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Payment Services Bill

Bill No. 48/2018.

Read the first time on 19 November 2018.

PAYMENT SERVICES ACT 2019

(No. of 2019)

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A BILL

intituled

An Act to provide for the licensing and regulation of payment service providers, the oversight of payment systems, and connected matters, to repeal the Money-changing and Remittance Businesses Act (Chapter 187 of the 2008 Revised Edition) and the Payment Systems (Oversight) Act (Chapter 222A of the 2007 Revised Edition), and to make consequential and related amendments to certain other Acts.

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

PART 1
PRELIMINARY

Short title and commencement

5 **1.** This Act is the Payment Services Act 2019 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

Interpretation

2.—(1) In this Act, unless the context otherwise requires —

10 “5% controller”, in relation to a corporation (being a licensee or an operator of a designated payment system), means a person that alone or together with the person’s associates —

 (a) has an interest in at least 5%, but less than 12%, of the shares in the corporation; or

15 (b) is in a position to control at least 5%, but less than 12%, of the votes in the corporation;

“12% controller”, in relation to a corporation (being a licensee or an operator of a designated payment system), means a person that alone or together with the person’s associates —

20 (a) has an interest in at least 12%, but less than 20%, of the shares in the corporation; or

 (b) is in a position to control at least 12%, but less than 20%, of the votes in the corporation;

25 “20% controller”, in relation to a corporation (being a licensee or an operator of a designated payment system), means a person that alone or together with the person’s associates —

 (a) has an interest in at least 20% of the shares in the corporation; or

 (b) is in a position to control at least 20% of the votes in the corporation;

30 “access”, in relation to a payment system, means an entitlement or eligibility to be a participant in the payment system;

- “access regime”, in relation to a payment system, means an access regime imposed by the Authority under section 51 and that is in force;
- “account issuance service” has the meaning given by Part 3 of the First Schedule; 5
- “arrangement” includes any formal or informal scheme, arrangement or understanding, and any trust whether express or implied;
- “Authority” means the Monetary Authority of Singapore established under the Monetary Authority of Singapore Act (Cap. 186); 10
- “bank”, “bank in Singapore” and “banking business” have the meanings given by section 2(1) of the Banking Act (Cap. 19);
- “book” includes any record, register, document or other record of information and any account or accounting record, however compiled, recorded or stored, whether in written or printed form or on microfilm or by electronic process or otherwise; 15
- “calendar year” means a period from 1 January to 31 December (both dates inclusive); 20
- “chief executive officer”, in relation to a corporation, means a person (however designated) who —
- (a) is in the direct employment of, or acting for or by arrangement with, the corporation; and
 - (b) is principally responsible for the management and conduct of the business of the corporation; 25
- “company” and “corporation” have the meanings given by section 4(1) of the Companies Act (Cap. 50);
- “consolidated financial statements” has the meaning given by section 209A of the Companies Act; 30
- “credit card” and “charge card” have the meaning given by section 56 of the Banking Act;

“cross-border money transfer service” has the meaning given by Part 3 of the First Schedule;

“currency” means currency notes and coins that are legal tender in Singapore or a country or territory other than Singapore;

5 “deposit” and “deposit-taking business” have the meanings given by section 4B of the Banking Act;

“designated payment system” means a payment system that is designated by the Authority under section 42 to be a designated payment system for the purposes of this Act;

10 “digital payment token” means any digital representation of value (other than an excluded digital representation of value) that —

(a) is expressed as a unit;

15 (b) is not denominated in any currency, and is not pegged by its issuer to any currency;

(c) is, or is intended to be, a medium of exchange accepted by the public, or a section of the public, as payment for goods or services or for the discharge of a debt;

20 (d) can be transferred, stored or traded electronically; and

(e) satisfies such other characteristics as the Authority may prescribe;

25 “digital payment token service” has the meaning given by Part 3 of the First Schedule;

“director” has the meaning given by section 4(1) of the Companies Act;

“domestic money transfer service” has the meaning given by Part 3 of the First Schedule;

30 “e-money” means any electronically stored monetary value that —

- (a) is denominated in any currency, or pegged by its issuer to any currency;
- (b) has been paid for in advance to enable the making of payment transactions through the use of a payment account;
- (c) is accepted by a person other than its issuer; and
- (d) represents a claim on its issuer,

but does not include any deposit accepted in Singapore, from any person in Singapore;

“e-money issuance service” has the meaning given by Part 3 of the First Schedule; 10

“employee”, in relation to an employer, includes an individual seconded or temporarily transferred to the employer from another employer;

“entity” means any body corporate or unincorporate, whether incorporated, formed or established in or outside Singapore; 15

“excluded digital representation of value” means a digital representation of value that is prescribed by the Authority as an excluded digital representation of value;

“executive director” means a director who is concurrently an executive officer; 20

“executive officer”, in relation to a corporation, means any individual (however designated) who —

- (a) is in the direct employment of, or acting for or by arrangement with, the corporation; and 25
- (b) is concerned with or takes part in the management of the corporation on a day-to-day basis;

“exempt payment service provider”, in respect of any payment service, means a person that is exempt under section 13(1) from the requirement under section 5(1) to have in force a licence that entitles the person to carry on a business of providing that payment service; 30

“financial regulatory authority”, in relation to a foreign country or territory, means an authority of the foreign country or territory exercising any function that corresponds to a regulatory function of the Authority under this Act, the Monetary Authority of Singapore Act or any of the written laws set out in the Schedule to that Act;

“financial statements” has the meaning given by section 209A of the Companies Act;

“financing business” has the meaning given by section 2 of the Finance Companies Act (Cap. 108);

“Guidelines on Fit and Proper Criteria” means the document (as revised from time to time) that is called by that title, issued by the Authority and published on the Authority’s website;

“indirect controller”, in relation to a corporation (being a licensee or an operator of a designated payment system) —

(a) means any person, whether acting alone or together with any other person, and whether with or without holding shares or controlling voting power in the corporation —

(i) in accordance with whose directions, instructions or wishes the directors of the corporation are accustomed or under an obligation, whether formal or informal, to act; or

(ii) that is in a position to determine the policy of the corporation; but

(b) excludes any person —

(i) who is a director or other officer of the corporation and whose appointment has been approved by the Authority; or

(ii) in accordance with whose directions, instructions or wishes the directors of the corporation are accustomed to act by reason

only that they act on advice given by the person in the person's professional capacity;

“licence” means a licence granted under section 6;

“licensee” means a payment service provider the licence of which is in force; 5

“limited liability partnership” has the meaning given by section 4(1) of the Limited Liability Partnerships Act (Cap. 163A);

“major payment institution” means a person that has in force a major payment institution licence granted under section 6; 10

“merchant” means a person (other than an individual who is not required to be registered under the Business Names Registration Act 2014 (Act 29 of 2014)) who, in the course of the person's business —

(a) provides goods or services; 15

(b) promotes the use or purchase of goods or services; or

(c) receives, or is entitled to receive, any money or other consideration for providing goods or services,

and includes any employee or agent of the person;

“merchant acquisition service” has the meaning given by Part 3 of the First Schedule; 20

“money” includes e-money but excludes any digital payment token and any excluded digital representation of value;

“money-changing service” has the meaning given by Part 3 of the First Schedule; 25

“operator”, in relation to a payment system, means a person that operates the payment system;

“participant”, in relation to a payment system, means any person that is recognised in the rules of the payment system, or is otherwise recognised by the operator or settlement institution of the payment system, as being eligible to settle payments through the payment system with other persons that are 30

similarly recognised, or to process payments through the payment system;

“partner”, in relation to a limited liability partnership, has the meaning given by section 2(1) of the Limited Liability Partnerships Act;

“payee” means a person that is the intended recipient of money that is the subject of a payment transaction;

“payer” means a person that initiates, or consents to the initiation of, a payment order for the transfer of money;

“payment account” —

(a) means any account, or any device or facility (whether in physical or electronic form), that —

(i) is held in the name, or associated with the unique identifier, of any person, and is used by that person for the initiation of a payment order or the execution of a payment transaction, or both; or

(ii) is held in the names, or associated with the unique identifiers, of 2 or more persons, and is used by any of those persons for the initiation of a payment order or the execution of a payment transaction, or both; and

(b) includes a bank account, debit card, credit card or charge card;

“payment order” means an instruction to a payment service provider requesting for the execution of a payment transaction;

“payment service” means any service that is specified in Part 1 of the First Schedule, but excludes any service that is specified in Part 2 of that Schedule;

“payment service provider” means any person that provides a payment service;

- “payment service user” means any person that uses a payment service in the capacity of a payer or a payee, or of both;
- “payment system” means a funds transfer system or other system that facilitates the circulation of money, and includes any instruments and procedures that relate to the system; 5
- “payment transaction” means the placing, transfer or withdrawal of money, whether for the purpose of paying for goods or services or for any other purpose, and regardless of whether the intended recipient of the money is entitled to the money;
- “permanent place of business”, in relation to a licensee, or an operator or a settlement institution of a designated payment system, means each fixed location in Singapore used by the licensee, operator or settlement institution for carrying on its business, regardless whether the business is carried on within a single building or at a single business address; 10 15
- “place of business”, in relation to a licensee, or an operator or a settlement institution of a designated payment system, means any location (including a kiosk that can be moved from one location to another) in Singapore used by the licensee, operator or settlement institution for carrying on its business; 20
- “public authority” means —
- (a) the Government, including any ministry, department or agency of the Government, or an Organ of State; or
 - (b) any body established or constituted by or under a public Act to perform or discharge any public function; 25
- “registered office” means a registered office maintained under section 142(1) or 370(1) of the Companies Act;
- “regulated financial institution” means a person that carries on a business, the conduct of which is regulated or authorised by the Authority or, if it is carried on in Singapore, would be regulated or authorised by the Authority; 30
- “relevant payment system” means any of the following payment systems:

(a) a payment system operated by a major payment institution;

(b) a payment system operated by an exempt payment service provider;

5 (c) a payment system operated by a person exempt under section 100 from having in force a licence;

(d) a designated payment system;

“settlement institution” means a person that provides facilities for —

10 (a) the participants of a payment system to hold funds; and

(b) the settling of transactions between the participants;

“share” has the meaning given by section 4(1) of the Companies Act and includes an interest in a share;

15 “Singapore operator” means an operator that is incorporated in Singapore;

“Singapore settlement institution” means a settlement institution that is incorporated in Singapore;

“specified e-money” means any e-money that has been issued —

20 (a) to any person whom the issuer of the e-money has determined, according to such criteria as the Authority may specify by notice in writing, to be resident in Singapore; or

25 (b) in Singapore to a person whom the issuer of the e-money has not determined, according to such criteria as the Authority may specify by notice in writing, to be resident outside Singapore;

“standard payment institution” means a person that has in force a standard payment institution licence granted under section 6;

30 “treasury share” has the meaning given by section 4(1) of the Companies Act;

“unique identifier” means a combination of letters, numbers or symbols used by a payment service user to identify unambiguously either or both of the following for the purposes of a payment transaction:

- (a) any payment service user that is a party to the payment transaction; 5
- (b) any payment account;

“voting share” has the meaning given by section 4(1) of the Companies Act.

(2) In this Act, unless the context otherwise requires — 10

(a) a person has an interest in a share if —

(i) the person has or is treated as having an interest in that share under section 7(1A), (1B), (2), (6) and (7) to (10) of the Companies Act; or

(ii) the person has any legal or equitable interest in that share, except an interest that is to be disregarded under section 7(9) of the Companies Act; 15

(b) a reference to the control of a percentage of the votes in a corporation (being a licensee or an operator of a designated payment system) is a reference to the control, whether direct or indirect, of that percentage of the total number of votes that might be cast in a general meeting of the corporation; 20

(c) a person (*A*) is an associate of another person (*B*) if —

(i) *A* is the spouse, a parent, remoter lineal ancestor or step-parent, a son, daughter, remoter issue, stepson or stepdaughter, or a brother or sister, of *B*; 25

(ii) *A* is a body corporate that is, or a majority of the directors of which are, accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *B*; 30

(iii) *A* is a person that is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *B*;

5 (iv) *A* is a subsidiary of *B*;

(v) *A* is a body corporate in which *B*, whether alone or together with other associates of *B* as described in sub-paragraphs (ii), (iii) and (iv), is in a position to control 20% or more of the votes in *A*; or

10 (vi) *A* is a person with whom *B* has an agreement or arrangement (whether oral or in writing and whether express or implied) to act together with respect to the acquisition, holding or disposal of shares or other interests in, or with respect to the exercise of their votes in relation to, the corporation (being a licensee or an operator of a designated payment system) mentioned in the definition of “5% controller”, “12% controller” or “20% controller”;

15
20 (d) a person has a substantial shareholding in a corporation if —

(i) the person has an interest in one or more voting shares (excluding treasury shares) in the corporation; and

25 (ii) the total votes attached to that share, or those shares, is at least 5% of the total votes attached to all the voting shares (excluding treasury shares) in the corporation; and

30 (e) a person has a substantial shareholding in a corporation, the share capital of which is divided into 2 or more classes of shares, if —

(i) the person has an interest in one or more voting shares (excluding treasury shares) included in one of those classes; and

- (ii) the total votes attached to that share, or those shares, is at least 5% of the total votes attached to all the voting shares (excluding treasury shares) included in that class.

(3) In any case where the functions of the operator or settlement institution of a payment system are assumed by or shared among 2 or more operators or settlement institutions, a reference in this Act to the operator or settlement institution is a reference to each such operator or settlement institution. 5

(4) For the purposes of sections 5(2) and 13(13) and paragraph 2(i) of the First Schedule, a payment service, or the provision of a payment service, is incidental to any other business carried on by a person, if the payment service — 10

- (a) is carried on, offered or provided by that person to support that other business; and 15

- (b) is provided by that person in connection with the carrying on of that other business.

Application of Act

3.—(1) Subject to subsection (2), this Act does not apply to any public authority. 20

(2) The Minister may by order declare that a public authority is one to which this Act applies.

Appointment of assistants

4.—(1) Subject to subsection (2), the Authority may appoint any person to exercise any of its powers or perform any of its functions or duties under this Act, either generally or in any particular case, except — 25

- (a) the power of appointment conferred by this subsection; and

- (b) the power to make subsidiary legislation.

(2) The Authority may, by notification in the *Gazette*, appoint one or more of its officers to exercise the power, under a provision of this Act specified in the Second Schedule, to grant an exemption to a particular person, or to revoke any such exemption.

5 (3) Any person appointed under subsection (1) or officer appointed under subsection (2) is taken to be a public servant for the purposes of the Penal Code (Cap. 224).

PART 2

LICENSING OF PAYMENT SERVICE PROVIDERS

10 *Division 1 — Licensing of payment service providers*

Licensing of payment service providers

5.—(1) A person must not carry on a business of providing any type of payment service in Singapore, unless the person —

- 15 (a) has in force a licence that entitles the person to carry on a business of providing that type of payment service; or
- (b) is an exempt payment service provider in respect of that type of payment service.

20 (2) For the purposes of subsection (1), where a person provides any type of payment service while the person carries on any business (called in this subsection the primary business) —

- (a) the person is presumed to carry on a secondary business of providing that type of payment service, regardless whether the provision of that type of payment service is related or incidental to the primary business; and
- 25 (b) the presumption in paragraph (a) is not rebutted by proof that the provision of that type of payment service is related or incidental, or is both related and incidental, to the primary business.

30 (3) A person that contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction —

- (a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part of a day during which the offence continues after conviction; or 5
- (b) in any other case, 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. 10

Application for licence

6.—(1) A person that wishes to carry on a business of providing any type of payment service may apply to the Authority, in such form and manner as the Authority may require, for the appropriate licence under this section. 15

(2) The types of licences that may be applied for under subsection (1) are as follows:

- (a) a money-changing licence;
- (b) a standard payment institution licence;
- (c) a major payment institution licence. 20

(3) A person must have in force a money-changing licence to be entitled to carry on a business of providing a money-changing service, unless the person has in force a standard payment institution licence or major payment institution licence that entitles the person to carry on a business of providing that service. 25

(4) A person must have in force a standard payment institution licence or a major payment institution licence to be entitled to carry on a business of —

- (a) providing one of the following payment services:
- (i) an account issuance service; 30
- (ii) a domestic money transfer service;
- (iii) a cross-border money transfer service;

- (iv) a merchant acquisition service;
- (v) an e-money issuance service;
- (vi) a digital payment token service; or

(b) providing 2 or more of the following payment services:

- 5 (i) an account issuance service;
- (ii) a domestic money transfer service;
- (iii) a cross-border money transfer service;
- (iv) a merchant acquisition service;
- (v) an e-money issuance service;
- 10 (vi) a digital payment token service;
- (vii) a money-changing service.

(5) Despite subsection (4), a licensee must have in force a major payment institution licence if —

(a) both of the following apply:

- 15 (i) the licensee carries on a business of providing one or more of the following payment services:
 - (A) an account issuance service (other than an e-money account issuance service);
 - (B) a domestic money transfer service;
 - 20 (C) a cross-border money transfer service;
 - (D) a merchant acquisition service;
 - (E) a digital payment token service;
- (ii) the average, over a calendar year, of the total value of all payment transactions that are accepted, processed or executed by the licensee in one month exceeds —
 - 25 (A) \$3 million (or its equivalent in a foreign currency), for any one of those payment services; or

(B) \$6 million (or its equivalent in a foreign currency), for 2 or more of those payment services;

(b) both of the following apply:

(i) the licensee carries on a business of providing an e-money account issuance service; 5

(ii) the sum of the following amounts exceeds \$5 million (or its equivalent in a foreign currency):

(A) the average, over a calendar year, of the total value in one day of all e-money that is stored in any payment account issued by the licensee to a person whom the licensee has determined, according to such criteria as the Authority may specify by notice in writing, to be resident in Singapore; 10
15

(B) the average, over a calendar year, of the total value in one day of all e-money that is issued in Singapore, and is stored in any payment account issued by the licensee to any person whom the licensee has not determined, according to such criteria as the Authority may specify by notice in writing, to be resident outside Singapore; or 20

(c) both of the following apply:

(i) the licensee carries on a business of providing an e-money issuance service; 25

(ii) the average, over a calendar year, of the total value in one day of all specified e-money that is issued by the licensee exceeds \$5 million (or its equivalent in a foreign currency). 30

(6) Where any licensee mentioned in subsection (5)(a)(i), (b)(i) or (c)(i) does not have in force a major payment institution licence on the relevant date —

(a) that licensee must, within the prescribed period, apply under section 7(1) to change that licensee's licence to a major payment institution licence; and

(b) subsection (5) does not apply to that licensee —

5 (i) during the prescribed period mentioned in paragraph (a); and

(ii) if that licensee complies with paragraph (a), until the date on which the application mentioned in that paragraph —

10 (A) is withdrawn by the licensee; or

(B) is approved or refused by the Authority.

(7) Upon receiving an application under subsection (1), the Authority may —

15 (a) grant a licence to the applicant, in respect of one or more types of payment services, with or without conditions; or

(b) refuse to grant a licence.

(8) Where an applicant has applied for a money-changing licence, the Authority must not grant the licence to the applicant unless —

20 (a) the applicant has a permanent place of business, or a registered office in Singapore;

(b) the Authority —

(i) is satisfied that the applicant is a fit and proper person under the Guidelines on Fit and Proper Criteria;

25 (ii) is satisfied as to the financial condition of the applicant;

(iii) is satisfied that the public interest will be served by the granting of the licence; and

30 (iv) is satisfied that the applicant meets such other criteria for the grant of the licence as the Authority considers relevant; and

(c) the application is accompanied by —

- (i) such information as the Authority may require; and
- (ii) a non-refundable application fee of a prescribed amount that is payable in such manner as the Authority may specify.

