

## Client Alert

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## MAS publishes Guidelines on Licensing for Payment Service Providers and releases specimen forms

Soon after the Monetary Authority of Singapore (**MAS**) announced that the [Payment Services Act 2019 \(PS Act\)](#) will commence on 28 January 2020 (**Commencement Date**), MAS has now published the [Guidelines on Licensing for Payment Service Providers \(Guidelines\)](#), as well as certain specimen notification and application forms. The Guidelines set out the eligibility criteria and application procedures for payment service providers under the PS Act and will take effect on the Commencement Date.

### Summary of the Guidelines

We provide a brief summary of guidance provided on the licensing criteria and ongoing requirements for payment service providers:

**Licences under the Payment Services Act:** unless exempted, any person that conducts payment services as defined in the First Schedule to the PS Act is required to hold an appropriate licence, as follows:

- a money-changing licence (to carry out money-changing service only);
- a Standard Payment Institution licence, where payment services are conducted below the specified thresholds<sup>1</sup>; or
- a Major Payment Institution licence, where payment services are conducted in excess of the specified thresholds.

**Admission Criteria:** an applicant must fulfil specific licensing criteria, including governance and ownership requirements, competency requirements, having a permanent place of business, base capital and security requirements - and must demonstrate how it will be able to comply with its obligations under the PS Act as a licensee.

**Ongoing Requirements for Licensees:** a licensee must ensure ongoing compliance with all applicable requirements set out under the PS Act and other relevant legislation, such as:

- adopting anti-money laundering and countering the financing of terrorism requirements;

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<sup>1</sup> Briefly, the thresholds are:

- S\$3m monthly transactions for any activity type;
- S\$6m monthly transactions for two or more activity types;
- S\$5m of daily outstanding e-money.





- submitting periodic regulatory returns;
- complying with the cyber hygiene requirements;
- accurately representing the scope of its licence and provide the required disclosures applicable to its business; and
- satisfying annual audit requirements.

The appendices to the Guidelines provide further information on, and examples of:

- the governance and ownership requirements;
- minimum compliance arrangements;
- guidance on licence applications; and
- licence fees.

## Specimen forms

MAS has also released the following forms.

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| <a href="#">Notification Form for the Purpose of Exemption from Holding a Licence under the Payment Services Act for the Specified Period<sup>2</sup></a> | This form is to be used by entities to notify MAS of the date on which they commenced business of providing certain payment services, so as to benefit from the transitional arrangements prescribed under the Payment Services (Exemption for Specified Period) Regulations 2019. |
| <a href="#">Form 1: Application for a Payment Service Provider Licence<sup>3</sup></a>  | This form is to be used by applicants to apply for a payment service provider licence or to apply to change their entity type between a sole-proprietorship, partnership, or company/corporation under the PS Act.   |
| <a href="#">Form 2: Application for the Variation or Change of a Payment Service Provider Licence<sup>4</sup></a>   | This form is to be used to apply for the variation or change of a payment service provider licence under the PS Act.   |

<sup>2</sup> specimen notification form released at <https://www.mas.gov.sg/-/media/MAS/Sectors/Forms-and-Templates/Notification-form-for-the-Payment-Services-Act.pdf>

<sup>3</sup> specimen application form released <https://www.mas.gov.sg/-/media/MAS/Sectors/Forms-and-Templates/Form-1---Application-for-a-Payment-Service-Provider-Licence.pdf>

<sup>4</sup> specimen form released at <https://www.mas.gov.sg/-/media/MAS/Sectors/Forms-and-Templates/Form-2---Variation-or-change-of-a-Payment-Service-Provider-Licence.pdf>



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| <a href="#">Form 3: Application for the Approval of Chief Executive Officer, Director or Partner of a Payment Service Provider<sup>5</sup></a> | This form is to be used to apply for the approval of a Chief Executive Officer, Director or Partner of a payment service provider under the PS Act. |
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Note that the forms currently published are specimens only, and the actual forms will be available online at the MAS website on the Commencement Date. MAS will only accept notifications and applications lodged via the online forms.

## Background to the PS Act

Please refer to our past client alerts for more background on the PS Act and the related regulations:

- [MAS Consults on Proposed AML/CFT Notices for Licensed Payment Services Providers](#);
- [MAS Consults on Proposed Payment Services Regulations](#);
- [Second Update: Payment Services Bill in Singapore passed in Parliament](#);
- [Updated Guidance on MAS Approach to Digital Tokens](#);
- [Update: Payment Services Bill introduced in Parliament](#);
- [The Proposed Payment Services Bill and How It Might Affect You](#); and
- [Commencement of Payment Services Act](#).

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<sup>5</sup> specimen form released at <https://www.mas.gov.sg/-/media/MAS/Sectors/Forms-and-Templates/Form-3---Application-to-appoint-a-CEO-Director-or-Partner-for-a-Payment-Service-Provider.pdf>