

# UPDATES TO THE GUIDELINES ON LICENSING FOR PAYMENT SERVICE PROVIDERS

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Singapore's Monetary Authority of Singapore revised the Guidelines on Licensing for Payment Service Providers (the "**Guidelines**") in July 2024 to include new requirements for licence applications under the Payment Services Act 2019 ("**PS Act**"). The Guidelines discuss the application procedures, licensing criteria and ongoing requirements for payment service providers under the PS Act.

The PS Act governs how payment services are provided in Singapore. The PS Act currently regulates seven different kinds of payment services, comprising: (1) account issuance service; (2) domestic money transfer service; (3) cross-border money transfer service; (4) merchant acquisition service; (5) e-money issuance service; (6) digital payment token ("**DPT**") service; and (7) money-changing service.

Based on the risks associated with the scope of payment services a person offers, unless exempt, the person must hold a licence under one of the three licence classes listed in the PS Act: (1) Standard Payment Institution Licence; (2) Major Payment Institution Licence; or (3) Money-changing Licence.

### **Summary of the Revisions to the Guidelines**

We highlight the significant revisions to the Guidelines below:

1. The Guidelines provided greater clarity on the admission criteria for applicants by elaborating on governance and ownership requirements, fit and proper criteria, criteria for competency of key individuals, base capital requirements, and requirements for compliance arrangements, technology risk management and audit arrangements.
2. All new licence applications and applications to vary existing licences to add a DPT service must include a legal opinion addressing whether each proposed service or product contemplated by the applicant's business model is a regulated payment service under the PS Act.
3. All licence applications for DPT services require an external auditor's independent assessment of the applicant's policies, procedures and controls in anti-money laundering/countering the financing of terrorism and consumer protection.
4. Appendix 5 of the Guidelines sets out the rules of engagement that applicants should consider during the application process.

We anticipate that current and future applicants will find the revised Guidelines particularly relevant and helpful in understanding the licence application process and requirements.

[MAS Guidelines on Licensing for Payment Service Providers](#)

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