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(9) Where an applicant has applied for a standard payment institution licence or major payment institution licence, the Authority must not grant the licence to the applicant unless —

(a) the applicant is a company, or is a corporation formed or incorporated outside Singapore;

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(b) the applicant has a permanent place of business, or a registered office in Singapore;

(c) an executive director of the applicant —

- (i) is a citizen or permanent resident of Singapore; or
- (ii) if the applicant satisfies such conditions as may be prescribed, belongs to a prescribed class of persons;

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(d) the applicant satisfies such financial requirements as may be prescribed;

(e) the Authority —

(i) is satisfied that the applicant is a fit and proper person under the Guidelines on Fit and Proper Criteria;

20

(ii) is satisfied as to the financial condition of the applicant;

(iii) is satisfied that the public interest will be served by the granting of the licence; and

25

(iv) is satisfied that the applicant meets such other criteria for the grant of the licence as the Authority considers relevant;

(f) the applicant satisfies such operational requirements as the Authority may specify; and

30

(g) the application is accompanied by —

- (i) such information as the Authority may require; and
- (ii) a non-refundable application fee of a prescribed amount that is payable in such manner as the Authority may specify.

(10) The Authority may at any time add to, vary or revoke any of the conditions of a licence imposed under subsection (7)(a) or this subsection.

(11) The Authority must not refuse an application under subsection (1) without giving the applicant an opportunity to be heard.

(12) Every standard payment institution and every major payment institution must, while its licence is in force, satisfy —

(a) such financial requirements as may be prescribed; and

(b) such operational requirements and other requirements as the Authority may specify by notice in writing.

(13) A standard payment institution or major payment institution that fails to comply with any requirement mentioned in subsection (12) must immediately notify the Authority of the failure.

(14) Where a standard payment institution or major payment institution fails to comply with any requirement under subsection (12) —

(a) the Authority may, by notice in writing to that institution, do either or both of the following:

- (i) restrict or suspend the operations of that institution;
- (ii) give such directions to that institution as the Authority considers appropriate; and

(b) that institution must comply with that notice.

(15) A licensee that contravenes subsection (5) shall be guilty of an offence and shall be liable on conviction —

- (a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding

3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part of a day during which the offence continues after conviction; or

- (b) in any other case, 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.

(16) A licensee that, without reasonable cause, contravenes subsection (12), or fails to comply with any condition imposed by the Authority under subsection (7)(a) or (10), shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part of a day during which the offence continues after conviction.

(17) In this section —

“e-money account issuance service” means an account issuance service where each payment account issued stores e-money;

“relevant date” means —

- (a) in relation to a licensee mentioned in subsection (5)(a)(i), the date on which subsection (5)(a)(ii) first applies to that licensee;
- (b) in relation to a licensee mentioned in subsection (5)(b)(i), the date on which subsection (5)(b)(ii) first applies to that licensee; or
- (c) in relation to a licensee mentioned in subsection (5)(c)(i), the date on which subsection (5)(c)(ii) first applies to that licensee.

Variation or change of licence

7.—(1) A licensee may apply to the Authority, in the form and manner prescribed, for any of the following things:

- (a) a variation of the licensee’s standard payment institution licence or major payment institution licence by changing

the types of payment services that the licence entitles the licensee to carry on a business of providing;

5 (b) a change of the licensee's money-changing licence to a standard payment institution licence or a major payment institution licence;

(c) a change of the licensee's standard payment institution licence to a money-changing licence or a major payment institution licence;

10 (d) a change of the licensee's major payment institution licence to a money-changing licence or a standard payment institution licence.

(2) The Authority may require an applicant to provide the Authority with such information or documents in relation to the application as the Authority considers necessary.

15 (3) An application under subsection (1) must be accompanied by a non-refundable application fee of the prescribed amount that is payable in such manner as the Authority may specify by notice in writing.

20 (4) The Authority may approve an application under subsection (1) subject to such conditions or restrictions as the Authority thinks fit, or may refuse the application.

(5) The Authority must not refuse an application under subsection (1) without giving the applicant an opportunity to be heard.

25 **Holding out as licensee, etc.**

8.—(1) A person —

30 (a) must not hold the person out as carrying on a business of providing any type of payment service, unless the person is a licensee that is entitled to carry on a business of providing that type of payment service, an exempt payment service provider in respect of that type of payment service, or a person exempt under section 100 in respect of that type of payment service; and

(b) must not hold the person out as a licensee, unless the person has in force a licence.

(2) A person that contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part of a day during which the offence continues after conviction; or

(b) in any other case, 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.

Prohibition against solicitation

9.—(1) A person (other than a licensee or an exempt payment service provider), whether in Singapore or elsewhere, must not, whether by that person or through any other person in Singapore or elsewhere, do any of the following things:

(a) offer to provide, or issue any advertisement containing any offer to provide, to the public in Singapore or any section of the public in Singapore, any type of payment service, whether in Singapore or elsewhere;

(b) make an offer or invitation, or issue any advertisement containing any offer or invitation, to the public in Singapore or any section of the public in Singapore, to enter into any agreement relating to the provision by any person of any type of payment service, whether in Singapore or elsewhere.

(2) A person that contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence,

to a further fine not exceeding \$12,500 for every day or part of a day during which the offence continues after conviction; or

(b) in any other case, 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.

(3) A person in Singapore (whether or not a licensee or an exempt payment service provider) must not, on behalf of a person outside Singapore that is not a licensee and is not an exempt payment service provider, do any of the following things:

(a) offer to provide, or issue any advertisement containing any offer to provide, to the public in Singapore or any section of the public in Singapore, any type of payment service, whether in Singapore or elsewhere;

(b) make an offer or invitation, or issue any advertisement containing any offer or invitation, to the public in Singapore or any section of the public in Singapore, to enter into any agreement relating to the provision by any person of any type of payment service, whether in Singapore or elsewhere.

(4) A person that contravenes subsection (3) shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part of a day during which the offence continues after conviction; or

(b) in any other case, 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.

(5) For the purposes of subsections (1) and (3), in determining whether an offer, invitation or advertisement is made or issued to the

public in Singapore or any section of the public in Singapore, a person must have regard to such considerations as the Authority may prescribe.

(6) A person whose business is to publish, or to arrange for the publication, of advertisements (called in this subsection the publisher) shall not be guilty of an offence under subsection (2) or (4) if the publisher proves that — 5

- (a) the publisher received the advertisement for publication in the ordinary course of the publisher's business;
- (b) the matters contained in the advertisement were not, wholly or in part, devised or selected by the publisher or by any person under the publisher's direction or control; and 10
- (c) the publisher did not know and had no reason for believing that the publication of the advertisement would constitute an offence. 15

Annual fees of licensees

10.—(1) A licensee must pay to the Authority a prescribed annual fee in such manner as the Authority may specify by notice in writing.

(2) The Authority may prescribe different annual fees for different classes of licensees, depending on the type and number of payment services that a licensee in such a class is entitled to carry on a business of providing, the volume of transactions accepted, processed or executed by a licensee in such a class, and all other factors which the Authority may consider relevant. 20

(3) The Authority may, where the Authority considers it to be appropriate in a particular case, waive, refund or remit the whole or any part of any annual fee paid or payable to the Authority. 25

Lapsing, surrender, revocation or suspension of licence

11.—(1) A licence lapses —

- (a) if the licensee (being an entity) is wound up or otherwise dissolved, whether in Singapore or elsewhere; 30

- (b) if the licensee (being an individual) dies, becomes mentally incapacitated or is adjudicated a bankrupt; or
- (c) upon the occurrence of such other event as may be prescribed.

5 (2) The Authority may revoke a licence if —

(a) it appears to the Authority that any of the following persons is not a fit and proper person under the Guidelines on Fit and Proper Criteria:

(i) the licensee;

10 (ii) any officer or employee of the licensee;

(iii) where the licensee is a partnership or limited liability partnership, any partner of that partnership or limited liability partnership;

15 (iv) where the licensee is a corporation, any 5% controller, 12% controller, 20% controller or indirect controller of the licensee;

(b) it appears to the Authority that either of the following is not satisfactory:

(i) the financial standing of the licensee;

20 (ii) the manner in which the licensee's business is being conducted;

(c) the licensee has contravened, or continues to contravene, any provision of this Act, or has failed, or continues to fail, to comply with any condition or restriction imposed, or any notice in writing issued, by the Authority under this Act;

25 (d) the licensee has failed, or continues to fail, to comply with any notice in writing issued by the Authority under the Monetary Authority of Singapore Act;

30 (e) it appears to the Authority that the licensee has failed, or continues to fail, to comply with any of the licensee's obligations under or arising from —

(i) this Act; or

- (ii) any notice in writing issued by the Authority under this Act;
 - (f) the licensee has provided to the Authority any information or document required under this Act that is false or misleading in a material particular; 5
 - (g) it appears to the Authority that any of the following persons has not performed that person's duties under this Act honestly or fairly:
 - (i) the licensee;
 - (ii) any officer or employee of the licensee; 10
 - (iii) where the licensee is a partnership or limited liability partnership, any partner of that partnership or limited liability partnership;
 - (h) it appears to the Authority that it would be contrary to the public interest for the licensee to continue its operations; 15
 - (i) the licensee fails to pay the annual fee mentioned in section 10(1);
 - (j) the licensee fails or ceases to carry on a business of providing any type of payment service that the licensee is entitled to carry on a business of providing; 20
 - (k) the licensee fails or ceases to have an executive director who —
 - (i) is a citizen or permanent resident of Singapore; or
 - (ii) belongs to the prescribed class of persons mentioned in section 6(9)(c)(ii); or 25
 - (l) if any executive director of the licensee belongs to the prescribed class of persons mentioned in section 6(9)(c)(ii), the licensee does not or ceases to satisfy any condition mentioned in section 6(9)(c)(ii).
- (3) The Authority may, if the Authority considers it desirable to do so — 30

(a) suspend the licence of a licensee for a specified period, instead of revoking the licence under subsection (2); and

(b) at any time —

(i) extend the suspension for a specified period; or

(ii) cancel the suspension.

(4) Except as provided in subsection (5), the Authority must not revoke a licence under subsection (2) or suspend a licence under subsection (3), without giving the licensee an opportunity to be heard.

(5) The Authority may revoke or suspend a licence of a licensee, without giving the licensee an opportunity to be heard, in any of the following circumstances:

(a) the licensee (being an entity) is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;

(b) a receiver, a receiver and manager, a judicial manager or an equivalent person has been appointed, whether in Singapore or elsewhere, for or in respect of any property of the licensee;

(c) any of the following persons has been convicted, whether in Singapore or elsewhere, of an offence involving fraud or dishonesty, or of an offence the conviction for which involves a finding that the person convicted had acted fraudulently or dishonestly, whether the applicable offence is committed before, on or after the date of commencement of this paragraph:

(i) the licensee;

(ii) where the licensee is a partnership or limited liability partnership, any partner of that partnership or limited liability partnership;

(iii) where the licensee is a corporation, any director, 5% controller, 12% controller, 20% controller or indirect controller of the licensee.

(6) A licensee whose licence has lapsed, or is revoked or suspended, must cease to carry on the business of providing any type of payment service from the date the licence lapses, or the revocation or suspension takes effect, as the case may be.

(7) Despite the lapsing or revocation of a licence granted to a person, unless the Authority otherwise directs, sections 16, 37, 72, 73 and 74 continue to apply in relation to the person in respect of matters that occurred before the lapsing or revocation of the licence.

(8) A person that contravenes subsection (6) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part of a day during which the offence continues after conviction.

(9) A licensee may surrender the licensee's licence by submitting to the Authority a written notice of surrender, in such form as may be specified by the Authority by notice in writing.

(10) Any surrender, lapsing, revocation or suspension of a person's licence —

(a) does not avoid or affect any agreement, transaction or arrangement relating to the person's business of providing any payment service that is entered into by the person, whether the agreement, transaction or arrangement was entered into before or after the surrender, lapsing, revocation, or suspension (as the case may be) of the licence; and

(b) does not affect any right, obligation or liability arising under any such agreement, transaction or arrangement.

Appeals to Minister

12.—(1) Any person that is aggrieved —

(a) by the refusal of the Authority to grant a licence to the person; or

(b) by the revocation or suspension of the person's licence by the Authority,

may, within 30 days after having been informed by the Authority of the refusal, revocation or suspension, appeal in writing to the
5 Minister, whose decision is final.

Exempt payment service providers

13.—(1) Subject to subsection (8), the following persons are exempt from the requirement to have in force a licence to carry on a business of providing any payment service:

- 10 (a) a bank licensed under the Banking Act;
- (b) a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act;
- (c) a finance company licensed under the Finance Companies Act;
- 15 (d) a person licensed to carry on the business of issuing credit cards or charge cards in Singapore under section 57B of the Banking Act;
- (e) any other person or class of persons that may be prescribed.

(2) Subject to the provisions of this Act, sections 15 to 19, 20(2), (4) and (5), 23 and 24 and Division 5 of this Part apply, with the
20 necessary modifications, to an exempt payment service provider mentioned in subsection (1)(a), (b), (c) or (d) in respect of its business of providing any relevant payment service, as if the exempt payment service provider were a licensee.

(3) The Authority may, on the application of an exempt payment service provider, exempt the exempt payment service provider from complying with any of the provisions mentioned in subsection (2).
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(4) The Authority may prescribe the provisions of this Act that apply to an exempt payment service provider mentioned in
30 subsection (1)(e).

(5) An exemption granted under subsection (3) need not be published in the *Gazette*.

(6) The Authority may prescribe, or specify by notice in writing, the conditions or restrictions that may be imposed on an exempt payment service provider in respect of the carrying on of a business of providing any type of payment service.

(7) The Authority may at any time, by notice in writing, add to, vary or revoke any of the conditions or restrictions imposed by notice in writing under subsection (6) or this subsection. 5

(8) The Authority may by notification in the *Gazette* declare that a person mentioned in subsection (1) ceases to be exempt under that subsection, or may withdraw an exemption granted to a person under subsection (3), if — 10

(a) the person contravenes any provision of this Act, or fails to comply with any condition or restriction imposed on the person under subsection (6) or (7); or

(b) the Authority considers it necessary in the public interest. 15

(9) Where the Authority makes a declaration or withdraws an exemption under subsection (8), the Authority need not give the affected person an opportunity to be heard.

(10) A person that is aggrieved by a decision of the Authority to make a declaration or withdraw an exemption under subsection (8) in respect of the person may, within 30 days after the date of the decision, appeal in writing to the Minister, whose decision is final. 20

(11) A declaration or withdrawal of an exemption under subsection (8) in respect of a person —

(a) does not avoid or affect any agreement, transaction or arrangement, relating to any payment service provided by the person, whether the agreement, transaction or arrangement was entered into before or after the making of the declaration or the withdrawal of the exemption; and 25

(b) does not affect any right, obligation or liability arising under any agreement, transaction or arrangement mentioned in paragraph (a). 30

(12) An exempt payment service provider that contravenes any condition or restriction imposed under subsection (6) or (7) 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.

5 (13) In this section, “relevant payment service” —

(a) in relation to an exempt payment service provider mentioned in subsection (1)(a), means any of the following payment services:

10 (i) an account issuance service that is not solely incidental to the conduct of any deposit-taking business or banking business;

(ii) a domestic money transfer service that is not solely incidental to the conduct of any deposit-taking business or banking business;

15 (iii) an e-money issuance service;

(iv) a digital payment token service;

(b) in relation to an exempt payment service provider mentioned in subsection (1)(b), means any of the following payment services:

20 (i) an account issuance service that is not solely incidental to the conduct of the business of receiving money on current or deposit account, or the making of advances to customers;

25 (ii) a domestic money transfer service that is not solely incidental to the conduct of the business of receiving money on current or deposit account, or the making of advances to customers;

(iii) an e-money issuance service;

(iv) a digital payment token service;

30 (c) in relation to an exempt payment service provider mentioned in subsection (1)(c), means any of the following payment services:

- (i) an account issuance service that is not solely incidental to the conduct of financing business;
 - (ii) a domestic money transfer service that is not solely incidental to the conduct of financing business;
 - (iii) an e-money issuance service; 5
 - (iv) a digital payment token service; and
- (d) in relation to an exempt payment service provider mentioned in subsection (1)(d), means any of the following payment services:
- (i) an account issuance service that is not solely incidental to the business of issuing credit cards or charge cards under the Banking Act; 10
 - (ii) a domestic money transfer service that is not solely incidental to the business of issuing credit cards or charge cards under the Banking Act; 15
 - (iii) a cross-border money transfer service;
 - (iv) a merchant acquisition service;
 - (v) an e-money issuance service;
 - (vi) a digital payment token service;
 - (vii) a money-changing service. 20

Division 2 — Conduct of business

Subdivision (1) — General

Place of business or registered office of licensee

14.—(1) A licensee must not carry on a business of providing any type of payment service unless the licensee has — 25

- (a) a permanent place of business; or
- (b) a registered office in Singapore.

(2) A licensee must appoint at least one person to be present, on such days and at such hours as the Authority may specify by notice in writing, at the licensee's permanent place of business or registered 30

office to address any queries or complaints from any payment service user that uses any payment service provided by the licensee or is a customer of the licensee.

5 (3) A licensee must keep, or cause to be kept, at the licensee's permanent place of business or registered office, books of all the licensee's transactions in relation to any payment service provided by the licensee.

10 (4) A licensee must notify the Authority of any change in the address of any of the following places within 7 days after the date of that change:

(a) the licensee's permanent place of business or registered office in Singapore;

(b) every other place of business of the licensee.

15 (5) Except with the approval of the Authority under subsection (6), a licensee must not carry on a business of providing any money-changing service or cross-border money transfer service at any place of business other than the licensee's permanent place of business mentioned in subsection (1).

20 (6) Where a licensee wishes to carry on a business of providing any money-changing service or cross-border money transfer service at any place of business other than the licensee's permanent place of business mentioned in subsection (1) —

25 (a) the licensee must, before carrying on any such business at that other place of business, apply in writing to the Authority for approval to do so; and

(b) the Authority may give its approval for the licensee to carry on that business at that other place of business, subject to such conditions as the Authority thinks fit.

30 (7) The Authority may at any time add to, vary or revoke any condition imposed under subsection (6) or this subsection.

(8) The Authority may revoke its approval under subsection (6) if the licensee breaches any condition imposed on the licensee under subsection (6) or (7).

(9) A licensee that contravenes subsection (1), (2), (3) or (5) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part of a day during which the offence continues after conviction. 5

(10) A licensee that contravenes subsection (4) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$2,000.

Obligation of licensee to notify Authority of certain events

15.—(1) A licensee must notify the Authority of the occurrence of any of the following events as soon as practicable after that occurrence: 10

- (a) any civil or criminal proceeding instituted against the licensee, whether in Singapore or elsewhere;
- (b) any event (including an irregularity in the operations of the licensee) that materially impedes or impairs the operations of the licensee; 15
- (c) the licensee being or becoming, or being likely to become, insolvent or unable to meet any of the licensee's financial, statutory, contractual or other obligations; 20
- (d) any disciplinary action taken against the licensee by any regulatory authority (other than the Authority), whether in Singapore or elsewhere;
- (e) any significant change to the regulatory requirements imposed on the licensee by any regulatory authority (other than the Authority), whether in Singapore or elsewhere; 25
- (f) any other event that the Authority may prescribe or specify by notice in writing.

(2) A licensee must notify the Authority of the occurrence of any of the following events within 14 days after the date of that occurrence: 30

- (a) any change of a director or the chief executive officer of the licensee, except where the licensee is required under

section 34 to obtain the Authority's approval to appoint the director or chief executive officer;

(b) any other event that the Authority may prescribe or specify by notice in writing.

5 (3) A person that contravenes subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$250,000.

Obligation of licensee to provide information to Authority

10 **16.**—(1) Subject to subsection (4), the Authority may, by notice in writing, require any licensee, or any person acting on behalf of a licensee, to provide to the Authority, within such period as the Authority may specify in the notice, all such information relating to the licensee's business of providing any payment service as the Authority may specify in the notice.

