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## Major Payment Institutions, Exempt Payment Services Providers to Note SGQR Guidelines Taking Effect On 1 Dec 2023

### Introduction

The Singapore Quick Response Code ("**SGQR**") is a single standardised quick response ("**QR**") code for e-payments and combines multiple payment schemes into a single SGQR label. The Monetary Authority of Singapore ("**MAS**") has set out its expectations on Relevant Merchant Acquirers who participate in the SGQR scheme in the earlier issued [Guidelines on Participation in the SGQR Scheme](#) ("**Guidelines**"). A "Relevant Merchant Acquirer" refers to any major payment institution or any exempt payment service provider under the Payment Services Act 2019 that provides merchant acquisition service to any merchant through a static QR code at that merchant's physical place of business ("**Relevant Merchant Acquisition Service**"). The Guidelines takes effect on **1 December 2023**.

The Guidelines follow an earlier consultation conducted by MAS and the InfoComm Media Development Authority ("**IMDA**") on the set of proposed Guidelines, fee structure model for SGQR Members,<sup>1</sup> and regular batched onboarding exercises for merchant acquirers who intend to join SGQR. To read more about these proposals, please refer to our earlier Legal Update, available [here](#). MAS and IMDA also published the [Response](#) to feedback received on the consultation. From 1 November to 30 November 2023, MAS is also conducting a proof of concept for SGQR+ which is designed to provide interoperability among different payment schemes for QR acceptance at merchants.<sup>2</sup> This Update outlines key aspects of the Guidelines.

### Scope of Application

The Guidelines apply to all Relevant Merchant Acquirers. They will not apply to any major payment institution or any exempt payment service provider that provides any merchant acquisition service through any means other than a static QR code, whether or not the sale and purchase of the goods or services in the payment transaction are conducted at a merchant's physical place of business.

<sup>1</sup> An entity which is approved and designated by the SGQR Scheme Owner by written notice to the Operator, to receive Central Repository Services in accordance with the relevant governance, membership and operating rules relating to the SGQR.

<sup>2</sup> Merchants only need to sign up with a single financial institution to unlock a diverse range of local and cross-border payment schemes, and thus not need to maintain commercial relationships with several financial institutions to accept different payment schemes. To read more about SGQR+, please refer to the relevant links available on the MAS website, [here](#).

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Merchant acquisition service provided through means other than a static QR code includes a service provided through: (a) a point-of-sale terminal; (b) a dynamic QR code; or (c) an online payment transaction.

The Guidelines provide general guidance, and should be read in conjunction with the relevant legislations, such as the Payment Services Act 2019, as well as other MAS directions, notices, guidelines etc that MAS may issue from time to time. In response to the feedback on converting the Guidelines into a Regulation, MAS and IMDA stated that they may consider if they deem this to be necessary in the future for the greater adoption and acceptance of SGQR as a common standard.

## Key Aspects of Guidelines

### SGQR membership

A Relevant Merchant Acquirer is required to at all times be an SGQR Member. SGQR Member refers to any entity approved and designated by MAS and IMDA by written notice to the Operator of the Central Repository, to receive Central Repository Services in accordance with the relevant governance, membership and operating rules relating to the SGQR.

### Membership and fees

A Relevant Merchant Acquirer who is also an SGQR Member should do all things necessary to maintain its SGQR membership, including making payment of fees to maintain its membership.

### Comply with relevant SGQR rules

A Relevant Merchant Acquirer who is also an SGQR Member should comply with rules relating to SGQR covering governance, membership, operating, branding and presentment protocols.

### Provision of Relevant Merchant Acquisition Service by way of an SGQR label only

The Relevant Merchant Acquirer should:

- Not provide any Relevant Merchant Acquisition Service by way of its proprietary static payment QR code label.
- Ensure at all times that each merchant to whom the Relevant Merchant Acquirer has provided such Relevant Merchant Acquisition Service, does not display its proprietary static payment QR code label at its physical place of business.

