

Financial Institutions

## MAS issues Guidelines and Specimen Forms on Licensing for Payment Service Providers

On 18 December 2019, the Monetary Authority of Singapore ("**MAS**") issued the *Guidelines on Licensing for Payment Service Providers* (PS-G01) which are intended to provide guidance on the licensing criteria and ongoing requirements for payment service providers under the Payment Services Act 2019 ("**PS Act**").

The MAS also published the following specimen forms on licensing matters relating to a payment service provider. Notifications and applications with these Forms will only be accepted via the online form after the PS Act commences on 28 January 2020.

- (i) *Notification Form for the Purpose of Exemption from Holding a Licence under the Payment Services Act for the Specified Period*

For entities to notify MAS of the date on which they commenced the business of providing the specific payment services set out in the Payment Services (Exemption for Specified Period) Regulations 2019 and to be exempted from licensing for specific payment services for a transitional period. Do note that this notification form may be submitted between 28 January to 27 February 2020.

- (ii) *Form 1: Application for a Payment Service Provider Licence*

For entities to apply for a payment service provider licence or to change their entity type between a sole-proprietorship, partnership, or company/corporation under the PS Act.

- (iii) *Form 2: Application for the Variation or Change of a Payment Service Provider Licence*

For entities to apply for the variation or change of a payment service provider licence under the PS Act.

- (iv) *Form 3: Application for the Approval of Chief Executive Officer, Director or Partner of a Payment Service Provider*

For entities to apply for the approval of a Chief Executive Officer, Director or Partner of a payment service provider under the PS Act.

# Client Update: Singapore

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By way of background, the PS Act will come into force on 28 January 2020 (except three provisions setting out related amendments to other Acts), and will repeal the Payment Systems (Oversight) Act and the Money-changing and Remittance Businesses Act to consolidate the regulation of payment services under a single legislation.

In addition, the PS Act will expand the scope of regulated payment services to keep up with new technological developments in payment services and the various risks they pose. It adopts a licence-based framework for payment service providers and a designation regime for payment systems.

In summary, the PS Act regulates the provision of the following payment services:

- (i) Account issuance services;
- (ii) Domestic money transfer services;
- (iii) Cross-border money transfer services;
- (iv) Merchant acquisition services;
- (v) E-money issuance services;
- (vi) Digital payment token services; and
- (vii) Money-changing services.

Persons which carry on business in providing these services must obtain the necessary licence to provide the relevant payment services. The classes of licence available are:

- (i) Money-Changing Licence;
- (ii) Standard Payment Institution Licence; and
- (iii) Major Payment Institution Licence.

To effect the objectives of the PS Act, a set of regulations was issued under the PS Act on 5 December 2019. The regulations will also take effect on 28 January 2020.

Among other things, to allow a grace period for transition, the Payment Services (Exemption for Specified Period) Regulations 2019 ("**PS(E)R**") provide for a set of temporary exemptions for persons who before or on 28 January 2020 carry on the prescribed payment services from holding a licence under the PS Act for a specified grace period, provided that they meet the conditions prescribed in the PS(E)R, including notifying MAS within 30 days after 28 January 2020 of the date on which the person commenced business in providing the relevant payment service (in the form and manner of notification specified on the MAS website). The specified grace period ranges from six to 12 months, depending on the type of the payment service carried out.

MAS has also published the relevant Payment Services Notices and Guidelines on its website, which can be accessed [here](#).

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To read more about the key features of the PS Act and the changes to be introduced, please click [here](#) for our most recent Client Update titled "Payment Services Act 2019 To Take Effect on 28 January 2020".

For further queries, please feel free to contact our team below.

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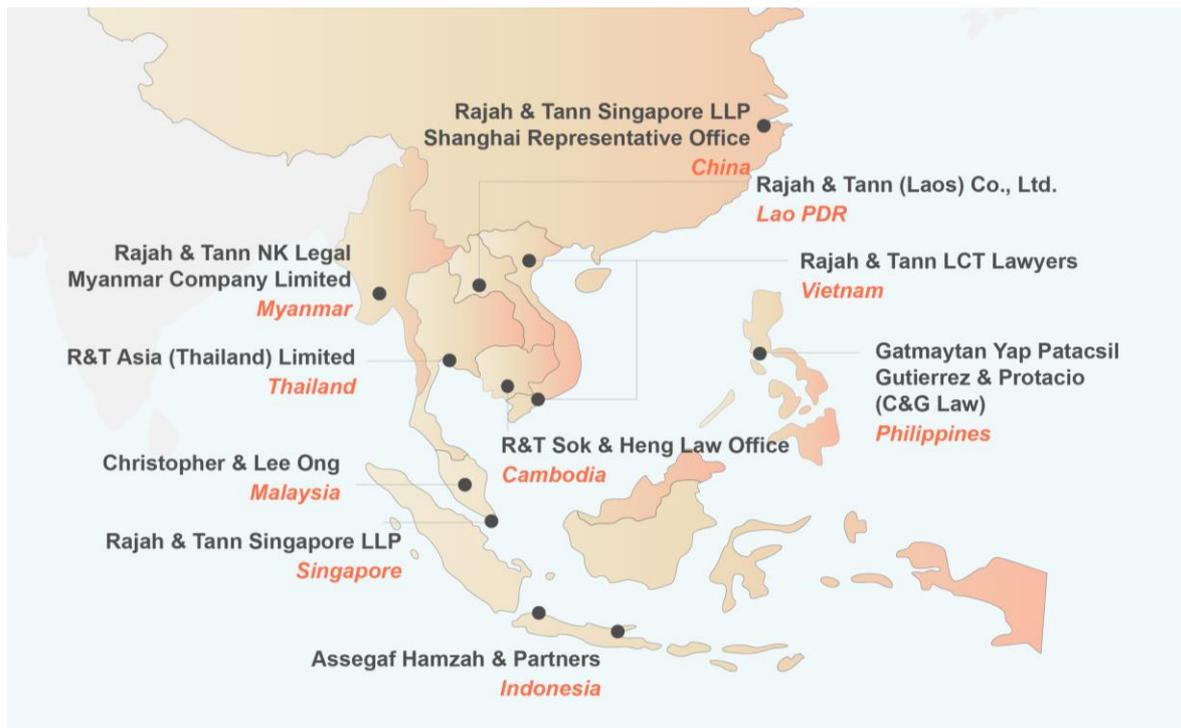
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