15 (2) Without limiting subsection (1), the Authority may, in the notice under that subsection, require any person mentioned in that subsection to provide —

(a) information relating to any of the following matters:

(i) the operations of the licensee;

20 (ii) the pricing of, or any other form of consideration for, any payment service offered or provided by the licensee; and

(b) such other information as the Authority may require for the purposes of this Act.

25 (3) Subject to subsection (4) —

(a) a requirement imposed by the Authority under this section has effect despite any obligation as to secrecy or other restrictions upon the disclosure of information imposed by any rule of law or contract; and

30 (b) a person that complies with a requirement imposed by the Authority under this section is not to be treated as being in breach of any restriction on the disclosure of the information imposed by any rule of law or contract.

(4) Nothing in this section requires a person to disclose any information subject to legal privilege.

(5) A person that fails to comply with a notice under subsection (1) shall be guilty of an offence and shall be liable on conviction —

- (a) in the case of an individual, to a fine not exceeding \$12,500 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$1,250 for every day or part of a day during which the offence continues after conviction; or 5
- (b) in any other case, to a fine not exceeding \$25,000 and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part of a day during which the offence continues after conviction. 10

Obligation of licensee to submit periodic reports

17.—(1) A licensee must submit to the Authority such reports or returns relating to the licensee’s business in such form, manner and frequency as the Authority may specify by notice in writing. 15

(2) A person that contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part of a day during which the offence continues after conviction. 20

Prohibition against use of unlicensed agent

18.—(1) A licensee must not provide any type of payment service in Singapore through an agent, unless — 25

- (a) the agent has in force a licence that entitles the agent to carry on a business of providing that type of payment service; or
- (b) the agent is an exempt payment service provider in respect of that type of payment service. 30

(2) A licensee that contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not

exceeding \$10,000 for every day or part of a day during which the offence continues after conviction.

Prohibition against exchanging e-money withdrawn from payment account for Singapore currency

5 **19.**—(1) Where any matter mentioned in subsection (2)(a), (b) or (c) applies, a licensee that carries on a business of providing any account issuance service must not do any of the following things:

10 (a) allow any payment service user to whom the licensee has issued any payment account, or provided any service relating to any operation required for operating a payment account, to withdraw e-money from that payment account, and to exchange the e-money withdrawn for Singapore currency, at any of the licensee's places of business;

15 (b) enter into any agreement or arrangement (whether oral or in writing and whether express or implied) with any entity that is incorporated, formed or registered in Singapore or that carries on any business in Singapore, being an agreement or arrangement that would allow any payment service user to whom the licensee has issued any payment account, or provided any service relating to any operation required for operating a payment account, to withdraw e-money from that payment account, and to exchange the e-money withdrawn for Singapore currency, in Singapore.

20 (2) For the purposes of subsection (1), the matters are as follows:

25 (a) the licensee has determined, according to such criteria as the Authority may specify by notice in writing, that the payment service user is resident in Singapore;

30 (b) the issuer of the e-money contained in the payment account has determined, according to such criteria as the Authority may specify by notice in writing, that the payment service user is resident in Singapore;

 (c) the e-money contained in the payment account is issued in Singapore, and both of the following apply:

- (i) the licensee has not determined, according to such criteria as the Authority may specify by notice in writing, that the payment service user is resident outside Singapore;
- (ii) the issuer of the e-money has not determined, according to such criteria as the Authority may specify by notice in writing, that the payment service user is resident outside Singapore.

(3) A licensee that contravenes subsection (1) 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.

(4) Despite subsection (1), a licensee that carries on a business of providing an account issuance service may allow a payment service user to whom the licensee has issued any payment account, or provided any service relating to any operation required for operating a payment account, to withdraw e-money from that payment account, and to exchange the e-money withdrawn for Singapore currency, on the termination of the use of that payment account by that payment service user.

(5) In this section, “Singapore currency” means currency notes and coins that are legal tender in Singapore.

Prohibition from carrying on certain businesses

20.—(1) A licensee must not carry on a business of granting any credit facility to any individual in Singapore.

(2) A licensee that is entitled to and does carry on a business of providing an e-money issuance service —

- (a) must not lend any customer money; and
- (b) must not use any customer money, or any interest earned on any customer money, to finance wholly or to any material extent any activity of any business carried on by the licensee.

(3) A licensee that contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part of a day during which the offence continues after conviction.

(4) A licensee that contravenes subsection (2) 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.

(5) In this section —

“credit facility” means —

- (a) any advance, loan or other facility that is granted by a licensee to a customer who is an individual, and that gives the customer access to any funds or financial guarantee provided by the licensee; or
- (b) any other liability that is incurred by a licensee on behalf of a customer who is an individual;

“customer money” means any money received in Singapore by a licensee from a person in Singapore, in exchange for which the licensee issues any e-money, but does not include any of the following:

- (a) any money paid to the licensee to reduce the amount owed to the licensee by that person;
- (b) any money that is repaid by the licensee to that person;
- (c) any money which is paid to the licensee, or which the licensee has informed that person will be used, to defray any fee or charge imposed by the licensee for providing any payment service to that person;
- (d) any money that is paid to, and received by, a recipient in accordance with the instructions of that person;
- (e) any money paid to any other person that is entitled to the money.

Application of section 14 of Currency Act

21. Section 14 of the Currency Act (Cap. 69) does not apply to the issue of e-money.

Subdivision (2) — Major payment institutions

Security

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22.—(1) Every major payment institution must maintain with the Authority security of a prescribed amount (or its equivalent in a foreign currency), for the due performance of the obligations of the major payment institution to every payment service user who is a customer of the major payment institution.

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(2) The security mentioned in subsection (1) must be —

(a) in the form of a cash deposit;

(b) in the form of a bank guarantee that satisfies such requirements as the Authority may specify by notice in writing; or

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(c) in such other form as the Authority may, in any particular case, allow.

(3) Where a major payment institution has surrendered its licence, or the licence of a major payment institution has lapsed or has been revoked, the Authority may enforce the security mentioned in subsection (1) to the extent required to pay any sums outstanding and claimed by payment service users who are customers of the major payment institution.

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(4) To avoid doubt, where the security mentioned in subsection (1) is provided in the form of a bank guarantee, the Authority may call on the bank guarantee for the purposes of subsection (3), even though a closure certificate required under subsection (7) has not been submitted to the Authority.

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(5) Where a major payment institution has surrendered its licence, or the licence of a major payment institution has lapsed or has been revoked, the Authority must release the security mentioned in subsection (1), or the remainder of that security, to the major payment institution, upon the Authority —

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(a) being satisfied that there is no outstanding claim by any payment service user who is a customer of the major payment institution; and

(b) receiving the closure certificate required under subsection (7).

(6) Any security provided by a major payment institution under this section —

(a) is not liable to be attached, sequestered or levied upon for or in respect of any debt or claim whatsoever; and

(b) if the major payment institution is declared insolvent or is wound up by an order of the court — is deemed not to form part of the property of the major payment institution.

(7) A major payment institution must within 45 days, or such longer period as the Authority may allow, after the date on which the licence of the major payment institution is surrendered, lapses or is revoked, submit to the Authority a closure certificate issued by the auditors of the major payment institution confirming that —

(a) all moneys received from payment service users who are customers of the major payment institution have been received by the intended recipients of those moneys; and

(b) adequate provision has been made to meet any unforeseen liabilities in respect of every business of the major payment institution that its major payment institution licence entitles it to carry on.

Safeguarding of money received from customer

23.—(1) Subsection (2) applies to every major payment institution that carries on a business of providing any of the following payment services:

(a) a domestic money transfer service;

(b) a cross-border money transfer service;

(c) a merchant acquisition service;

(d) any other payment service that may be prescribed.

(2) A major payment institution mentioned in subsection (1) must ensure that no later than the next business day after any relevant money is received from, or on account of, a customer, the whole or such part, as may be prescribed, of the relevant money, is safeguarded in one of the following manners: 5

- (a) by an undertaking, from a safeguarding institution, to be fully liable to the customer for the relevant money;
- (b) by a guarantee given by a safeguarding institution for the amount of the relevant money;
- (c) by depositing the relevant money in a trust account maintained with a safeguarding institution; 10
- (d) in such other manner as may be prescribed.

(3) Subsection (4) applies to every major payment institution that carries on a business of providing either of the following payment services: 15

- (a) an e-money issuance service;
- (b) any other payment service that may be prescribed.

(4) A major payment institution mentioned in subsection (3) must ensure that from the time any relevant money is received from, or on account of, a customer, the whole or such part, as may be prescribed, of the relevant money is safeguarded in one of the following manners: 20

- (a) by an undertaking, from a safeguarding institution, to be fully liable to the customer for the relevant money;
- (b) by a guarantee given by a safeguarding institution for the amount of the relevant money; 25
- (c) by depositing the relevant money in a trust account maintained with a safeguarding institution;
- (d) in such other manner as may be prescribed.

(5) The Authority may make regulations under section 103 to provide for all or any of the following matters: 30

- (a) any matter concerning the safeguarding of relevant money under subsection (2) or (4) by any safeguarding institution;

- (b) any matter concerning the depositing of relevant money in a trust account mentioned in subsection (2)(c) or (4)(c), including —
- (i) any matter concerning the trust governing the account;
 - (ii) the extent (if any) to which the relevant money may be commingled with any other money;
 - (iii) the manner in which the relevant money must be treated and dealt with, despite any other written law, on the occurrence of either or both of the following:
 - (A) any event affecting the ability of the major payment institution to perform its obligations, such as in the event of the insolvency of the major payment institution;
 - (B) any event affecting the ability of the safeguarding institution to perform its obligations, such as in the event of the insolvency of the safeguarding institution; and
 - (iv) the circumstances (if any) in which a major payment institution may withdraw money from the account;
- (c) any matter concerning the safeguarding of relevant money in any manner mentioned in subsection (2)(d) or (4)(d), including —
- (i) the extent (if any) to which a major payment institution may commingle the relevant money with any other money;
 - (ii) the manner in which the relevant money must be treated and dealt with, despite any other written law, on the occurrence of any event affecting the ability of the major payment institution to perform its obligations, such as in the event of the insolvency of the major payment institution; and

- (iii) where the relevant money is safeguarded by being deposited in an account (other than a trust account mentioned in subsection (2)(c) or (4)(c)), the circumstances (if any) in which the major payment institution may withdraw any money from that account; 5
- (d) the obligations of a major payment institution to record and maintain a separate book entry for each customer, in relation to that customer's relevant money and, where applicable, e-money; 10
- (e) the obligations of a safeguarding institution that must be set out in a contract between a major payment institution and the safeguarding institution;
- (f) the form of acknowledgment that a major payment institution must obtain from a safeguarding institution; 15
- (g) the information that a major payment institution must provide to a safeguarding institution, including the date or time by which any relevant money must be safeguarded;
- (h) the manner in which a major payment institution conducts its dealings with a customer for the purposes of safeguarding the customer's relevant money, including the disclosure of any information to the customer; 20
- (i) any other matters relating to this section.
- (6) Despite any other written law, where subsection (2)(b) or (4)(b) applies, the proceeds of the guarantee are payable, in the event of the insolvency of the major payment institution, into a separate trust account held by the major payment institution, which — 25
- (a) must be designated in such a way as to show that it is an account held for the purpose of safeguarding the relevant money in accordance with this section; and 30
- (b) must be used only for holding such proceeds on trust for each customer that had provided the relevant money to the major payment institution.

(7) All moneys deposited in an account mentioned in subsection (2)(c), (4)(c), (5)(b) or (c)(iii) or (6) —

(a) cannot be used for the payment of the debts of the major payment institution; and

5 (b) are not liable to be taken in execution under an order or a process of any court.

(8) The Authority may, on the application of any person, by notice in writing grant approval, subject to such conditions as the Authority may specify in the notice, to any major payment institution to
10 safeguard any relevant money in 2 or more of the manners mentioned in subsection (2)(a) to (d) or (4)(a) to (d).

(9) A major payment institution must notify the Authority, in such form or manner as the Authority may specify by notice in writing, of —

15 (a) the manner mentioned in subsection (2)(a) to (d) or (4)(a) to (d) that the major payment institution has chosen to safeguard the relevant money;

(b) the name of the safeguarding institution (if any) that will safeguard the relevant money in the manner mentioned in
20 paragraph (a); and

(c) any change to the manner mentioned in paragraph (a) that the major payment institution has chosen to safeguard the relevant money.

(10) Where the major payment institution mentioned in
25 subsection (2) or (4) is any of the following financial institutions, the major payment institution must not concurrently be the safeguarding institution mentioned in paragraph (a) or (b) of the applicable subsection in relation to the relevant money received by the major payment institution under the applicable subsection:

30 (a) a bank licensed under the Banking Act;

(b) a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act;

(c) a finance company licensed under the Finance Companies Act;

(d) any other financial institution that may be prescribed.

(11) A major payment institution that contravenes subsection (2), (4), (9) or (10), or fails to comply with any condition imposed under subsection (8), 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.

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(12) This section applies, with the necessary modifications, to any licensee (other than a major payment institution) that may be prescribed, and for the purposes of such application, any reference in this section to a major payment institution is to be read as a reference to the prescribed licensee.

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(13) Where any digital payment token service is prescribed for the purposes of subsection (1)(d) or (3)(b), any reference in this section to e-money or specified e-money is to be read as including a reference to digital payment tokens.

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(14) In this section —

“business day” means any day other than a Saturday, Sunday, public holiday or bank holiday;

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“relevant money” —

(a) means any money —

(i) that is received by a major payment institution from, or on account of, a customer in respect of the provision of one or more of the payment services mentioned in subsections (1)(a) to (d) and (3)(a) and (b); and

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(ii) that the major payment institution —

(A) where subsections (1) and (2) apply — continues to hold at the end of each business day; or

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(B) where subsections (3) and (4) apply — has held at any time, and has issued specified e-money in exchange for; but

(b) does not include all of the following:

(i) any money paid to the major payment institution to reduce the amount owed to the major payment institution by that customer;

5 (ii) any money that is repaid by the major payment institution to that customer;

10 (iii) any money which is paid to the major payment institution, or which the major payment institution has informed that customer will be used, to defray any fee or charge imposed by the major payment institution for providing any payment service to that customer;

15 (iv) where subsection (1)(a) or (c) or (3)(a) applies, any money that is paid to, and received by, a recipient in accordance with the instructions of that customer to the major payment institution;

20 (v) where subsection (1)(b) applies, any money that is paid to a recipient in accordance with the instructions of that customer to the major payment institution, whether or not the recipient has received that money;

(vi) any money paid to any other person that is entitled to the money;

“safeguarding institution” means —

25 (a) in the case of subsections (2)(a) and (4)(a) —

(i) a bank in Singapore; or

(ii) any other financial institution that may be prescribed for this sub-paragraph;

(b) in the case of subsections (2)(b) and (4)(b) —

30 (i) a bank in Singapore; or

(ii) any other financial institution that may be prescribed for this sub-paragraph;

- (c) in the case of subsections (2)(c) and (4)(c), a person that the trust account mentioned in subsection (2)(c) or (4)(c) (as the case may be) is maintained with, being a person that satisfies such criteria as may be prescribed; 5
- (d) in any case where any relevant money is safeguarded in such manner as may be prescribed for the purposes of subsection (2)(d) or (4)(d), a person safeguarding the relevant money in that manner, being a person that satisfies such criteria as may be prescribed; or 10
- (e) in any other case, any bank in Singapore or financial institution mentioned in paragraph (a) or (b) or any person mentioned in paragraph (c) or (d).

Restrictions on personal payment account that contains e-money 15

24.—(1) A major payment institution that carries on a business of providing an account issuance service must —

- (a) ensure that the currency equivalent of the e-money contained in a personal payment account issued by the major payment institution to a payment service user does not exceed the prescribed amount (or its equivalent in a foreign currency); 20
- (b) ensure that the total currency equivalent of the e-money transferred in any period of one year, from a personal payment account issued by the major payment institution to a payment service user, other than to a personal deposit account that is either in the name of or designated by that payment service user, does not exceed the prescribed amount (or its equivalent in a foreign currency); and 25
- (c) if the major payment institution issues 2 or more personal payment accounts to any payment service user, ensure that — 30

- 5 (i) the total currency equivalent of the e-money contained in all personal payment accounts issued by the major payment institution to that payment service user does not exceed the prescribed amount (or its equivalent in a foreign currency); and
- 10 (ii) the total currency equivalent of the e-money transferred in any period of one year, from all personal payment accounts issued by the major payment institution to that payment service user, other than to any personal deposit account that is either in the name of or designated by that payment service user, does not exceed the prescribed amount (or its equivalent in a foreign currency).

15 (2) In computing the total currency equivalent of the e-money mentioned in subsection (1)(c)(i), a major payment institution may exclude —

- 20 (a) the currency equivalent of any e-money contained in any small personal payment account issued by the major payment institution to a payment service user, if that small personal payment account does not have the same unique customer identifier as any other personal payment account issued by the major payment institution to that payment service user;
- 25 (b) the currency equivalent of any e-money contained in any bearer payment account issued by the major payment institution to that payment service user; and
- 30 (c) the currency equivalent of any e-money contained in any other payment account, of such type as may be prescribed, issued by the major payment institution to that payment service user.

(3) In computing the total currency equivalent mentioned in subsection (1)(c)(ii) of the e-money transferred, a major payment institution —

(a) must include the currency equivalent of the e-money transferred during each transfer from each personal payment account issued to a payment service user; but

(b) despite paragraph (a), may exclude —

- (i) the currency equivalent of any e-money transferred during a transfer from a small personal payment account issued to a payment service user, if that small personal payment account does not have the same unique customer identifier as any other personal payment account issued by the major payment institution to that payment service user;
- (ii) the currency equivalent of any e-money transferred during a transfer from any bearer payment account issued by the major payment institution to that payment service user; and
- (iii) the currency equivalent of any e-money transferred during a transfer from any other payment account, of such type as may be prescribed, issued by the major payment institution to that payment service user.

(4) A major payment institution that contravenes subsection (1) 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.

(5) In this section —

“bearer payment account” means a payment account the title to which passes upon delivery of the medium associated with that payment account;

“currency equivalent”, in relation to e-money, means the value of the e-money in the currency that the e-money is denominated in or pegged to;

“personal deposit account” means a deposit account held with a bank in Singapore that is used as a means of executing payment transactions other than in the course of business;

“personal payment account” means a payment account issued to a payment service user —

(a) that is used as a means of executing payment transactions other than in the course of business; and

(b) to which any of the following applies:

(i) the major payment institution that issued the payment account has determined, according to such criteria as the Authority may specify by notice in writing, that the payment service user is resident in Singapore;

(ii) the issuer of the e-money contained in the payment account has determined, according to such criteria as the Authority may specify by notice in writing, that the payment service user is resident in Singapore;

(iii) the e-money contained in the payment account is issued in Singapore, and both of the following apply:

(A) the major payment institution that issued the payment account has not determined, according to such criteria as the Authority may specify by notice in writing, that the payment service user is resident outside Singapore;

(B) the issuer of the e-money contained in the payment account has not determined, according to such criteria as the Authority may specify by notice in writing, that the payment service user is resident outside Singapore;

“small personal payment account” means a personal payment account containing e-money the currency equivalent of which does not exceed \$1,000 (or its equivalent in a foreign currency);

“unique customer identifier” means any of the following unique identifiers that may be provided by a payment service user to a major payment institution at any time to facilitate the issue of a personal payment account by the major payment institution to the payment service user: 5

- (a) a national registration identity card number;
- (b) a foreign identification number;
- (c) a passport number;
- (d) an email address;
- (e) a mobile phone number; 10
- (f) any other unique identifier that may be prescribed.

