

# MAS' CONSULTATION PAPER ON PROPOSED REGULATORY APPROACH FOR DIGITAL TOKEN SERVICE PROVIDERS

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Singapore's Monetary Authority of Singapore ("**MAS**") published a public consultation on its Proposed Regulatory Approach, Regulations, Notices and Guidelines for Digital Token Service Providers issued under the Financial Services and Markets Act 2022 (P010-2024) ("**Consultation Paper**") on 4 October 2024, which closed on 4 November 2024.

The proposed new regulatory framework for digital token service providers ("**DTSPs**"), which will be governed by Part 9 of the Financial Services and Markets Act 2022 ("**FSMA**"), is outlined in the Consultation Paper. License requirements, anti-money laundering, countering the financing of terrorism ("**AML/CFT**") compliance, and technological risk management for DTSPs—especially those based in Singapore but providing services overseas—are the main focus of the MAS's proposed new regulatory framework for DTSPs.

The proposed regulatory framework supplements Singapore's current cryptocurrency regulations under the Payment Services Act 2019 ("**PS Act**"). Although DTSPs and suppliers of digital payment token ("**DPT**") services are both subject to regulations, they function under different frameworks. Additionally, the DTSP framework supplements regulations under the Financial Advisers Act of 2001 ("**FAA**") and the Securities and Futures Act of 2001 ("**SFA**"). It is important to note that service providers already holding licenses under the FAA, SFA, or PS Act do not require a second DTSP license to perform the same functions under the FSM Act.

The Financial Services and Markets Regulations, AML/CFT notices under the FSMA, additional notices under the FSMA, and recommendations are the instruments that the MAS plans to prescribe or issue to carry out the goals of Part 9 of the FSM Act. We anticipate that existing unlicensed DTSPs who expect to be regulated under Part 9 of the FSMA will find the Consultation Paper particularly relevant.

[Proposed Regulatory Approach, Regulations, Notices and Guidelines for Digital Token Service Providers issued under the Financial Services and Markets Act 2022 \(P010-2024\)](#)

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