



REPUBLIC OF SINGAPORE

GOVERNMENT GAZETTE

ACTS SUPPLEMENT

Published by Authority

NO. 4]

FRIDAY, MARCH 5

[2021

First published in the *Government Gazette*, Electronic Edition, on 1 March 2021 at 5 pm.

The following Act was passed by Parliament on 4 January 2021 and assented to by the President on 5 February 2021:—

REPUBLIC OF SINGAPORE

No. 1 of 2021.

I assent.



HALIMAH YACOB,
President.
5 February 2021.

An Act to amend the Payment Services Act 2019 (Act 2 of 2019).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act is the Payment Services (Amendment) Act 2021 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

Amendment of section 2

2. Section 2(1) of the Payment Services Act 2019 (called in this Act the principal Act) is amended by deleting the definition of “digital payment token service” and substituting the following definitions:

““digital payment token account” means any account, or any device or facility (whether in physical or electronic form), that contains digital payment tokens;

“digital payment token instrument” and “digital payment token service” have the meanings given by Part 3 of the First Schedule;”.

New section 21A

3. The principal Act is amended by inserting, immediately after section 21, the following section:

“Additional requirements in respect of licensee providing digital payment token service

21A.—(1) A licensee that provides a digital payment token service must satisfy the requirements prescribed by regulations made under section 103(1) in respect of —

- (a) the extent to which assets (including digital payment tokens) belonging to a customer held by the licensee may be commingled with other assets (including other digital payment tokens) held by the licensee;
- (b) the maintenance in a prescribed manner of a prescribed amount or percentage of the following assets:
 - (i) assets (including digital payment tokens) belonging to the customer held by the licensee;

-
-
- (ii) assets (including digital payment tokens) belonging to the licensee;
 - (iii) other assets (including digital payment tokens) held by the licensee;
 - (c) the safeguarding of assets (including digital payment tokens) belonging to customers held by the licensee, in the event of the insolvency of the licensee;
 - (d) insurance against the risk of insolvency of the licensee;
 - (e) the manner in which the licensee must conduct its dealings with a customer for the following purposes:
 - (i) safeguarding assets (including digital payment tokens) belonging to its customers;
 - (ii) protecting data relating to its customers;
 - (iii) safeguarding digital payment token instruments belonging to its customers;
 - (f) the disclosure, to customers of the licensee, of information relating to the manner in which the licensee —
 - (i) safeguards assets (including digital payment tokens) belonging to its customers;
 - (ii) protects data relating to its customers; and
 - (iii) safeguards digital payment token instruments belonging to its customers;
 - (g) the monitoring of digital payment token accounts and assets (including digital payment tokens) belonging to customers held by the licensee;
 - (h) the standards and processes which the licensee must adopt —
 - (i) to safeguard assets (including digital payment tokens) belonging to customers held by the

licensee, and digital payment token instruments, from unauthorised use; and

- (ii) to protect data relating to customers that is held by the licensee from unauthorised use and disclosure;
- (i) the amount of digital payment tokens which can be contained in, or transferred out of, a digital payment token account;
- (j) the amount of digital payment tokens which a licensee can hold or transfer (whether for itself or for another person);
- (k) the exchange of digital payment tokens for Singapore currency;
- (l) the use of moneys collected in exchange for digital payment tokens for any business activity of the licensee; and
- (m) the use of digital payment tokens for any business activity of the licensee.

(2) A licensee that provides a digital payment token service must, in respect of the service, satisfy any requirement prescribed by regulations made under section 103(1) that the Authority considers necessary or expedient in the interest of any of the following:

- (a) the public or a section of the public;
- (b) the stability of the financial system in Singapore;
- (c) the monetary policy of the Authority.

(3) Despite section 103(3)(c) and (d), regulations made under section 103(1) may provide that a licensee that contravenes a requirement prescribed for the purposes of subsection (1)(a), (b), (c), (d), (g), (h)(i), (i), (j), (k), (l) or (m) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part of a day during which the offence continues after conviction.”.

Amendment of section 23**4. Section 23 of the principal Act is amended —**

- (a) by deleting subsection (1) and substituting the following subsection:

“(1) Subsection (2) applies to —

- (a) every major payment institution that carries on a business of providing any of the following payment services:

(i) a domestic money transfer service;

(ii) a cross-border money transfer service;

(iii) a merchant acquisition service;

- (b) any prescribed major payment institution in respect of a prescribed payment service (other than a payment service mentioned in paragraph (a)(i), (ii) or (iii)); and

- (c) any prescribed licensee (other than a major payment institution) in respect of a prescribed payment service.”;

- (b) by inserting, immediately after the words “major payment institution” in subsections (2) and (4), the words “or licensee”;

- (c) by deleting subsection (3) and substituting the following subsection:

“(3) Subsection (4) applies to —

- (a) every major payment institution that carries on a business of providing an e-money issuance service;

- (b) any prescribed major payment institution in respect of a prescribed payment service (other than a payment service mentioned in paragraph (a)); and