Powers of Authority to ensure interoperability between payment accounts and payment system

25.—(1) The Authority may, by notice in writing, direct a payment service provider (being a major payment institution, an exempt payment service provider or a person exempt under section 100) to do either or both of the following in order to ensure interoperability between any payment account or class of payment accounts issued by the payment service provider and a payment system: 15

- (a) to be a participant of the payment system, on such terms and conditions as the Authority may consider appropriate; 20
- (b) to enter into an arrangement with the operator of the payment system.

(2) In considering whether to issue a notice in writing under subsection (1), the Authority must have regard to the following matters: 25

- (a) whether ensuring interoperability between those payment accounts and that payment system would be in the interests of the public;
- (b) the interests of the current participants and operator of that payment system; 30

- (c) the interests of persons who, in the future, may be required, or may desire, to be participants of the payment system;
- (d) such other matters as the Authority may consider to be relevant.

5 **Powers of Authority to ensure interoperability between payment systems**

10 **26.—**(1) The Authority may, by notice in writing, direct a payment service provider (being a major payment institution, an exempt payment service provider or a person exempt under section 100) that operates a payment system to adopt any common standard, on such terms and conditions as the Authority may consider appropriate, in order to ensure interoperability between different payment systems operated by different payment service providers.

15 (2) In considering whether to issue a notice in writing under subsection (1), the Authority must have regard to the following matters:

- (a) whether ensuring interoperability between different payment systems would be in the interests of the public;
- 20 (b) the interests of every payment service provider that will be directed to adopt the common standard;
- (c) the interests of persons who, in the future, may be required, or may desire, to adopt the common standard;
- (d) such other matters as the Authority may consider to be relevant.

25 (3) In this section, “common standard” means any technical standard or set of technical standards, containing characteristics or specifications for accepting a payment order or processing a payment transaction on a payment system, that the Authority may specify by notice in writing.

Division 3 — Control of controllers of licensees

Application and interpretation of this Division

27.—(1) This Division applies to —

- (a) every individual, whether or not resident in Singapore and whether or not a citizen of Singapore; and
- (b) every entity.

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(2) In this Division, unless the context otherwise requires, any reference to a licensee is a reference to a licensee incorporated in Singapore.

Control of shareholding in licensee

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28.—(1) A person must not become a 20% controller of a licensee without first applying for and obtaining the approval of the Authority under subsection (2).

(2) The Authority may approve an application made by any person under subsection (1) if the Authority is satisfied that —

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- (a) having regard to the likely influence of the person, the licensee will or will continue to conduct its business prudently and comply with the provisions of this Act and any other written law administered by the Authority;
- (b) the person is, under the Guidelines on Fit and Proper Criteria, a fit and proper person to be a 20% controller of the licensee; and
- (c) it is in the public interest to do so.

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(3) An approval under subsection (2) may be granted to any person subject to such conditions as the Authority may impose, including but not limited to —

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- (a) any condition restricting the person's disposal or further acquisition of shares or voting power in the licensee; and
- (b) any condition restricting the person's exercise of voting power in the licensee.

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(4) The Authority may at any time add to, vary or revoke any condition that is imposed under subsection (3) or this subsection.

(5) Any condition imposed under subsection (3) or (4) has effect despite any provision of the Companies Act or anything contained in the constitution of the licensee.

(6) Where the Authority refuses an application made by any person under subsection (1), the person must, within such period as the Authority may specify by notice in writing, take such steps (as soon as practicable after the refusal) as are necessary to cease to be a 20% controller of the licensee.

Objection to existing control of licensee

29.—(1) The Authority may serve a written notice of objection on any person that is, or is required to obtain or has obtained the Authority’s approval under section 28(2) to become, a 20% controller of a licensee, if the Authority is satisfied that —

- (a) any condition for approval under section 28(2) imposed on the person under section 28(3) or (4) has not been complied with;
- (b) it is not, or is no longer, in the public interest to allow the person to continue to be a 20% controller of the licensee;
- (c) the person has provided any false or misleading information or document in connection with an application under section 28(1);
- (d) the person is no longer a fit and proper person under the Guidelines on Fit and Proper Criteria;
- (e) having regard to the likely influence of the person, the licensee is no longer likely to conduct its business prudently or to comply with the provisions of this Act; or
- (f) the Authority would not have been satisfied as to any of the matters specified in section 28(2) had the Authority been aware, at that time, of circumstances relevant to the person’s application under section 28(1).

(2) Before serving a written notice of objection under subsection (1), the Authority must, unless the Authority decides that it is not practicable or desirable to do so —

- (a) notify the person of the Authority's intention to serve the written notice of objection; and
- (b) specify a date by which the person may make written representations with regard to the proposed written notice of objection.

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(3) The Authority must consider any written representations that the Authority receives before the date mentioned in subsection (2)(b), for the purpose of determining whether to issue a written notice of objection.

(4) The Authority must, in any written notice of objection, specify a reasonable period within which the person that has been served the written notice of objection must —

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- (a) cease to be a 20% controller of the licensee; or
- (b) comply with such direction as the Authority may make under section 30.

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(5) A person that has been served a written notice of objection must comply with that notice.

Power of Authority to issue directions for this Division

30.—(1) If the Authority is satisfied that a person has contravened section 28(1) or (6) or has failed to comply with any condition imposed under section 28(3) or (4), or if the Authority has served a written notice of objection under section 29, the Authority may, by notice in writing —

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- (a) direct the transfer or disposal of all or any of the shares in the licensee held by the person or any of the person's associates (called in this section the specified shares) within such time or subject to such conditions as the Authority considers appropriate;
- (b) restrict the transfer or disposal of all or any of the specified shares; or
- (c) make such other direction as the Authority considers appropriate.

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(2) Where the Authority has issued any direction under subsection (1)(a) or imposed any restriction under subsection (1)(b), until a transfer or disposal is effected in accordance with the direction or until the restriction on the transfer or disposal is removed, as the case may be —

(a) no voting rights may be exercised in respect of the specified shares, unless the Authority expressly permits such rights to be exercised;

(b) no shares of the licensee may be issued or offered (whether by way of rights, bonus or otherwise) in respect of the specified shares, unless the Authority expressly permits such issue or offer; and

(c) except in a liquidation of the licensee, no payment may be made by the licensee of any amount (whether by way of dividends or otherwise) in respect of the specified shares, unless the Authority expressly authorises such payment.

(3) Subsection (2) has effect despite any provision of the Companies Act or anything contained in the constitution of the licensee.

(4) Any issue or offer of shares in contravention of subsection (2)(b) is void, and a person to whom a direction has been issued under subsection (1)(a) or on whom a restriction has been imposed under subsection (1)(b) must immediately return those shares to the licensee, upon which the licensee must return to the person any payment received from the person in respect of those shares.

(5) Any payment made by a licensee in contravention of subsection (2)(c) is void, and a person to whom a direction has been issued under subsection (1)(a) or on whom a restriction has been imposed under subsection (1)(b) must immediately return the payment the person has received to the licensee.

Power of Authority to obtain information relating to this Division

31.—(1) The Authority may, by notice in writing, direct a licensee to obtain from any of its shareholders, and to provide to the Authority, any information relating to the shareholder that the Authority may require for either or both of the following purposes: 5

- (a) ascertaining or investigating into the control of shareholding or voting power in the licensee;
- (b) exercising any power or function under section 28, 29, 30, 32 or 100. 10

(2) Without limiting subsection (1), the notice in subsection (1) may require the licensee to obtain and provide the following information:

- (a) whether the shareholder has an interest in any share in the licensee as beneficial owner or as trustee; 15
- (b) if the shareholder holds the interest in the share as trustee, to indicate as far as that shareholder is able to —
 - (i) the person for whom that shareholder holds the interest (either by name or by other particulars sufficient to enable that person to be identified); and 20
 - (ii) the nature of that person's interest.

(3) The Authority may, by notice in writing, require any shareholder (*X*) of a licensee, or any person (*Y*) that appears from information provided to the Authority under subsection (1) or this subsection to have an interest in any share in the licensee, to provide to the Authority any information relating to *X* or *Y* (as the case may be) that the Authority may require for either or both of the following purposes: 25

- (a) ascertaining or investigating into the control of shareholding or voting power in the licensee; 30
- (b) exercising any power or function under section 28, 29, 30, 32 or 100.

(4) Without limiting subsection (3), the notice in subsection (3) may require *X* or *Y* to provide the following information:

(a) whether *X* or *Y* holds the interest as beneficial owner or as trustee;

5 (b) if *X* or *Y* holds the interest as trustee, to indicate as far as *X* or *Y* can —

(i) the person (*Z*) for whom *X* or *Y* holds the interest (either by name or by other particulars sufficient to enable *Z* to be identified); and

10 (ii) the nature of *Z*'s interest;

(c) whether any share or any voting right attached to the share is the subject of an agreement or arrangement described in section 2(2)(c)(vi), and if so, to give particulars of the agreement or arrangement and the parties to it.

15 **Offences, penalties and defences**

32.—(1) A person that —

(a) contravenes section 28(1) or (6) or 29(5) or does any act in contravention of section 30(2);

(b) fails to comply with —

20 (i) any notice in writing issued under section 30(1) or 31(1) or (3); or

(ii) any condition imposed under section 28(3) or (4); or

25 (c) in purported compliance with a notice in writing issued under section 31(1) or (3), knowingly or recklessly provides any information or document that is false or misleading in a material particular,

shall be guilty of an offence.

(2) A person convicted of an offence under subsection (1) shall be liable on conviction —

30 (a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence,

to a further fine not exceeding \$12,500 for every day or part of a day during which the offence continues after conviction; or

- (b) in any other case, 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.

(3) Where a person is charged with an offence in respect of a contravention of section 28(1) or (6), it is a defence for the person to prove that —

- (a) the person was not aware that the person had contravened section 28(1) or (6), as the case may be; and

- (b) within 14 days after becoming aware of the contravention, the person —

(i) notified the Authority of the contravention; and

(ii) within such time as may be determined by the Authority, took such action in relation to the person's shareholding or control of the voting power in the licensee as the Authority may direct.

(4) Where a person is charged with an offence in respect of a contravention of section 28(1), it is also a defence for the person to prove that, even though the person was aware of the contravention —

- (a) the contravention occurred as a result of an increase in the shareholding as described in section 2(2)(a) of, or in the voting power controlled by, any of the person's associates described in section 2(2)(c)(i);

- (b) the person had no agreement or arrangement (whether oral or in writing and whether express or implied) with that associate —

(i) with respect to the acquisition, holding or disposal of shares or other interests in the licensee; or

(ii) under which the person and that associate act together in exercising their voting power in relation to the licensee; and

(c) within 14 days after the date of the contravention, the person —

(i) notified the Authority of the contravention; and

(ii) within such time as may be determined by the Authority, took such action in relation to the person's shareholding or control of the voting power in the licensee as the Authority may direct.

(5) Except as provided in subsections (3) and (4), it is not a defence for a person charged with an offence in respect of a contravention of section 28(1) or (6) to prove that the person did not intend to, or did not knowingly, contravene that provision.

Appeals to Minister

33. Any person that is aggrieved by a decision of the Authority under section 28, 29 or 30 may, within 30 days after receiving the decision of the Authority, appeal in writing to the Minister, whose decision is final.

Division 4 — Control of officers of licensees

Approval of chief executive officer, director or partner of licensee

34.—(1) Subject to subsection (4) —

(a) a licensee incorporated in Singapore must not appoint an individual as its chief executive officer or director;

(b) a licensee incorporated outside Singapore must not appoint an individual as its chief executive officer, or its director, directly responsible for the whole or any part of the licensee's business in Singapore;

(c) a licensee that is a partnership or limited liability partnership formed in Singapore must not appoint an individual as its partner; and

(d) a licensee that is a partnership or limited liability partnership formed outside Singapore must not appoint

an individual as its partner directly responsible for the whole or any part of the licensee's business in Singapore, unless the licensee has applied for and obtained the approval of the Authority under subsection (3)(b).

(2) An application under subsection (1) must be made in the form and manner prescribed. 5

(3) Without affecting any other matter that the Authority may consider relevant, the Authority may —

(a) in determining whether to grant its approval under paragraph (b), have regard to such criteria as the Authority may specify by notice in writing to the licensee; and 10

(b) approve or refuse the application.

(4) Where a licensee has obtained the approval of the Authority under subsection (3)(b) to appoint an individual as the licensee's chief executive officer or director, the individual may, without the approval of the Authority, be re-appointed as chief executive officer or director (as the case may be) of the licensee immediately upon the expiry of the individual's term of appointment. 15

(5) Subject to subsection (6), the Authority must not refuse a licensee's application under subsection (1) without giving the licensee an opportunity to be heard. 20

(6) The Authority may refuse an application under subsection (1) for the Authority's approval under subsection (3)(b) of an individual without giving the licensee an opportunity to be heard, in any of the following circumstances: 25

(a) the individual has been convicted, whether in Singapore or elsewhere, of any of the following offences, whether the offence is committed before, on or after the date of commencement of this paragraph: 30

(i) an offence involving fraud or dishonesty;

(ii) an offence the conviction for which involves a finding that the individual had acted fraudulently or dishonestly;

(iii) an offence that is specified in the Third Schedule to the Registration of Criminals Act (Cap. 268);

(b) the individual is an undischarged bankrupt, whether in Singapore or elsewhere;

5 (c) the individual has had execution against the individual in respect of a judgment debt returned unsatisfied in whole or in part;

(d) the individual has, whether in Singapore or elsewhere, entered into a compromise or scheme of arrangement with the individual's creditors, being a compromise or scheme of arrangement that is still in operation;

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(e) the individual has in force against the individual a prohibition order under section 59 of the Financial Advisers Act (Cap. 110), section 35V of the Insurance Act (Cap. 142) or section 101A of the Securities and Futures Act (Cap. 289);

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(f) the individual has been a director of, or directly concerned in the management of, a regulated financial institution, whether in Singapore or elsewhere —

20 (i) that is being or has been wound up by a court; or

(ii) the approval, authorisation, designation, recognition, registration or licence of which has been withdrawn, cancelled or revoked by the Authority or, in the case of a regulated financial institution in a foreign country or territory, by the financial regulatory authority in that foreign country or territory.

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(7) Where the Authority refuses an application under subsection (1) for the Authority's approval under subsection (3)(b), the Authority need not give the individual who was proposed to be appointed an opportunity to be heard.

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(8) A licensee that, without reasonable excuse, contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000.

(9) In this section, “chief executive officer”, in relation to a licensee incorporated outside Singapore, includes a person (however designated) who —

- (a) is in the direct employment of, or acting for or by arrangement with, the licensee; and
- (b) is directly responsible for the management and conduct of the whole or any part of the licensee’s business in Singapore.

Removal of chief executive officer, director or partner of licensee

35.—(1) Despite the provisions of any other written law, where the Authority is satisfied that an individual appointed as chief executive officer, director or partner of a licensee incorporated or formed in Singapore is not a fit and proper person to act as such chief executive officer, director or partner, the Authority may, by notice in writing, direct the licensee to remove the individual, within such period as the Authority may specify in the notice —

- (a) from employment with the licensee;
- (b) as director of the licensee; or
- (c) as partner of the licensee.

(2) Without affecting any other matter that the Authority may consider relevant, in assessing whether to direct the licensee to remove an individual under subsection (1), the Authority may consider whether the individual —

- (a) has been convicted, whether in Singapore or elsewhere, of any of the following offences, whether the offence is committed before, on or after the date of commencement of this paragraph:
 - (i) an offence involving fraud or dishonesty;
 - (ii) an offence the conviction for which involves a finding that the individual had acted fraudulently or dishonestly;

- (iii) an offence that is specified in the Third Schedule to the Registration of Criminals Act;
- (b) is an undischarged bankrupt, whether in Singapore or elsewhere;
- 5 (c) has had execution against the individual in respect of a judgment debt returned unsatisfied in whole or in part;
- (d) has, whether in Singapore or elsewhere, entered into a compromise or scheme of arrangement with the individual's creditors, being a compromise or scheme of
10 arrangement that is still in operation;
- (e) has in force against the individual a prohibition order under section 59 of the Financial Advisers Act, section 35V of the Insurance Act or section 101A of the Securities and Futures Act;
- 15 (f) has been a director of, or directly concerned in the management of, a regulated financial institution, whether in Singapore or elsewhere —
 - (i) that is being or has been wound up by a court; or
 - 20 (ii) the approval, authorisation, designation, recognition, registration or licence of which has been withdrawn, cancelled or revoked by the Authority or, in the case of a regulated financial institution in a foreign country or territory, by the financial regulatory authority in that foreign country or territory;
- 25 (g) has wilfully contravened, or wilfully caused the licensee to contravene, any provision of this Act;
- (h) has, without reasonable excuse, failed to secure the compliance of the licensee with this Act, the Monetary Authority of Singapore Act or any of the written laws set
30 out in the Schedule to that Act;
- (i) has failed to discharge any of the duties of the individual's office or employment; or
- (j) needs to be removed in the public interest.

(3) Subject to subsection (4), before directing a licensee incorporated or formed in Singapore to remove an individual under subsection (1), the Authority must give both the licensee and the individual an opportunity to be heard.

(4) The Authority may direct a licensee incorporated or formed in Singapore to remove an individual under subsection (1) on any of the following grounds without giving the licensee or the individual an opportunity to be heard:

(a) the individual is an undischarged bankrupt, whether in Singapore or elsewhere;

(b) the individual has been convicted, whether in Singapore or elsewhere, of an offence, whether committed before, on or after the date of commencement of this paragraph —

(i) involving fraud or dishonesty, or the conviction for which involves a finding that the individual had acted fraudulently or dishonestly; and

(ii) punishable with imprisonment for a term of at least 3 months.

(5) Without affecting the Authority's power to impose conditions under section 6(7)(a) or (10), the Authority may at any time, by notice in writing to a licensee incorporated or formed in Singapore, impose or vary a condition requiring the licensee to notify the Authority of any change to any particulars (such as residence in Singapore or elsewhere, or nature of appointment) of its chief executive officer, director or partner that may be specified in the notice.

(6) A licensee incorporated or formed in Singapore that, without reasonable excuse —

(a) fails to comply with a notice in writing under subsection (1); or

(b) contravenes any condition imposed under subsection (5),

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000.

(7) No criminal or civil liability shall be incurred by a licensee, or any person acting on behalf of the licensee, in respect of anything

done (including any statement made) or omitted to be done with reasonable care and in good faith in the discharge or purported discharge of the obligations of the licensee under this section.

Appeals to Minister

5 **36.**—(1) A licensee incorporated or formed in Singapore that is aggrieved by a decision of the Authority under section 34(3)(b) may, within 30 days after receiving the decision of the Authority, appeal in writing to the Minister, whose decision is final.

10 (2) A licensee incorporated or formed in Singapore, or any chief executive officer, director or partner of that licensee, that is aggrieved by a notice in writing of the Authority under section 35(1) may, within 30 days after receiving the notice, appeal in writing to the Minister, whose decision is final.

Division 5 — Audit of licensees

15 **Auditing**

37.—(1) Despite the provisions of the Companies Act, a licensee —

(a) must, on an annual basis and at its own expense, appoint an auditor; and

20 (b) if for any reason its auditor ceases to be its auditor, appoint another auditor as soon as practicable after such cessation.

(2) The Authority may appoint an auditor for a licensee —

(a) if the licensee fails to appoint an auditor; or

25 (b) if the Authority considers it desirable that another auditor should act with the auditor appointed under subsection (1).

(3) The Authority may at any time fix the remuneration to be paid by a licensee to an auditor appointed by the Authority under subsection (2) for the licensee.