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### **Removal of merchant's proprietary static payment QR code label**

If IMDA (SGQR Scheme Owner) identifies that any merchant is displaying its proprietary static payment QR code label at its physical place of business, IMDA may notify the Relevant Merchant Acquirer, who should then within three months from that date remove or arrange for the removal of the merchant's proprietary static payment QR code label from said merchant's physical place of business, and issue the merchant with an SGQR label.

For clarity, this requirement does not apply in respect of QR code labels displayed at the merchant's physical place of business, that are exclusively linked to a payment account held by a natural person.

### **Transition Period**

Existing SGQR Members will be given a transition period of six months from the date that the Guidelines and revised Rules take effect i.e., **from 1 December 2023 to 31 May 2024**.

If you have any queries on the above, please feel free to contact our team members below who will be happy to assist.

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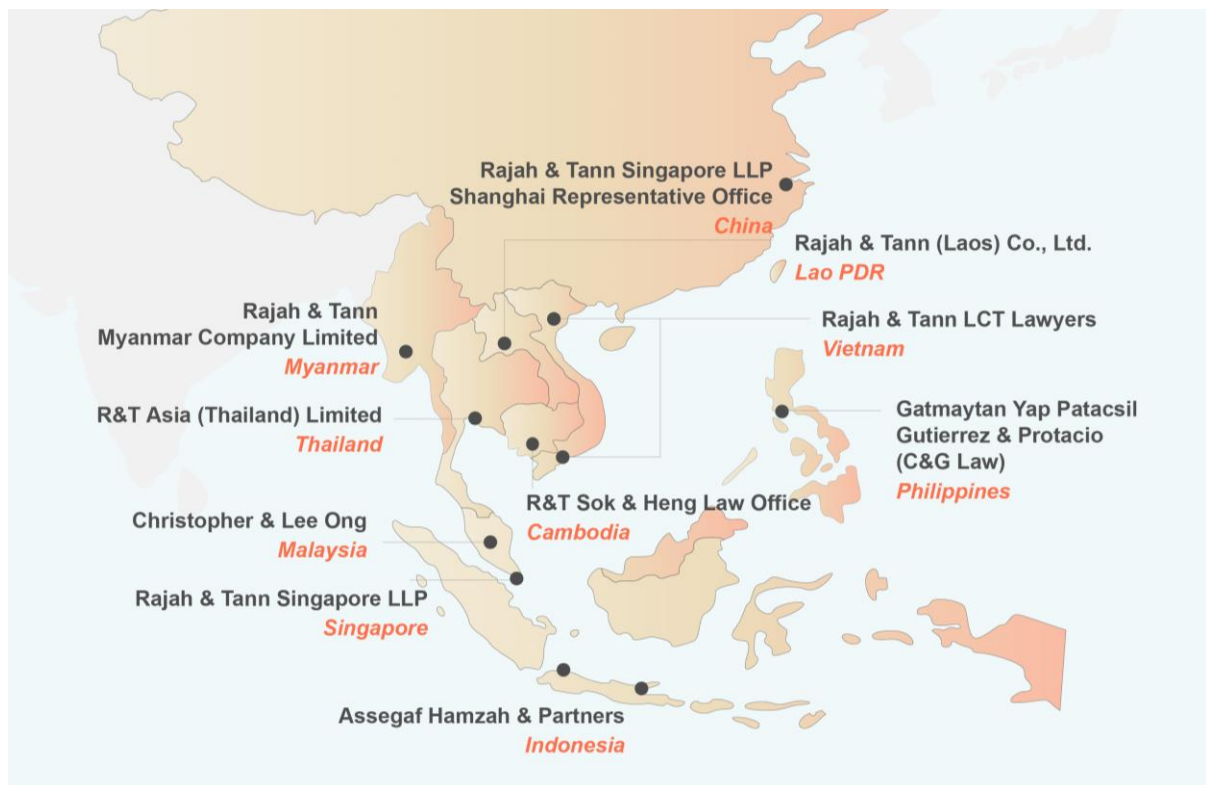
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