to ensure adequate investor protection and manage systemic risks. This sought to broaden the range of products available to retail

³ Specifically, RMOs were required to hold financial resources that were at least the highest of (i) 18% of their annual operating revenue, (ii) 50% of their annual operating costs, and (iii) S\$500,000.



investors and expand the channels through which companies could access capital via Singapore's ecosystem. However, MAS has since embarked on a range of broader initiatives to strengthen the vibrancy of Singapore's capital markets, which collectively address the RMO Tier 1 policy objective of enhancing retail investors' access to investment opportunities and supporting companies' ability to raise capital. Among these initiatives are:

- a) Measures arising from the Equities Market Review Group ("EMRG")⁴, including enhancements to MAS' Grant for Equity Market Scheme to support the listing of depository receipts and exchange traded funds⁵, and a new regulatory framework for the Global Listing Board⁶ to give companies better access to capital and investors access to a broader range of high-quality investment opportunities. SGX has also consulted on plans to reduce the board lot size for higher-priced securities, which aims to facilitate wider retail participation in the market.
- b) Proposed amendments to streamline the prospectus disclosure requirements for initial public offerings⁷, with the aim of facilitating more quality listings while maintaining high standards to uphold investor confidence.
- c) An ongoing review by the Growth Capital Workgroup, established in February 2026, to recommend measures to strengthen growth capital markets – including venture capital, private equity, private credit, and securitised assets – to better support the financing needs of companies from Singapore and the region across their various growth stages.⁸

Changes in Singapore's RMO landscape

- 2.3. Singapore's RMO landscape has grown steadily under the existing regime, with the number of locally-incorporated RMOs increasing from 5 in 2018 to 34 as of June 2026. Beyond the growth in numbers, several RMOs have experimented with innovative technologies in their business models, such as

⁴ The EMRG was established in 2024 to recommend measures to enhance the development of Singapore's equity market. The full set of recommendations made by the EMRG can be found at this link: [Final Report of the EMRG](#)

⁵ Details on the enhancements to the Grant for Equity Market Singapore Scheme can be found at this link: [MAS Appoints First Batch of EQDP Asset Managers; Commits S\\$50 million to Boost Equity Research and Product Listings; and Outlines Proposals to Enhance Investor Recourse](#)

⁶ MAS' consultation on the proposed regulatory framework for the Global Listing Board and MAS' response to the consultation feedback can be found at this link: [Consultation Paper on Proposed Amendments to the Securities and Futures Act and Regulations in Relation to the Global Listing Board](#)

⁷ MAS' consultation on proposed amendments to streamline prospectus disclosure requirements can be found at this link: [Consultation Paper on Proposals to Streamline Prospectus Requirements and Broaden Investor Outreach Channels for Initial Public Offerings](#)

⁸ Details on the Growth Capital Workgroup can be found at this link: [Workgroup convened to Enhance Singapore's Ecosystem for Growth Capital](#)



distributed ledger technology and automated market-maker mechanisms, to deepen market liquidity and improve price discovery.

- 2.4. Many of these RMOs with novel business models were admitted through the MAS Regulatory Sandbox, which has proven effective in allowing these market operators to road-test their technology applications in a controlled live environment before commencing full-scale RMO operations. These sandbox experiments have also enabled MAS to keep pace with industry innovation and refine our regulatory regime in a risk-calibrated manner to support market growth.
- 2.5. MAS has also continued to enhance our Regulatory Sandbox to better support experimentation and diffusion of innovative financial technologies. In 2019, MAS launched the “Sandbox Express” to provide firms with a faster pathway for market testing in pre-defined environments, followed by the introduction of the “Sandbox Plus” in 2022, which expanded the eligibility criteria to include early adopters of technology innovation.

Conclusion

- 2.6. In light of the regulatory and market developments outlined above, MAS has re-examined its original proposals and concluded that the design parameters of the proposed three-tiered RMO regime are no longer the most appropriate to supporting growth and innovation in Singapore’s capital markets. MAS will therefore not be proceeding with the proposed three-tiered RMO regime.
- 2.7. MAS remains committed to strengthening the vibrancy and competitiveness of Singapore’s capital markets, and will continue to engage with industry stakeholders to ensure that our regulatory frameworks remain both robust and supportive of innovation and growth.