30 (4) The duties of an auditor appointed under subsection (1) or (2) are as follows:

- (a) to carry out, for the year in respect of which the auditor is appointed, an audit of the accounts of the licensee;
- (b) to carry out an audit of the transactions in relation to the payment services provided by the licensee, in particular, in respect of the licensee's observance of the provisions of this Act and any of the requirements imposed under any other written law administered by the Authority; 5
- (c) to submit a report of the audit to the Authority in such form as may be prescribed and within such time as the Authority may allow; 10
- (d) to make a report —
 - (i) in the case of a licensee incorporated in Singapore, on the financial statements or consolidated financial statements of the licensee in accordance with section 207 of the Companies Act; or 15
 - (ii) in the case of a licensee incorporated outside Singapore, on the latest annual balance sheet and profit and loss account of the licensee, together with any notes on that balance sheet and profit and loss account, showing the assets and liabilities and profit or loss arising out of the operations of the licensee in Singapore, that complies with section 207 of the Companies Act. 20

(5) The Authority may, by notice in writing to an auditor, impose all or any of the following duties on the auditor in addition to those provided under subsection (4), and the auditor must carry out the duties so imposed: 25

- (a) a duty to submit such additional information in relation to the audit as the Authority considers necessary;
- (b) a duty to enlarge or extend the scope of the audit of the licensee's business and affairs; 30
- (c) a duty to carry out any other examination, or establish any procedure, in relation to the audit in any particular case;

(d) a duty to submit a report on any of the matters mentioned in paragraphs (b) and (c).

(6) The licensee must remunerate the auditor in respect of —

(a) any remuneration the Authority has fixed under subsection (3); and

(b) the discharge of all or any of the additional duties of the auditor imposed under subsection (5).

(7) Despite any other provision of this Act or the provisions of the Companies Act, the Authority may, if the Authority is not satisfied with the performance of any duty by the auditor of a licensee, at any time direct the licensee to —

(a) remove the auditor; and

(b) appoint another auditor.

(8) The auditor's report made under subsection (4)(d) must be attached to the balance sheet and the profit and loss account, the financial statements or the consolidated financial statements (as the case may be) of the licensee, and a copy of the report, together with any report under subsection (5)(d), must be submitted in writing to the Authority.

(9) If an auditor, in the course of performing the auditor's duties, is satisfied that any of the following matters has occurred, the auditor must immediately report that matter to the Authority:

(a) there has been a serious breach or non-observance of the provisions of this Act or any of the requirements imposed under any other written law administered by the Authority;

(b) a criminal offence involving fraud or dishonesty has been committed;

(c) losses have been incurred that reduce the capital of the licensee by at least 50%;

(d) there is any irregularity that has or may have a material effect on the accounts of the licensee, including any irregularity that had caused a major disruption to the

provision of any type of payment service to the customers of the licensee;

- (e) the auditor is unable to confirm that the claims of creditors of the licensee are still covered by the assets of the licensee. 5

(10) Where an auditor or employee of the auditor discloses in good faith to the Authority —

- (a) the auditor's or employee's knowledge or suspicion of any of the matters mentioned in subsection (9); or
 (b) any information or other matter on which that knowledge or suspicion is based, 10

the disclosure is not a breach of any restriction upon the disclosure imposed by any law, contract or rules of professional conduct, and the auditor or employee is not liable for any loss arising out of the disclosure or any act or omission in consequence of the disclosure. 15

(11) A licensee that contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part of a day during which the offence continues after conviction. 20

(12) An auditor that contravenes subsection (5) or (9) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part of a day during which the offence continues after conviction. 25

Powers of auditor appointed by Authority

38.—(1) An auditor appointed by the Authority under section 37(2) may, for the purpose of carrying out an examination or audit —

- (a) examine, on oath or affirmation, any officer or employee of the licensee or any other auditor of the licensee; 30
 (b) require any officer or employee of the licensee, or any other auditor of the licensee, to produce any books held by

or on behalf of the licensee relating to the licensee's business;

(c) make copies of or take extracts from, or retain possession of, any books mentioned in paragraph (b) for such period as may be necessary to enable those books to be inspected;

(d) employ such persons as the auditor considers necessary to assist the auditor in carrying out the examination or audit; and

(e) authorise in writing any person employed by the auditor to do, in relation to the examination or audit, any act or thing that the auditor could do as an auditor under this subsection, other than the examination of a person on oath or affirmation.

(2) An individual who, without reasonable excuse —

(a) refuses or fails to answer any question put to the individual; or

(b) fails to comply with any request made to the individual, by an auditor appointed under section 37(2) or a person authorised under subsection (1)(e), shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$12,500 or to imprisonment for a term not exceeding 12 months or to both.

Restriction on auditor's and employee's right to communicate certain matters

39.—(1) Except as may be necessary for the carrying into effect of the provisions of this Act or so far as may be required for the purposes of any legal proceedings, whether civil or criminal —

(a) an auditor appointed under section 37(1) or (2); or

(b) any employee of such auditor,

must not disclose any information that comes to the auditor's or employee's knowledge in the course of performing the auditor's or employee's duties, to any person other than the Authority or, in the case of an employee of such auditor, the auditor.

(2) A person that contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction —

(a) in the case of the auditor, to a fine not exceeding \$25,000; or

(b) in the case of the employee, to a fine not exceeding \$12,500.

Offence to destroy, conceal, alter, etc., records

40.—(1) An individual who, with intent to prevent, delay or obstruct the carrying out of any examination or audit under section 37 or 38 —

(a) destroys, conceals or alters any book relating to the business of a licensee; or

(b) sends, or conspires with any other person to send, out of Singapore any book or asset of any description belonging to, in the possession of or under the control of the licensee,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both.

(2) If, in any proceedings for an offence under subsection (1), it is proved that the individual charged with the offence —

(a) destroyed, concealed or altered any book mentioned in subsection (1)(a); or

(b) sent, or conspired to send, out of Singapore any book or asset mentioned in subsection (1)(b),

the onus of proving that, in so doing, the individual did not act with intent to prevent, delay or obstruct the carrying out of an examination or audit under section 37 or 38 lies on the individual.

PART 3

PAYMENT SYSTEMS

*Division 1 — Information gathering powers over payment systems***Provision of information to Authority**

5 **41.**—(1) The Authority may, by notice in the form and manner prescribed, require any of the following persons to provide to the Authority, within a reasonable period specified in the notice, such information relating to a payment system as the Authority may require:

- 10 (a) any participant of the payment system;
- (b) any operator of the payment system, or any person acting on behalf of the operator;
- (c) any settlement institution of the payment system.

15 (2) Without limiting subsection (1), the Authority may in a notice issued under that subsection require any person mentioned in paragraph (a), (b) or (c) of that subsection to provide, whether in the form of a return to be provided on a periodic basis or otherwise —

- (a) information relating to —
- 20 (i) the operation of the payment system; and
- (ii) the pricing of, or other form of consideration for, the services offered by the payment system;
- (b) information relating to the participation or other involvement of that person in the payment system; and
- 25 (c) such other information as the Authority may require for the purposes of this Act.

(3) Subject to subsection (5), any person to whom a notice is issued under subsection (1) must comply with the notice.

30 (4) A person that contravenes subsection (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not

exceeding \$10,000 for every day or part of a day during which the offence continues after conviction.

(5) A person to whom a notice is issued under subsection (1) is not obliged to disclose any information that the person is prohibited by any written law from disclosing.

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Division 2 — Designation of payment systems

Power of Authority to designate payment systems

42.—(1) The Authority may, by order in the *Gazette*, designate a payment system as a designated payment system for the purposes of this Act, if the Authority is satisfied that any of the following considerations applies:

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(a) a disruption in the operations of the payment system could —

(i) trigger, cause or transmit further disruption to participants of the payment system;

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(ii) trigger or cause systemic disruption to the financial system of Singapore; or

(iii) affect public confidence in the payment systems of Singapore or the financial system of Singapore;

(b) the payment system is widely used in Singapore or the operations of the payment system may have an impact on the operations of one or more other payment systems in Singapore, and the designation is necessary to ensure efficiency or competitiveness in any of the services provided by the operator of the payment system;

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(c) the designation is otherwise in the interests of the public.

(2) Any order made under subsection (1) —

(a) must —

(i) if the Authority is satisfied of any consideration in subsection (1)(a)(i), (ii) or (iii) or (c) — identify the operator and the settlement institution of the designated payment system; or

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(ii) if the Authority is satisfied of the consideration in subsection (1)(b) —

(A) state that the payment system is designated because the Authority is satisfied of the consideration in subsection (1)(b); and

(B) identify the operator of the designated payment system; and

(b) continues to have effect until the order is withdrawn by the Authority.

(3) Any operator or settlement institution of a payment system that is aggrieved by a decision of the Authority to designate the payment system as a designated payment system may, within 30 days after the date on which the order designating the payment system is published in the *Gazette*, appeal in writing to the Minister, whose decision is final.

(4) Despite the lodging of an appeal under subsection (3), the designation by the Authority under this section continues to have effect pending the decision of the Minister.

(5) The Minister may, when deciding an appeal under subsection (3), direct the Authority to withdraw the designation of the payment system as a designated payment system, and the direction takes effect from the date of the Minister's decision.

Prohibition against holding out as designated payment system

43.—(1) A person must not hold the person out as the operator or settlement institution of a designated payment system unless the payment system has been designated by the Authority under section 42.

(2) A person that contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$250,000 or to imprisonment for a term not exceeding 3 years or to both 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.

Power of Authority to impose conditions or restrictions

44.—(1) The Authority may, by notice in writing, impose on a participant, an operator or a settlement institution of a designated payment system such conditions or restrictions as the Authority thinks fit. 5

(2) The Authority may, at any time, by notice in writing to a participant, an operator or a settlement institution of the designated payment system, vary any condition or restriction.

(3) Without limiting subsection (1) or (2), the conditions or restrictions that the Authority may impose include conditions or restrictions relating to any of the following matters: 10

- (a) the activities that the operator or settlement institution of the designated payment system may undertake;
- (b) the standards to be maintained by the operator or settlement institution of the designated payment system; 15
- (c) the requirement for the operator or settlement institution of the designated payment system to operate as a corporation.

(4) A participant, operator or settlement institution of a designated payment system that fails to comply with any condition or restriction imposed under subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part of a day during which the offence continues after conviction. 20

Withdrawal of designation of payment system

45.—(1) The Authority may, by order in the *Gazette*, withdraw the designation of any designated payment system at any time if the Authority is of the opinion that the applicable consideration in section 42(1)(a)(i), (ii) or (iii), (b) or (c) is no longer valid or satisfied. 25

(2) The Authority must not withdraw the designation of any designated payment system without giving the operator and the settlement institution of that designated payment system an opportunity to be heard. 30

Exemptions applicable to operator, settlement institution or participant of payment system designated to ensure efficiency or competitiveness

5 **46.**—(1) Section 50, Divisions 4 to 8 of this Part, and Part 5 do not apply to an operator of a designated payment system that is designated only because the Authority is satisfied of the consideration in section 42(1)(b).

10 (2) Sections 44, 102 and 103, Divisions 3 to 8 of this Part, and Parts 4 and 5 do not apply to a settlement institution of a designated payment system that is designated only because the Authority is satisfied of the consideration in section 42(1)(b).

(3) Division 4 of this Part does not apply to a participant of a designated payment system that is designated only because the Authority is satisfied of the consideration in section 42(1)(b).

15 *Division 3 — Obligations of operators and settlement institutions of designated payment systems*

Obligation of operator or settlement institution to have place of business or registered office

20 **47.**—(1) An operator of a designated payment system, and a settlement institution of a designated payment system, must, within such period, after the date on which the order under section 42(1) designating that payment system is published in the *Gazette*, as the Authority may specify by notice in writing, establish a permanent place of business or a registered office in Singapore.

25 (2) The operator or settlement institution must appoint a person to be present, on such days and at such hours as the Authority may specify by notice in writing, at the permanent place of business or registered office of the operator or settlement institution, to address any queries or complaints from any customer of the operator or
30 settlement institution.

(3) The operator or settlement institution must keep, or cause to be kept, at the permanent place of business or registered office of the operator or settlement institution, books of all the transactions of the

operator or settlement institution in relation to the designated payment system.

(4) The operator or settlement institution must notify the Authority of any change in the address of any of the following places within such period, after the date of that change, as the Authority may specify by notice in writing:

- (a) the permanent place of business or registered office in Singapore of the operator or settlement institution;
- (b) every other place of business of the operator or settlement institution.

(5) A person that contravenes subsection (1), (2) or (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part of a day during which the offence continues after conviction.

(6) A person that contravenes subsection (4) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$2,000.

Obligation of operator or settlement institution to notify Authority of certain events

48.—(1) An operator of a designated payment system, and a settlement institution of a designated payment system, must notify the Authority of the occurrence of any of the following events as soon as practicable after that occurrence:

- (a) an intention to make a material change to the nature of the operating rules, settlement procedures or activities of the designated payment system;
- (b) an event or irregularity that impedes or prevents access to, or impairs the usual operations of, the designated payment system or its settlement operations;
- (c) any material function of the operator or settlement institution that is outsourced;

- (d) any civil or criminal proceeding instituted against the operator or settlement institution, whether in Singapore or elsewhere;
- 5 (e) the operator or settlement institution being or becoming, or being likely to become, insolvent or unable to meet any of the financial, statutory, contractual or other obligations of the operator or settlement institution;
- 10 (f) any disciplinary action taken against the operator or settlement institution by any regulatory authority (other than the Authority), whether in Singapore or elsewhere;
- (g) any significant change to the regulatory requirements imposed on the operator or settlement institution by any regulatory authority (other than the Authority), whether in Singapore or elsewhere;
- 15 (h) any other event that the Authority may prescribe or specify by notice in writing.

(2) An operator of a designated payment system, and a settlement institution of a designated payment system, must notify the Authority of the occurrence of any of the following events within 14 days after
20 the date of that occurrence:

- 25 (a) any change of a director or the chief executive officer of the operator or settlement institution, except where the operator is required under section 65 to obtain the Authority's approval to appoint the director or chief executive officer;
- (b) any other event that the Authority may prescribe or specify by notice in writing.

(3) A person that contravenes subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding
30 \$250,000.

Obligation of operator to submit periodic reports

49.—(1) An operator of a designated payment system must submit to the Authority such reports or returns in the form, manner and frequency prescribed.

(2) A person that contravenes subsection (1) 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.

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Obligation of operator to notify Authority of businesses and acquisition of corporations

50.—(1) An operator of a designated payment system must notify the Authority of the occurrence of any of the following events as soon as practicable after the occurrence of that event:

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(a) the carrying on of any business by the operator other than —

(i) the business of operating a payment system;

(ii) a business incidental to operating a payment system;
or

15

(iii) such business or class of businesses as the Authority may prescribe;

(b) the acquisition by the operator of a substantial shareholding in a corporation that does not carry on —

(i) the business of operating a payment system;

(ii) a business incidental to operating a payment system;
or

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(iii) such business or class of businesses as the Authority may prescribe.

(2) An operator of a designated payment system must, within 2 months after the date of the designation of the payment system, notify the Authority of its substantial shareholding in a corporation that does not carry on —

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(a) the business of operating a payment system;

(b) a business incidental to operating a payment system; or

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(c) such business or class of businesses as the Authority may prescribe.

(3) The Authority may, at any time after receiving a notification mentioned in subsection (1) or (2), by notice in writing direct the operator of the designated payment system —

(a) where the notification relates to a matter mentioned in subsection (1)(a) —

(i) to cease carrying on the firstmentioned business in subsection (1)(a); or

(ii) to carry on the firstmentioned business in subsection (1)(a) subject to such conditions or restrictions as the Authority may impose, if the Authority is of the opinion that this is necessary for any of the purposes mentioned in section 102(1); or

(b) where the notification relates to a matter mentioned in subsection (1)(b) or (2) —

(i) to dispose of the shareholding mentioned in subsection (1)(b) or (2); or

(ii) to exercise the operator's rights relating to such shareholding subject to such conditions or restrictions as the Authority may impose, if the Authority is of the opinion that this is necessary for any of the purposes mentioned in section 102(1).

(4) An operator of a designated payment system, to whom the Authority has issued a notice in writing under subsection (3), must comply with the directions contained in the notice.

(5) A person that contravenes subsection (1), (2) or (4) 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.

Division 4 — Access regime

Power of Authority to impose access regime

51.—(1) The Authority may, by order in the *Gazette*, impose an access regime in respect of a relevant payment system on one or more

of the following persons or classes of persons, on such terms and conditions as the Authority may consider appropriate:

- (a) a participant or class of participants of that payment system;
- (b) an operator, or a class of operators, of that payment system; 5
- (c) a settlement institution or class of settlement institutions of that payment system;
- (d) any other person or class of persons that determines access to that payment system.

(2) In considering whether to impose an access regime under subsection (1) in respect of a relevant payment system, the Authority must have regard to the following matters: 10

- (a) whether the imposition of that access regime would be in the interests of the public;
- (b) the interests of the current participants, operator and settlement institution of that payment system; 15
- (c) the interests of persons who, in the future, may require or desire access to that payment system;
- (d) such other matters as the Authority may consider to be relevant. 20

(3) The Authority, in imposing an access regime under subsection (1), must ensure that the access regime is fair and not discriminatory.

Variation of access regime

52.—(1) The Authority may, by order in the *Gazette*, vary an access regime that has been imposed under section 51 in respect of a relevant payment system, on such terms and conditions as the Authority may consider appropriate. 25

(2) In considering whether to vary under subsection (1) an access regime in respect of a relevant payment system, the Authority must have regard to the following matters: 30

- (a) whether the variation of that access regime would be in the interests of the public;
- (b) the interests of the current participants, operator and settlement institution of that payment system;
- 5 (c) the interests of persons who, in the future, may require or desire access to that payment system;
- (d) such other matters as the Authority may consider to be relevant.

Cessation and revocation of access regime

10 **53.**—(1) An access regime in respect of a relevant payment system ceases to be in force if —

- (a) the order imposing or varying the access regime under section 51(1) or 52(1) (as the case may be) provides for an expiry date, and that date is reached;
- 15 (b) the Authority revokes the access regime under subsection (2); or
- (c) the payment system concerned ceases to exist or operate, or ceases to be a relevant payment system.

20 (2) The Authority may, by order in the *Gazette*, revoke an access regime if the Authority considers it appropriate to do so.

(3) In considering whether to revoke under subsection (2) an access regime in respect of a relevant payment system, the Authority must have regard to the following matters:

- 25 (a) whether the revocation of that access regime would be in the interests of the public;
- (b) the interests of the current participants, operator and settlement institution of that payment system;
- (c) the interests of persons who, in the future, may require or desire access to that payment system;
- 30 (d) such other matters as the Authority may consider to be relevant.

Right to apply to High Court in respect of access regime

54.—(1) If a person has been denied access to a payment system by any participant, operator, settlement institution or other person that determines access to the payment system, in contravention of a term or condition of the access regime imposed under section 51(1) or 52(1), the person denied access may apply to the High Court for an order under subsection (3). 5

(2) An applicant for an order under subsection (1) must give to the Authority a written notice of the application together with a copy of the application, and the Authority may apply to the High Court to be joined as a party to the proceedings. 10

(3) If the High Court is satisfied that any participant, operator, settlement institution or other person that determines access to a payment system has contravened a term or condition of the access regime, the High Court may — 15

(a) order that participant, operator, settlement institution or other person to comply with that term or condition of the access regime;

(b) order that participant, operator, settlement institution or other person to compensate any person that has suffered loss or damage as a result of the contravention; or 20

(c) make such other order as the High Court thinks fit.

(4) The High Court may, on an application by any person that has a sufficient interest or on its own motion, discharge or vary any order made under this section, but must not discharge or vary that order unless the Authority has a reasonable opportunity to make representations to the High Court. 25

Division 5 — Voluntary transfer of business

Interpretation of this Division

55. In this Division, unless the context otherwise requires — 30

“business” includes affairs, property, right, obligation and liability;

“Court” means the High Court or a Judge of that Court;

“debenture” has the meaning given by section 4(1) of the Companies Act;

5 “property” includes property, right and power of every description;

“Registrar of Companies” means the Registrar of Companies appointed under the Companies Act and includes any Deputy or Assistant Registrar of Companies appointed under that Act;

10 “transferee” means a person that is carrying on, or that intends to carry on, in Singapore the usual business of an operator or a settlement institution of a designated payment system, to which the whole or any part of a transferor’s business is, is to be or is proposed to be transferred under section 56(1);

15 “transferor” means an operator or a settlement institution of a designated payment system the whole or any part of the business of which is, is to be, or is proposed to be transferred under section 56(1).

Voluntary transfer of business

20 **56.—**(1) A transferor may transfer the whole or any part of its business (including any business that is not the usual business of an operator or a settlement institution of a designated payment system) to a transferee, if —

(a) the Authority has consented to the transfer;

25 (b) the transfer involves the whole or any part of the business of the transferor that is the usual business of an operator or a settlement institution of a designated payment system; and

(c) the Court has approved the transfer.

30 (2) Subsection (1) does not apply to the transfer, by an operator or a settlement institution of a designated payment system, of the whole or any part of the business of that operator or settlement institution under any other law.

(3) The Authority may consent to a transfer under subsection (1)(a) if the Authority is satisfied that —

(a) the transferee is a fit and proper person under the Guidelines on Fit and Proper Criteria; and

(b) the transferee will conduct the business of the transferor prudently and comply with the provisions of this Act. 5

(4) The Authority may at any time appoint one or more persons to perform an independent assessment of, and provide a report on, the proposed transfer of a transferor's business (or any part of that business) under subsection (1). 10

(5) The remuneration and expenses of any person appointed under subsection (4) must be paid by the transferor and the transferee jointly and severally.

(6) The Authority must serve a copy of any report provided under subsection (4) on the transferor and the transferee. 15

(7) The Authority may require a person to provide, within the period and in the manner specified by the Authority, any information or document that the Authority may reasonably require for the discharge of the Authority's duties or functions, or the exercise of the Authority's powers, under this section and section 57. 20

(8) A person that —

(a) without reasonable excuse, fails to comply with any requirement under subsection (7); or

(b) in purported compliance with any requirement under subsection (7), knowingly or recklessly provides any information or document that is false or misleading in a material particular, 25

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part of a day during which the offence continues after conviction. 30

(9) Where a person claims, before providing the Authority with any information or document that the person is required to provide under

subsection (7), that the information or document might tend to incriminate the person, the information or document is not admissible in evidence against the person in criminal proceedings other than proceedings under subsection (8).

5 **Approval of transfer**

57.—(1) A transferor must apply to the Court for its approval of the transfer of the whole or any part of the business of the transferor to the transferee under section 56(1).

(2) Before making an application under subsection (1) —

- 10 (a) the transferor must lodge with the Authority a report setting out such details of the transfer and provide such supporting documents as the Authority may specify by notice in writing;
- 15 (b) the transferor must obtain the consent of the Authority under section 56(1)(a);
- (c) the transferor and the transferee must, if they intend to serve on their respective customers a summary of the transfer, obtain the Authority's approval of the summary;
- 20 (d) the transferor must, at least 15 days before the application is made but not earlier than one month after the report mentioned in paragraph (a) is lodged with the Authority, publish in the *Gazette*, and in such newspaper or newspapers as the Authority may determine, a notice of the transferor's intention to make the application and containing such other particulars as may be prescribed;
- 25 (e) the transferor and the transferee must keep at their respective offices in Singapore, for inspection by any person that may be affected by the transfer, a copy of the report mentioned in paragraph (a) for a period of 15 days after the publication of the notice mentioned in paragraph (d) in the *Gazette*; and
- 30 (f) unless the Court directs otherwise, the transferor and the transferee must serve on their respective customers affected by the transfer, at least 15 days before the

application is made, a copy of the report mentioned in paragraph (a) or a summary of the transfer approved by the Authority under paragraph (c).

(3) The Authority and any person that, in the opinion of the Court, is likely to be affected by the transfer — 5

(a) has the right to appear before and be heard by the Court in any proceedings relating to the transfer; and

(b) may make any application to the Court in relation to the transfer.

(4) The Court must not approve the transfer if the Authority has not consented under section 56(1)(a) to the transfer. 10

(5) The Court may, after taking into consideration the views, if any, of the Authority on the transfer —

(a) approve the transfer without modification or subject to any modification agreed to by the transferor and the transferee; 15
or

(b) refuse to approve the transfer.

(6) If the transferee is not identified under section 42(2) as the operator or settlement institution of the designated payment system, the Court may approve the transfer on terms that the transfer is to take effect only in the event of the transferee being so identified. 20

(7) The Court may by the order approving the transfer or by any subsequent order provide for all or any of the following matters:

(a) the transfer to the transferee of the whole or any part of the business of the transferor; 25

(b) the allotment or appropriation by the transferee of any share, debenture, policy or other interest in the transferee which under the transfer is to be allotted or appropriated by the transferee to or for any person;

(c) the continuation by (or against) the transferee of any legal proceedings pending by (or against) the transferor; 30

(d) the dissolution, without winding up, of the transferor;

(e) the provisions to be made for persons affected by the transfer;

(f) such incidental, consequential and supplementary matters as are, in the opinion of the Court, necessary to secure that the transfer is fully effective.

(8) Any order under subsection (7) may —

(a) provide for the transfer of any business, whether or not the transferor otherwise has the capacity to effect the transfer in question;

(b) make provision in relation to any property which is held by the transferor as trustee; and

(c) make provision as to any future or contingent right or liability of the transferor, including provision as to the construction of any instrument under which any such right or liability may arise.

(9) Subject to subsection (10), where an order made under subsection (7) provides for the transfer to the transferee of the whole or any part of the transferor's business, then by virtue of the order the business (or part of the business) of the transferor specified in the order must be transferred to and vest in the transferee, free in the case of any particular property (if the order so directs) from any charge which by virtue of the transfer is to cease to have effect.

(10) No order under subsection (7) has any effect or operation in transferring or otherwise vesting land in Singapore until the appropriate entries are made with respect to the transfer or vesting of that land by the appropriate authority.

(11) If any business specified in an order under subsection (7) is governed by the law of any foreign country or territory, the Court may order the transferor to take all necessary steps for securing that the transfer of the business to the transferee is fully effective under the law of that country or territory.

(12) Where an order is made under this section, the transferor and the transferee must each lodge within 7 days after the order is made —

- (a) a copy of the order with the Registrar of Companies and with the Authority; and
- (b) where the order relates to land in Singapore, an office copy of the order with the appropriate authority concerned with the registration or recording of dealings in that land.

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(13) A transferor or transferee that contravenes subsection (12), and every officer of the transferor or transferee (as the case may be) who fails to take all reasonable steps to secure compliance by the transferor or transferee (as the case may be) with that subsection, shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding \$2,000 and, in the case of a continuing offence, to a further fine not exceeding \$200 for every day or part of a day during which the offence continues after conviction.

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Division 6 — Control of controllers of operators of designated payment systems

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Application and interpretation of this Division

58.—(1) This Division applies to —

- (a) every individual, whether or not resident in Singapore and whether or not a citizen of Singapore; and
- (b) every entity.

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(2) In this Division, unless the context otherwise requires —

- (a) any reference to an operator is a reference to an operator of a designated payment system; and
- (b) any reference to a Singapore operator is a reference to a Singapore operator of a designated payment system.

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Control of shareholding in operator

59.—(1) A person must not become —

- (a) a 5% controller;
- (b) a 12% controller;
- (c) a 20% controller; or

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(d) an indirect controller,
of an operator without first applying for and obtaining the approval of
the Authority under subsection (3).

5 (2) A person must not enter into any agreement or arrangement
(whether oral or in writing and whether express or implied) to act
together with any other person with respect to the acquisition, holding
or disposal of, or the exercise of rights in relation to, their interests in
voting shares of an aggregate of 5% or more of the total votes
attached to all voting shares in an operator, without first applying for
10 and obtaining the approval of the Authority under subsection (3).

(3) The Authority may approve an application made by any person
under subsection (1) or (2) if the Authority is satisfied that —

15 (a) having regard to the likely influence of the person, the
operator will or will continue to conduct its business
prudently and comply with the provisions of this Act;

(b) in the case of an application made under subsection (1), the
person is, under the Guidelines on Fit and Proper Criteria, a
fit and proper person to be a 5% controller, a 12%
controller, a 20% controller or an indirect controller (as the
20 case may be) of the operator;

(c) in the case of an application made under subsection (2), the
person is, under the Guidelines on Fit and Proper Criteria, a
fit and proper person to be a party to the agreement or
arrangement; and

25 (d) it is in the public interest to do so.

(4) An approval under subsection (3) may be granted to any person
subject to such conditions as the Authority may impose, including but
not limited to —

30 (a) any condition restricting the person's disposal or further
acquisition of shares or voting power in the operator; and

(b) any condition restricting the person's exercise of voting
power in the operator.

(5) The Authority may at any time add to, vary or revoke any
condition that is imposed under subsection (4) or this subsection.

(6) Any condition imposed under subsection (4) or (5) has effect despite any provision of the Companies Act or anything contained in the constitution of the operator.

(7) Where the Authority refuses an application made by any person under subsection (1) or (2), the person must, within such period as the Authority may specify by notice in writing, take such steps (as soon as practicable after the refusal) as are necessary —

- (a) in the case of an application under subsection (1) for approval to be a 5% controller or a 12% controller of an operator, to cease to be a 5% controller or a 12% controller (as the case may be) of the operator;
- (b) in the case of an application under subsection (1) for approval to be a 20% controller or an indirect controller of an operator, to cease to be a 20% controller or an indirect controller (as the case may be) of the operator; or
- (c) in the case of an application made under subsection (2), to cease to be a party to the agreement or arrangement.

Objection to existing control of operator

60.—(1) The Authority may serve a written notice of objection on any person that is a 5% controller, a 12% controller, a 20% controller or an indirect controller of an operator, or is required to obtain or has obtained the Authority's approval under section 59(3) of an application made under section 59(1) or (2), if the Authority is satisfied that —

- (a) any condition for that approval imposed on the person under section 59(4) or (5) has not been complied with;
- (b) it is no longer in the public interest to allow the person to continue to be —
 - (i) a 5% controller, a 12% controller, a 20% controller or an indirect controller (as the case may be) of the operator; or
 - (ii) in the case of an approval of an application under section 59(2) — a party to the agreement or arrangement described in section 59(2);

- (c) the person has provided any false or misleading information or document in connection with an application under section 59(1) or (2);
- (d) the person is no longer a fit and proper person under the Guidelines on Fit and Proper Criteria;
- (e) having regard to the likely influence of the person, the operator is no longer likely to conduct its business prudently or to comply with the provisions of this Act; or
- (f) the Authority would not have been satisfied as to any of the matters specified in section 59(3) had the Authority been aware, at that time, of circumstances relevant to the person's application under section 59(1) or (2).

(2) Before serving a written notice of objection under subsection (1), the Authority must, unless the Authority decides that it is not practicable or desirable to do so —

- (a) notify the person of the Authority's intention to serve the written notice of objection; and
- (b) specify a date by which the person may make written representations with regard to the proposed written notice of objection.

(3) The Authority must consider any written representations that the Authority receives before the date mentioned in subsection (2)(b), for the purpose of determining whether to issue a written notice of objection.

(4) The Authority must, in any written notice of objection, specify a reasonable period within which the person that has been served the written notice of objection must —

- (a) cease to be a 5% controller, a 12% controller, a 20% controller or an indirect controller (as the case may be) of the operator;
- (b) if the person had made an application under section 59(2) — take such steps as are necessary to cease to be a party to the agreement or arrangement described in section 59(2); or

(c) comply with such direction as the Authority may make under section 61.

(5) A person that has been served with a written notice of objection must comply with that notice.

Power of Authority to issue directions for this Division

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61.—(1) If the Authority is satisfied that a person has contravened section 59(1), (2) or (7) or has failed to comply with any condition imposed under section 59(4) or (5), or if the Authority has served a written notice of objection under section 60, the Authority may, by notice in writing —

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(a) direct the transfer or disposal of all or any of the shares in the operator held by the person or any of the person’s associates (called in this section the specified shares) within such time or subject to such conditions as the Authority considers appropriate;

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(b) restrict the transfer or disposal of all or any of the specified shares; or

(c) make such other direction as the Authority considers appropriate.

(2) Where the Authority has issued any direction under subsection (1)(a) or imposed any restriction under subsection (1)(b), until a transfer or disposal is effected in accordance with the direction or until the restriction on the transfer or disposal is removed, as the case may be —

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(a) no voting rights may be exercised in respect of the specified shares, unless the Authority expressly permits such rights to be exercised;

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(b) no shares of the operator may be issued or offered (whether by way of rights, bonus or otherwise) in respect of the specified shares, unless the Authority expressly permits such issue or offer; and

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(c) except in a liquidation of the operator, no payment may be made by the operator of any amount (whether by way of

dividends or otherwise) in respect of the specified shares, unless the Authority expressly authorises such payment.

(3) Subsection (2) has effect despite any provision of the Companies Act or anything contained in the constitution of the operator.

(4) Any issue or offer of shares in contravention of subsection (2)(b) is void, and a person to whom a direction has been issued under subsection (1)(a) or on whom a restriction has been imposed under subsection (1)(b) must immediately return those shares to the operator, upon which the operator must return to the person any payment received from the person in respect of those shares.

(5) Any payment made by an operator in contravention of subsection (2)(c) is void, and a person to whom a direction has been issued under subsection (1)(a) or on whom a restriction has been imposed under subsection (1)(b) must immediately return the payment the person has received to the operator.

Power of Authority to obtain information relating to this Division

62.—(1) The Authority may, by notice in writing, direct an operator to obtain from any of its shareholders, and to provide to the Authority, any information relating to the shareholder that the Authority may require for either or both of the following purposes:

- (a) ascertaining or investigating into the control of shareholding or voting power in the operator;
- (b) exercising any power or function under section 59, 60, 61, 63 or 100.

(2) Without limiting subsection (1), the notice in subsection (1) may require the operator to obtain and provide the following information:

- (a) whether the shareholder has an interest in any share in the operator as beneficial owner or as trustee;
- (b) if the shareholder holds the interest in the share as trustee, to indicate as far as that shareholder is able to —

- (i) the person for whom that shareholder holds the interest (either by name or by other particulars sufficient to enable that person to be identified); and
- (ii) the nature of that person's interest.

(3) The Authority may, by notice in writing, require any shareholder (*X*) of an operator, or any person (*Y*) that appears from information provided to the Authority under subsection (1) or this subsection to have an interest in any share in the operator, to provide to the Authority any information relating to *X* or *Y* (as the case may be) that the Authority may require for either or both of the following purposes:

- (a) ascertaining or investigating into the control of shareholding or voting power in the operator;
- (b) exercising any power or function under section 59, 60, 61, 63 or 100.

(4) Without limiting subsection (3), the notice in subsection (3) may require *X* or *Y* to provide the following information:

- (a) whether *X* or *Y* holds the interest as beneficial owner or as trustee;
- (b) if *X* or *Y* holds the interest as trustee, to indicate as far as *X* or *Y* can —
 - (i) the person (*Z*) for whom *X* or *Y* holds the interest (either by name or by other particulars sufficient to enable *Z* to be identified); and
 - (ii) the nature of *Z*'s interest;
- (c) whether any share or any voting right attached to the share is the subject of an agreement or arrangement described in section 2(2)(c)(vi) or 59(2), and if so, to give particulars of the agreement or arrangement and the parties to it.

Offences, penalties and defences

63.—(1) A person that contravenes section 59(1)(a) or (b), (2) or (7)(a) or (c) shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$125,000 and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part of a day during which the offence continues after conviction;

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or

(b) in any other case, 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.

10 (2) A person that —

(a) contravenes section 59(1)(c) or (d) or (7)(b) or 60(5) or does any act in contravention of section 61(2);

(b) fails to comply with —

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(i) any notice in writing issued under section 61(1) or 62(1) or (3); or

(ii) any condition imposed under section 59(4) or (5); or

(c) in purported compliance with a notice in writing issued under section 62(1) or (3), knowingly or recklessly provides any information or document that is false or misleading in a material particular,

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shall be guilty of an offence.

(3) A person convicted of an offence under subsection (2) shall be liable on conviction —

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(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part of a day during which the offence continues after conviction; or

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(b) in any other case, 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.

(4) Where a person is charged with an offence in respect of a contravention of section 59(1), (2) or (7) in relation to an operator, it is a defence for the person to prove that —

- (a) the person was not aware that the person had contravened section 59(1), (2) or (7), as the case may be; and 5
- (b) within 14 days after becoming aware of the contravention, the person —
 - (i) notified the Authority of the contravention; and
 - (ii) within such time as may be determined by the Authority, took such action in relation to the person's shareholding or control of the voting power in the operator as the Authority may direct. 10

(5) Where a person is charged with an offence in respect of a contravention of section 59(1) in relation to an operator, it is also a defence for the person to prove that, even though the person was aware of the contravention — 15

- (a) the contravention occurred as a result of an increase in the shareholding as described in section 2(2)(a) of, or in the voting power controlled by, any of the person's associates described in section 2(2)(c)(i); 20
- (b) the person had no agreement or arrangement (whether oral or in writing and whether express or implied) with that associate —
 - (i) with respect to the acquisition, holding or disposal of shares or other interests in the operator; or 25
 - (ii) under which the person and that associate act together in exercising their voting power in relation to the operator; and
- (c) within 14 days after the date of the contravention, the person — 30
 - (i) notified the Authority of the contravention; and
 - (ii) within such time as may be determined by the Authority, took such action in relation to the person's

shareholding or control of the voting power in the operator as the Authority may direct.

(6) Except as provided in subsections (4) and (5), it is not a defence for a person charged with an offence in respect of a contravention of section 59(1), (2) or (7) to prove that the person did not intend to, or did not knowingly, contravene that provision.

Appeals to Minister

64. Any person that is aggrieved by a decision of the Authority under section 59, 60 or 61 may, within 30 days after receiving the decision of the Authority, appeal in writing to the Minister, whose decision is final.

Division 7 — Control of officers of operators and settlement institutions of designated payment systems

Approval of chief executive officer or director of operator

65.—(1) Subject to subsection (4) —

(a) a Singapore operator of a designated payment system must not appoint an individual as its chief executive officer or director; and

(b) any other operator of a designated payment system must not appoint an individual as its chief executive officer, or director, directly responsible for the whole or any part of that operator's business in Singapore,

unless that operator has applied for and obtained the approval of the Authority under subsection (3)(b).

(2) An application under subsection (1) must be made in the form and manner prescribed.

(3) Without affecting any other matter that the Authority may consider relevant, the Authority may —

(a) in determining whether to grant its approval under paragraph (b), have regard to such criteria as may be prescribed; and

(b) approve or refuse the application.

(4) Where an operator has obtained the approval of the Authority under subsection (3)(b) to appoint an individual as the operator's chief executive officer or director, the individual may, without the approval of the Authority, be re-appointed as chief executive officer or director (as the case may be) of the operator immediately upon the expiry of the individual's term of appointment. 5

(5) Subject to subsection (6), the Authority must not refuse an application for approval of an individual under subsection (1) without giving the operator an opportunity to be heard.

(6) The Authority may refuse an application under subsection (1) for the Authority's approval under subsection (3)(b) of an individual without giving the operator an opportunity to be heard, in any of the following circumstances: 10

(a) the individual has been convicted, whether in Singapore or elsewhere, of any of the following offences, whether the offence is committed before, on or after the date of commencement of this paragraph: 15

(i) an offence involving fraud or dishonesty;

(ii) an offence the conviction for which involves a finding that the individual had acted fraudulently or dishonestly; 20

(iii) an offence that is specified in the Third Schedule to the Registration of Criminals Act;

(b) the individual is an undischarged bankrupt, whether in Singapore or elsewhere; 25

(c) the individual has had execution against the individual in respect of a judgment debt returned unsatisfied in whole or in part;

(d) the individual has, whether in Singapore or elsewhere, entered into a compromise or scheme of arrangement with the individual's creditors, being a compromise or scheme of arrangement that is still in operation; 30

(e) the individual has in force against the individual a prohibition order under section 59 of the Financial

Advisers Act, section 35V of the Insurance Act or section 101A of the Securities and Futures Act;

(f) the individual has been a director of, or directly concerned in the management of, a regulated financial institution, whether in Singapore or elsewhere —

(i) that is being or has been wound up by a court; or

(ii) the approval, authorisation, designation, recognition, registration or licence of which has been withdrawn, cancelled or revoked by the Authority or, in the case of a regulated financial institution in a foreign country or territory, by the financial regulatory authority in that foreign country or territory.

(7) Where the Authority refuses an application under subsection (1) for the Authority's approval under subsection (3)(b), the Authority need not give the individual who was proposed to be appointed an opportunity to be heard.

(8) An operator of a designated payment system must, as soon as practicable, give written notice to the Authority of the resignation or removal of the chief executive officer or any director of the operator.

(9) An operator that, without reasonable excuse, contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$250,000.

(10) In this section, "chief executive officer", in relation to an operator mentioned in subsection (1)(b), includes a person (however designated) who —

(a) is in the direct employment of, or acting for or by arrangement with, the operator; and

(b) is directly responsible for the management and conduct of the whole or any part of the operator's business in Singapore.

Removal of executive officer or director of operator or settlement institution

66.—(1) Despite the provisions of any other written law —

(a) where the Authority is satisfied that an individual appointed as an executive officer of an operator or a settlement institution of a designated payment system is not a fit and proper person to act as such executive officer, the Authority may, by notice in writing, direct that operator or settlement institution to remove that individual, within such period as the Authority may specify in the notice, from employment with that operator or settlement institution; and 5 10

(b) where the Authority is satisfied that an individual appointed as a director of a Singapore operator or a Singapore settlement institution of a designated payment system is not a fit and proper person to act as such director, the Authority may, by notice in writing, direct that operator or settlement institution to remove that individual, within such period as the Authority may specify in the notice, as director of that operator or settlement institution. 15 20

(2) Without affecting any other matter that the Authority may consider relevant, in assessing whether to direct any operator or settlement institution to remove an individual under subsection (1)(a) or (b), the Authority may consider whether the individual —

(a) has been convicted, whether in Singapore or elsewhere, of any of the following offences, whether the offence is committed before, on or after the date of commencement of this paragraph: 25

(i) an offence involving fraud or dishonesty;

(ii) an offence the conviction for which involves a finding that the individual had acted fraudulently or dishonestly; 30

(iii) an offence that is specified in the Third Schedule to the Registration of Criminals Act;

- (b) is an undischarged bankrupt, whether in Singapore or elsewhere;
- (c) has had execution against the individual in respect of a judgment debt returned unsatisfied in whole or in part;
- 5 (d) has, whether in Singapore or elsewhere, entered into a compromise or scheme of arrangement with the individual's creditors, being a compromise or scheme of arrangement that is still in operation;
- 10 (e) has in force against the individual a prohibition order under section 59 of the Financial Advisers Act, section 35V of the Insurance Act or section 101A of the Securities and Futures Act;
- 15 (f) has been a director of, or directly concerned in the management of, a regulated financial institution, whether in Singapore or elsewhere —
- (i) that is being or has been wound up by a court; or
 - (ii) the approval, authorisation, designation, recognition, registration or licence of which has been withdrawn, cancelled or revoked by the Authority or, in the case of a regulated financial institution in a foreign country or territory, by the financial regulatory authority in that foreign country or territory;
- 20 (g) has wilfully contravened or wilfully caused the operator or settlement institution to contravene any provision of this Act;
- 25 (h) has, without reasonable excuse, failed to secure the compliance of the operator or settlement institution with this Act, the Monetary Authority of Singapore Act or any of the written laws set out in the Schedule to that Act;
- 30 (i) has failed to discharge any of the duties of the individual's office or employment; or
- (j) needs to be removed in the public interest.

(3) Subject to subsection (4), before directing an operator or a settlement institution to remove an individual under subsection (1),

the Authority must give both the operator or settlement institution, and the individual, an opportunity to be heard.

(4) The Authority may direct an operator or a settlement institution to remove an individual under subsection (1) on any of the following grounds without giving the operator or settlement institution, or the individual, an opportunity to be heard:

(a) the individual is an undischarged bankrupt, whether in Singapore or elsewhere;

(b) the individual has been convicted, whether in Singapore or elsewhere, of an offence, whether committed before, on or after the date of commencement of this Act —

(i) involving fraud or dishonesty, or the conviction for which involves a finding that the individual had acted fraudulently or dishonestly; and

(ii) punishable with imprisonment for a term of at least 3 months.

(5) Without affecting the Authority's power to impose conditions under section 44, the Authority may at any time, by notice in writing to an operator or a settlement institution, impose or vary a condition requiring the operator or settlement institution to notify the Authority of any change to any particulars (such as residence in Singapore or elsewhere, or nature of appointment) of its executive officer or director that may be specified in the notice.

(6) An operator or a settlement institution that, without reasonable excuse —

(a) fails to comply with a notice in writing under subsection (1); or

(b) contravenes any condition imposed under subsection (5),

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000.

(7) No criminal or civil liability shall be incurred by an operator or a settlement institution of a designated payment system, or any person acting on behalf of the operator or settlement institution, in respect of anything done (including any statement made) or omitted to be done

with reasonable care and in good faith in the discharge or purported discharge of the obligations of the operator or settlement institution under this section.

Appeals to Minister

5 **67.**—(1) An operator of a designated payment system that is aggrieved by a decision of the Authority under section 65(3)(b) may, within 30 days after receiving the decision of the Authority, appeal in writing to the Minister, whose decision is final.

10 (2) An operator or a settlement institution, or any executive officer or director of an operator or a settlement institution, that is aggrieved by a notice in writing of the Authority under section 66(1) may, within 30 days after receiving the notice, appeal in writing to the Minister, whose decision is final.

15 *Division 8 — Audit of operators and settlement institutions of designated payment systems*

Auditing

68.—(1) Despite the provisions of the Companies Act, an operator or a settlement institution of a designated payment system must —

20 (a) on an annual basis and at its own expense, appoint an auditor; and

 (b) if for any reason its auditor ceases to be its auditor, appoint another auditor as soon as practicable after such cessation.

(2) The Authority may appoint an auditor for an operator or a settlement institution of a designated payment system —

25 (a) if the operator or settlement institution fails to appoint an auditor; or

 (b) if the Authority considers it desirable that another auditor should act with the auditor appointed under subsection (1).

30 (3) The Authority may at any time fix the remuneration to be paid by an operator or a settlement institution of a designated payment system to an auditor appointed by the Authority under subsection (2) for the operator or settlement institution.

(4) The duties of an auditor appointed under subsection (1) or (2) for an operator or a settlement institution of a designated payment system are as follows:

- (a) to carry out, for the year in respect of which the auditor is appointed, an audit of the accounts of the operator or settlement institution; 5
- (b) to make a report —
 - (i) if the operator or settlement institution is a Singapore operator or Singapore settlement institution, on the financial statements or consolidated financial statements of the operator or settlement institution in accordance with section 207 of the Companies Act; or 10
 - (ii) if the operator or settlement institution is incorporated outside Singapore, on the latest annual balance sheet and profit and loss account of the operator or settlement institution, together with any notes on that balance sheet and profit and loss account, showing the assets and liabilities and profit or loss arising out of the operations of the operator or settlement institution in Singapore, that complies with section 207 of the Companies Act. 15 20

(5) The Authority may, by notice in writing to an auditor appointed under subsection (1) or (2) for an operator or a settlement institution of a designated payment system, impose all or any of the following duties on the auditor in addition to those provided under subsection (4), and the auditor must carry out the duties so imposed: 25

- (a) a duty to submit such additional information in relation to the audit as the Authority considers necessary;
- (b) a duty to enlarge or extend the scope of the audit of the business and affairs of the operator or settlement institution; 30
- (c) a duty to carry out any other examination, or establish any procedure, in relation to the audit in any particular case;

(d) a duty to submit a report on any of the matters mentioned in paragraphs (b) and (c).

(6) An operator or a settlement institution of a designated payment system must remunerate an auditor appointed under subsection (1) or (2) for the operator or settlement institution in respect of —

(a) any remuneration the Authority has fixed under subsection (3); and

(b) the discharge of all or any of the additional duties of the auditor imposed under subsection (5).

(7) Despite any other provision of this Act or the provisions of the Companies Act, the Authority may, if the Authority is not satisfied with the performance of any duty by the auditor of an operator or a settlement institution of a designated payment system, at any time direct the operator or settlement institution to —

(a) remove the auditor; and

(b) appoint another auditor.

(8) The auditor's report made under subsection (4)(b) must be attached to the balance sheet and the profit and loss account, the financial statements or the consolidated financial statements (as the case may be) of the operator or settlement institution, and a copy of the report, together with any report under subsection (5)(d), must be submitted in writing to the Authority.

(9) If an auditor, in the course of performing the auditor's duties, is satisfied that any of the following matters has occurred, the auditor must immediately report that matter to the Authority:

(a) there has been a serious breach or non-observance of the provisions of this Act;

(b) a criminal offence involving fraud or dishonesty has been committed;

(c) losses have been incurred that reduce the capital of the operator or settlement institution by at least 50%;

(d) there is any irregularity that has or may have a material effect on the accounts of the operator or settlement

institution, including any irregularity that affects or jeopardises, or may affect or jeopardise, the interests of the participants of the designated payment system;

- (e) the auditor is unable to confirm that the claims of creditors of the operator or settlement institution are still covered by the assets of the operator or settlement institution. 5

(10) Where an auditor or employee of the auditor discloses in good faith to the Authority —

- (a) the auditor’s or employee’s knowledge or suspicion of any of the matters mentioned in subsection (9); or 10
- (b) any information or other matter on which that knowledge or suspicion is based,

the disclosure is not a breach of any restriction upon the disclosure imposed by any law, contract or rules of professional conduct, and the auditor or employee is not liable for any loss arising out of the disclosure or any act or omission in consequence of the disclosure. 15

(11) An operator or a settlement institution of a designated payment system that contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part of a day during which the offence continues after conviction. 20

(12) An auditor that contravenes subsection (5) or (9) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part of a day during which the offence continues after conviction. 25

Powers of auditor appointed by Authority

69.—(1) An auditor appointed by the Authority under section 68(2) for an operator or a settlement institution of a designated payment system may, for the purpose of carrying out an examination or audit — 30

(a) examine, on oath or affirmation, any officer or employee of the operator or settlement institution, or any other auditor of the operator or settlement institution;

5 (b) require any officer or employee of the operator or settlement institution, or any other auditor of the operator or settlement institution, to produce any books held by or on behalf of the operator or settlement institution relating to the business of the operator or settlement institution;

10 (c) make copies of or take extracts from, or retain possession of, any books mentioned in paragraph (b) for such period as may be necessary to enable those books to be inspected;

15 (d) employ such persons as the auditor considers necessary to assist the auditor in carrying out the examination or audit; and

(e) authorise in writing any person employed by the auditor to do, in relation to the examination or audit, any act or thing that the auditor could do as an auditor under this subsection, other than the examination of a person on oath or affirmation.

(2) An individual who, without reasonable excuse —

(a) refuses or fails to answer any question put to the individual; or

(b) fails to comply with any request made to the individual,

25 by an auditor appointed under section 68(2) or a person authorised under subsection (1)(e), shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$12,500 or to imprisonment for a term not exceeding 12 months or to both.

30 **Restriction on auditor's and employee's right to communicate certain matters**

70.—(1) Except as may be necessary for the carrying into effect of the provisions of this Act or so far as may be required for the purposes of any legal proceedings, whether civil or criminal —

- (a) an auditor appointed under section 68(1) or (2); or
- (b) any employee of such auditor,

must not disclose any information that comes to the auditor's or employee's knowledge in the course of performing the auditor's or employee's duties, to any person other than the Authority, or in the case of an employee of such auditor, the auditor. 5

(2) A person that contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction —

- (a) in the case of the auditor, to a fine not exceeding \$25,000; or 10
- (b) in the case of the employee, to a fine not exceeding \$12,500.

Offence to destroy, conceal, alter, etc., records

71.—(1) An individual who, with intent to prevent, delay or obstruct the carrying out of any examination or audit under section 68 or 69 — 15

- (a) destroys, conceals or alters any book relating to the business of an operator or a settlement institution of a designated payment system; or
- (b) sends, or conspires with any other person to send, out of Singapore any book or asset of any description belonging to, in the possession of or under the control of the operator or settlement institution, 20

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both. 25

(2) If, in any proceedings for an offence under subsection (1), it is proved that the individual charged with the offence —

- (a) destroyed, concealed or altered any book mentioned in subsection (1)(a); or 30

(b) sent, or conspired to send, out of Singapore any book or asset mentioned in subsection (1)(b),

the onus of proving that, in so doing, the individual did not act with intent to prevent, delay or obstruct the carrying out of an examination or audit under section 68 or 69 lies on the individual.

PART 4

INSPECTION AND INVESTIGATIONS

Inspection by Authority

72.—(1) The Authority may from time to time inspect, under conditions of secrecy, the books of any of the following persons:

- (a) a licensee;
- (b) an exempt payment service provider;
- (c) an operator of a designated payment system;
- (d) a settlement institution of a designated payment system;
- (e) a participant of a designated payment system;
- (f) a person exempt under section 100.

(2) For the purposes of an inspection under this section —

- (a) a person mentioned in subsection (1) in possession of the person's books must produce those books to the Authority and give such information or facilities as the Authority may require;
- (b) a person mentioned in subsection (1) must procure any other person that is in possession of the firstmentioned person's books to produce those books to the Authority and give such information or facilities as the Authority may require; and
- (c) the Authority may —
 - (i) make copies of, or take possession of, any such books;

(ii) use, or permit the use of, any such books for the purposes of any proceedings under this Act; and

(iii) subject to subsection (4), retain possession of any such books for so long as is necessary —

(A) for the purposes of exercising a power conferred by this section; 5

(B) for a decision to be made on whether or not proceedings should be commenced under this Act in relation to such books; or

(C) for such proceedings to be commenced and carried on. 10

(3) A person is not entitled, as against the Authority, to claim a lien on any of the books, but such a lien is not otherwise prejudiced.

(4) While the books are in the possession of the Authority, the Authority — 15

(a) must permit another person to inspect at all reasonable times such (if any) of the books as the other person would be entitled to inspect if they were not in the possession of the Authority; and

(b) may permit another person to inspect any of the books. 20

(5) The Authority may require a person that produced any book to the Authority to explain, to the best of the person’s knowledge and belief, any matter about the compilation of the book or to which the book relates.

(6) A person that fails, without reasonable excuse, to comply with subsection (2)(a) or (b) or a requirement of the Authority under subsection (5) shall be guilty of an offence and shall be liable on conviction — 25

(a) in the case of an individual, to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part of a day during which the offence continues after conviction; or 30

- (b) in any other case, to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part of a day during which the offence continues after conviction.

5 **Investigation by Authority**

73.—(1) The Authority may conduct such investigation as it considers necessary or expedient for any of the following purposes:

(a) to determine whether —

- 10 (i) a licensee, an exempt payment service provider, or a person exempt under section 100 is carrying on its business in a manner likely to be detrimental to the interests of its customers;
- 15 (ii) a licensee, an exempt payment service provider, or a person exempt under section 100 is conducting its business of providing any payment service in a proper manner;
- 20 (iii) an operator of a designated payment system, or a licensee that is the operator of a payment system, is operating the payment system in a manner likely to be detrimental to the interests of its customers or of the participants of the payment system;
- 25 (iv) an operator of a designated payment system, or a licensee that is the operator of a payment system, is operating the payment system in a proper manner;
- 30 (v) a settlement institution of a designated payment system, or a licensee that is a settlement institution of a payment system, is carrying on its business as a settlement institution in a manner likely to be detrimental to the interests of the participants of the payment system;
- (vi) a settlement institution of a designated payment system, or a licensee that is a settlement institution of a payment system, is conducting its business as a settlement institution in a proper manner; or

- (vii) a participant of a designated payment system, or a licensee that is a participant of a payment system, is carrying on its business as such participant in a manner likely to be detrimental to the interests of the other participants of the payment system; 5
- (b) to investigate any alleged or suspected offence or contravention of any provision of this Act;
- (c) to ensure compliance with this Act or any notice in writing issued by the Authority under this Act.
- (2) For the purposes of subsection (1) — 10
 - (a) the Authority may, by notice in writing, require any person to provide information or to produce books relating to any matter under investigation, and that person must immediately comply with that requirement;
 - (b) the Authority may make copies of, or take possession of, any such books; 15
 - (c) the Authority may use, or permit the use of, any such books for the purposes of any proceedings under this Act; and
 - (d) subject to subsection (4), the Authority may retain possession of any such books for so long as is necessary — 20
 - (i) for the purposes of exercising a power conferred by this section;
 - (ii) for a decision to be made on whether or not proceedings should be commenced under this Act in relation to such books; or 25
 - (iii) for such proceedings to be commenced and carried on.
- (3) A person is not entitled, as against the Authority, to claim a lien on any of the books, but such a lien is not otherwise prejudiced.
- (4) While the books are in the possession of the Authority, the Authority — 30
 - (a) must permit another person to inspect at all reasonable times such (if any) of the books as the other person would

be entitled to inspect if they were not in the possession of the Authority; and

(b) may permit another person to inspect any of the books.

5 (5) The Authority may require a person that produced any book to the Authority to explain, to the best of the person's knowledge and belief, any matter about the compilation of the book or to which the book relates.

10 (6) The Authority may exercise any of its powers for the purposes of conducting an investigation under this section despite the provisions of any prescribed written law (or any requirement imposed under the prescribed written law) or any rule of law.

15 (7) A requirement imposed by the Authority in the exercise of its powers under this section has effect despite any obligation as to secrecy or other restrictions upon the disclosure of information imposed by any prescribed written law (or any requirement imposed under the prescribed written law), rule of law, contract or rule of professional conduct.

20 (8) A person that complies with a requirement imposed by the Authority in the exercise of its powers under this section is not to be treated as being in breach of any restriction on the disclosure of the information imposed by any prescribed written law (or any requirement imposed under the prescribed written law), rule of law, contract or rule of professional conduct.

25 (9) No civil or criminal proceedings shall lie against any person for —

(a) providing information or producing books to the Authority, if the person provided the information or produced the books in good faith in compliance with a requirement imposed by the Authority under this section; or

30 (b) doing or omitting to do any act, if the person did or omitted to do the act in good faith and as a result of complying with a requirement imposed by the Authority under this section.

(10) A person that fails, without reasonable excuse, to comply with subsection (2)(a) or a requirement of the Authority under

subsection (5) shall be guilty of an offence and shall be liable on conviction —

- (a) in the case of an individual, to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part of a day during which the offence continues after conviction; or 5
- (b) in any other case, to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part of a day during which the offence continues after conviction. 10

(11) In this section, “prescribed written law” means this Act, or any of the following Acts, and any subsidiary legislation made under this Act or those Acts:

- (a) Banking Act; 15
- (b) Credit Bureau Act 2016 (Act 27 of 2016);
- (c) Deposit Insurance and Policy Owners’ Protection Schemes Act (Cap. 77B);
- (d) Finance Companies Act;
- (e) Financial Advisers Act; 20
- (f) Financial Holding Companies Act 2013 (Act 13 of 2013);
- (g) Insurance Act;
- (h) Monetary Authority of Singapore Act;
- (i) Securities and Futures Act;
- (j) Trust Companies Act (Cap. 336); 25
- (k) such other Act as the Authority may prescribe.

Confidentiality of inspection and investigation reports

74.—(1) Subject to subsection (2), where the Authority has —

(a) produced a written report —

(i) upon an inspection under section 72 of the books of a person (being a licensee, an exempt payment service provider, an operator, a settlement institution or a participant of a designated payment system, or a person exempt under section 100); or

(ii) in respect of any investigation under section 73; and

(b) provided the report to the person whose books were inspected or the person under investigation (each called in this section the subject),

the report must not be disclosed to any person by the subject, or any of the subject's officers or auditors.

(2) The report mentioned in subsection (1) may be disclosed —

(a) by the subject to the subject's officer or auditor solely in connection with the performance of the duties of the officer or auditor in the subject;

(b) by any officer or auditor of the subject to any other officer or auditor of the subject, solely in connection with the performance of their duties in the subject; or

(c) to such other person as the Authority may approve in writing.

(3) In granting written approval for any disclosure under subsection (2)(c), the Authority may impose such conditions or restrictions as the Authority thinks fit on the subject, any of the subject's officers or auditors, or the person to whom disclosure is approved, and the subject, officer or auditor, or the person to whom disclosure is approved, must comply with the condition or restriction.

(4) The obligations of an officer or auditor mentioned in subsections (1) and (3) continue after the termination or cessation of the officer's or auditor's employment with or appointment by the subject.

(5) A person that contravenes subsection (1) or (3) shall be guilty of an offence and shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both; or

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(b) in any other case, to a fine not exceeding \$100,000.

(6) A person to whom the report is disclosed and that knows or has reasonable grounds for believing, at the time of the disclosure, that the report was disclosed to the person in contravention of subsection (1) shall be guilty of an offence, unless the person proves that —

10

(a) the disclosure was made contrary to the person’s desire;

(b) where the disclosure was made in any written form, the person has, as soon as practicable after receiving the report, surrendered or taken all reasonable steps to surrender the report and all copies of the report to the Authority; and

15

(c) where the disclosure was made in an electronic form, the person has, as soon as practicable after receiving the report, taken all reasonable steps to ensure that all electronic copies of the report have been deleted and that the report and all copies of the report in other forms have been surrendered to the Authority.

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(7) A person convicted of an offence under subsection (6) shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both; or

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(b) in any other case, to a fine not exceeding \$100,000.

Self-incrimination

75.—(1) A person is not excused from disclosing information to the Authority pursuant to a requirement made of the person under this Part on the grounds that the disclosure of the information might tend to incriminate the person.

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(2) Where a person claims, before making a statement disclosing information that the person is required to disclose by such requirement, that the statement might tend to incriminate the person, that statement is not admissible in evidence against the person in criminal proceedings other than proceedings for an offence under section 94(3).

Savings for advocates and solicitors

76.—(1) Nothing in this Part —

(a) compels an advocate and solicitor to disclose or produce any privileged communication, or a document or other material containing any privileged communication, made by or to the advocate and solicitor in that capacity; or

(b) authorises the taking of any such document or other material that is in the possession of the advocate and solicitor.

(2) An advocate and solicitor who refuses to disclose the information or produce the document or other material mentioned in subsection (1) must nevertheless give the name and address (if known to the advocate and solicitor) of the person to whom, or by or on behalf of whom, that privileged communication was made.

(3) An advocate and solicitor who contravenes subsection (2) shall be guilty of an offence.

PART 5

EMERGENCY POWERS

Interpretation of this Part

77. In this Part, unless the context otherwise requires —

“business” includes affairs and property;

“emergency” means —

(a) any situation that prevents a designated payment system from carrying out its functions;

(b) any situation in which, in the opinion of the Authority, the operations of a designated payment system are carried on in a manner likely to be detrimental to the interests of the participants of the designated payment system; or 5

(c) any undesirable situation or practice that, in the opinion of the Authority, constitutes an emergency;

“office-holder”, in relation to a payment entity, means any person acting as the liquidator, provisional liquidator, receiver, receiver and manager, judicial manager or an equivalent person of that payment entity; 10

“payment entity” means any of the following entities:

(a) a licensee;

(b) a person that is granted a licence under section 57B of the Banking Act to carry on the business of issuing credit cards or charge cards in Singapore; 15

(c) an operator of a designated payment system;

(d) a settlement institution of a designated payment system;

“relevant business”, in relation to a payment entity, means any business of that payment entity — 20

(a) in relation to which a statutory adviser has been appointed under section 78(2)(b);

(b) in relation to which a statutory manager has been appointed under section 78(2)(c); or 25

(c) that the Authority has assumed control of under section 78(2)(c);

“statutory adviser” means a statutory adviser appointed under section 78(2)(b);

“statutory manager” means a statutory manager appointed under section 78(2)(c). 30

Action by Authority if payment entity unable to meet obligations, etc.

5 78.—(1) The Authority may exercise one or more of the powers specified in subsection (2) as appears to the Authority to be necessary, where —

(a) a payment entity informs the Authority that the payment entity is or is likely to become insolvent, is or is likely to become unable to meet the payment entity's obligations, or has suspended or is about to suspend payments;

10 (b) a payment entity is insolvent, becomes unable to meet the payment entity's obligations, or suspends payments;

(c) the Authority is of the opinion that the payment entity —

15 (i) is or is likely to become insolvent, is or is likely to become unable to meet the payment entity's obligations, or has suspended or is about to suspend payments; or

(ii) has contravened any of the provisions of this Act; or

(d) the Authority considers it in the public interest to do so.

20 (2) For the purposes of subsection (1), the Authority may exercise any of the following powers:

(a) require the payment entity to immediately take any action, or to do or not to do any act, in relation to the business of the payment entity, that the Authority may consider necessary;

25 (b) appoint one or more persons as statutory adviser, on such terms as the Authority may specify by notice in writing, to advise the payment entity on the proper management of such business of the payment entity as the Authority may determine;

30 (c) assume control of and manage such business of the payment entity as the Authority may determine, or appoint one or more persons as statutory manager to do so on such terms as the Authority may specify by notice in writing.

(3) Where the Authority appoints 2 or more persons as statutory manager of a payment entity, the Authority must specify, in the terms of the appointment, which of the duties, functions and powers of the statutory manager —

- (a) may be discharged or exercised by those persons jointly and severally; 5
- (b) must be discharged or exercised by those persons jointly; and
- (c) must be discharged or exercised by a specified person (being one of those persons). 10

(4) Where the Authority has exercised any power under subsection (2), the Authority may, at any time and without affecting the Authority's powers under section 11(2) or (3), do one or more of the following:

- (a) vary or revoke any requirement of, any appointment made by, or any action taken by the Authority under subsection (2) in the exercise of such power, on such terms as the Authority may specify by notice in writing; 15
- (b) exercise any of the powers under subsection (2);
- (c) add to, vary or revoke any term the Authority has specified under this section. 20

(5) A statutory manager or statutory adviser incurs no liability for anything done (including any statement made) or omitted to be done with reasonable care and in good faith in the course of or in connection with — 25

- (a) the exercise or purported exercise of any power under this Act;
- (b) the performance or purported performance of any function or duty under this Act; or
- (c) the compliance or purported compliance with this Act. 30

Emergency powers of Authority applicable to designated payment systems

5 79.—(1) Without affecting section 78, where the Authority has reason to believe that an emergency exists, or thinks that it is necessary or expedient in the interests of the public or a section of the public to so act, the Authority may exercise one or more of the following powers:

10 (a) by notice in writing, direct an operator or a settlement institution of a designated payment system to take such action as the Authority considers necessary to maintain or restore the safe and efficient operation of the designated payment system;

15 (b) apply to the High Court for the winding up or bankruptcy (as the case may be) of an operator or a settlement institution of a designated payment system;

(c) require an operator of a designated payment system to cease operation of the designated payment system.

20 (2) Without limiting subsection (1)(a), the actions that the Authority may direct an operator or a settlement institution of a designated payment system to take include modifying or suspending any of the rules of the designated payment system.

25 (3) The Authority may modify or cancel any action taken by it under subsection (1), and in so modifying or cancelling any such action, the Authority may impose such conditions as it thinks fit, subject to which the modification or cancellation has effect.

30 (4) An operator or a settlement institution of a designated payment system that fails to comply with any notice in writing issued under subsection (1)(a) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part of a day during which the offence continues after conviction.

Assumption of control

80.—(1) Upon assuming control of any business of a payment entity under section 78(2)(c), the Authority or statutory manager (as the case may be) must take custody or control of the relevant business of the payment entity. 5

(2) During the period when the Authority or statutory manager is in control of the relevant business of a payment entity, the Authority or statutory manager —

(a) must manage the relevant business in the name of and on behalf of the payment entity; and 10

(b) is treated as an agent of the payment entity.

(3) In managing the relevant business of a payment entity, the Authority or statutory manager has all the duties, powers and functions of the members of the board of directors of the payment entity (collectively and individually) under — 15

(a) this Act;

(b) the Companies Act; and

(c) the constitution of the payment entity,

including powers of delegation, in relation to the relevant business of the payment entity. 20

(4) Despite subsection (3), the Authority or statutory manager is not required to call any meeting of the payment entity under the Companies Act or the constitution of the payment entity.

(5) Despite any written law or rule of law —

(a) upon the Authority or statutory manager assuming control of any business of a payment entity under section 78(2)(c), any appointment of an individual as chief executive officer or director of the payment entity that was in force immediately before the assumption of control is treated as revoked, unless the Authority gives the Authority's approval, by written notification to the individual and the payment entity, for the individual to remain in the appointment; and 25 30

(b) during the period when the Authority or statutory manager is in control of the relevant business of the payment entity, an individual must not be appointed as chief executive officer or director of the payment entity, except with the approval of the Authority.

(6) Where the Authority has given its approval under subsection (5) for an individual to remain in the appointment of, or to be appointed as, chief executive officer or director of a payment entity, the Authority may at any time, by written notification to the individual, revoke the Authority's approval, and that appointment is treated as revoked on the date specified in the notification.

(7) Despite any written law or rule of law, if any individual, whose appointment as chief executive officer or director of a payment entity is revoked under subsection (5) or (6), acts or purports to act as chief executive officer or director of the payment entity during the period when the Authority or statutory manager is in control of the relevant business of the payment entity under section 78(2)(c) —

(a) the act or purported act of the individual is invalid and of no effect; and

(b) the individual shall be guilty of an offence.

(8) Despite any written law or rule of law, if any individual, who is appointed as chief executive officer or director of a payment entity in contravention of subsection (5), acts or purports to act as chief executive officer or director of the payment entity during the period when the Authority or statutory manager is in control of the relevant business of the payment entity under section 78(2)(c) —

(a) the act or purported act of the individual is invalid and of no effect; and

(b) the individual shall be guilty of an offence.

(9) During the period when the Authority or statutory manager is in control of the relevant business of a payment entity —

(a) if there is any conflict or inconsistency between —

(i) a direction or decision given by the Authority or statutory manager (including a direction or decision

given to a person or body of persons mentioned in sub-paragraph (ii)); and

- (ii) a direction or decision given by any chief executive officer, director, member, executive officer, employee, agent or office-holder of the payment entity, by the board of directors of the payment entity, or by any trustee for the payment entity,

the direction or decision mentioned in sub-paragraph (i) prevails over the direction or decision mentioned in sub-paragraph (ii) to the extent of the conflict or inconsistency; and

- (b) a person must not exercise any voting or other right attached to any share in the payment entity in any manner that may defeat or interfere with any duty, power or function of the Authority or statutory manager, and any such exercise or purported exercise of that right is invalid and of no effect.

(10) An individual who is guilty of an offence under subsection (7) or (8) shall be liable on conviction to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part of a day during which the offence continues after conviction.

Other provisions concerning control

81.—(1) The Authority must cease to be in control of the relevant business of a payment entity when the Authority is satisfied that the reasons for the Authority's assumption of control of the relevant business have ceased to exist.

(2) A statutory manager is deemed to have assumed control of the relevant business of a payment entity on the date of the statutory manager's appointment as a statutory manager.

(3) Without limiting section 78(4)(a), the Authority may at any time revoke the appointment of a statutory manager in relation to the relevant business of a payment entity —

(a) if the Authority is satisfied that the reasons for the appointment have ceased to exist; or

(b) on any other ground.

(4) The statutory manager ceases to be in control of the relevant business of the payment entity upon the revocation of the statutory manager's appointment under subsection (3) or section 78(4)(a).

(5) The Authority must publish in the *Gazette* the date, and such other particulars as the Authority thinks fit, of —

(a) the Authority's assumption of control of the relevant business of a payment entity;

(b) the cessation of the Authority's control of the relevant business of a payment entity;

(c) the appointment of a statutory manager in relation to the relevant business of a payment entity; and

(d) the revocation of a statutory manager's appointment in relation to the relevant business of a payment entity.

Responsibilities of directors, officers, etc., of payment entity

82.—(1) During the period when the Authority or statutory manager is in control of the relevant business of a payment entity —

(a) a relevant person must provide to the Authority or statutory manager, within such time and in such manner as the Authority or statutory manager may specify, such information as the Authority or statutory manager may require to discharge the duties or functions, or exercise the powers, of the Authority or statutory manager in relation to the payment entity; and

(b) the High Court may, on an application by the Authority or statutory manager, direct any relevant person to pay, deliver, convey, surrender or transfer to the Authority or statutory manager, within such period as the High Court may specify, any property or book of the payment entity that —

- (i) forms part of or relates to the business of the payment entity; and
- (ii) is in the relevant person’s possession or control.

(2) A person that —

- (a) without reasonable excuse, fails to comply with subsection (1)(a); or 5
- (b) in purported compliance with subsection (1)(a), knowingly or recklessly provides any information or document that is false or misleading in a material particular,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part of a day during which the offence continues after conviction. 10

(3) In this section, “relevant person” means a current or former chief executive officer, director, executive officer, employee, agent, banker, auditor or office-holder of, or trustee for, the payment entity mentioned in subsection (1). 15

Remuneration and expenses of Authority and others in certain cases 20

83. The Authority may at any time fix the remuneration and expenses to be paid by a payment entity —

- (a) to a statutory adviser or statutory manager appointed in relation to the payment entity, whether or not the appointment has been revoked; and 25
- (b) where the Authority has assumed control of the relevant business of a payment entity, to the Authority and any person appointed by the Authority under section 4 in relation to the Authority’s assumption of control of the relevant business, whether or not the Authority has ceased to be in control of the relevant business. 30

PART 6

ASSISTANCE TO FOREIGN REGULATORY AUTHORITIES

Interpretation of this Part

84. In this Part, unless the context otherwise requires —

5 “enforce” means enforce through criminal or administrative proceedings;

“enforcement”, in relation to a regulatory authority, means the taking of any action to enforce a law or regulatory requirement against a specified person, being a law or regulatory requirement that relates to the payment systems or payment services of the foreign country of the regulatory authority concerned;

10 “foreign country” means a country or territory other than Singapore;

15 “investigation”, in relation to a regulatory authority, means an investigation to determine if a specified person has contravened or is contravening a law or regulatory requirement, being a law or regulatory requirement that relates to the payment systems or payment services of the foreign country of the regulatory authority concerned;

20 “material” includes any information, book, document or other record in any form whatsoever, and any container or article relating to that information, book, document or record;

25 “prescribed written law” means this Act, or any of the following Acts, and any subsidiary legislation made under this Act or those Acts:

(a) Banking Act;

(b) Finance Companies Act;

(c) Financial Advisers Act;

30 (d) Financial Holding Companies Act 2013;

(e) Insurance Act;

(f) Monetary Authority of Singapore Act;

(g) Securities and Futures Act;

(h) such other Act as the Authority may prescribe;

“regulatory authority”, in relation to a foreign country, means an authority of the foreign country exercising any function that corresponds to a regulatory function of the Authority under this Act;

5

“supervision”, in relation to a regulatory authority, means the taking of any action for or in connection with the supervision of —

(a) a licensee that is regulated by the regulatory authority;

10

(b) an operator, a settlement institution or a participant, of a designated payment system, that is regulated by the regulatory authority; or

(c) any other person regulated by the regulatory authority.

15

Conditions for provision of assistance

85.—(1) The Authority may provide the assistance mentioned in section 87 to a regulatory authority of a foreign country if the Authority is satisfied that all of the following conditions are fulfilled:

20

(a) the assistance is intended to enable the regulatory authority, or any other authority of the foreign country, to carry out the supervision, investigation or enforcement;

(b) the regulatory authority has given a written undertaking that any material or copy of material obtained pursuant to its request will not be used for any purpose other than a purpose that is specified in the request and approved by the Authority;

25

(c) the regulatory authority has given a written undertaking not to disclose to a third party (other than a designated third party of the foreign country in accordance with paragraph (d)) any material received pursuant to the

30

request, unless the regulatory authority is compelled to do so by the law or a court of the foreign country;

5 (d) the regulatory authority has given a written undertaking to obtain the prior consent of the Authority before disclosing any material received pursuant to the request to a designated third party, and to make such disclosure only in accordance with such conditions as may be imposed by the Authority;

10 (e) the material requested is of sufficient importance to the carrying out of the supervision, investigation or enforcement to which the request relates, and cannot reasonably be obtained by any other means;

(f) the matter to which the request relates is of sufficient gravity;

15 (g) the rendering of assistance will not be contrary to the public interest.

(2) In subsection (1)(c) and (d), “designated third party”, in relation to a foreign country, means —

20 (a) any person or body responsible for supervising the regulatory authority in question;

(b) any authority of the foreign country responsible for carrying out the supervision, investigation or enforcement in question; or

25 (c) any authority of the foreign country exercising a function that corresponds to a regulatory function of the Authority under this Act.

Other factors to consider for provision of assistance

30 **86.** In deciding whether to grant a request for assistance mentioned in section 87 from a regulatory authority of a foreign country, the Authority may also have regard to the following:

(a) whether the act or omission that is alleged to constitute the contravention of the law or regulatory requirement to

which the request relates would, if it had occurred in Singapore, have constituted an offence under this Act;

- (b) whether the regulatory authority has given or is willing to give an undertaking to the Authority to comply with a future request by the Authority to the regulatory authority for similar assistance; 5
- (c) whether the regulatory authority has given or is willing to give an undertaking to the Authority to contribute towards the costs of providing the assistance that the regulatory authority has requested. 10

Assistance that may be rendered

87.—(1) Despite any provision of or requirement under any prescribed written law, or any rule of law, the Authority or any person authorised by the Authority may, in relation to a request by a regulatory authority of a foreign country for assistance — 15

- (a) transmit to the regulatory authority any material in the possession of the Authority that is requested by the regulatory authority or a copy of that material;
- (b) order any person to provide to the Authority any material that is requested by the regulatory authority or a copy of that material, and transmit the material or copy to the regulatory authority; 20
- (c) order any person to transmit directly to the regulatory authority any material that is requested by the regulatory authority or a copy of that material; 25
- (d) order any person to make an oral statement to the Authority on any information requested by the regulatory authority, record such statement, and transmit the recorded statement to the regulatory authority; or
- (e) request any ministry, Government department or statutory authority to provide to the Authority any material that is requested by the regulatory authority or a copy of that material, and transmit the material or copy to the regulatory authority. 30

(2) The assistance mentioned in subsection (1)(c) may only be rendered if the material sought is to enable the regulatory authority to carry out an investigation or enforcement.

5 (3) An order under subsection (1)(b), (c) or (d) has effect despite any obligations as to secrecy or other restrictions upon the disclosure of information imposed by any provision of or requirement under any prescribed written law, rule of law, contract or rule of professional conduct.

10 (4) Nothing in this section compels an advocate and solicitor to provide or transmit any material or copy of material that contains, or to disclose, any privileged communication made by or to the advocate and solicitor in that capacity.

15 (5) An advocate and solicitor who refuses to provide or transmit any material or copy of material that contains, or to disclose, any privileged communication is nevertheless obliged to give the name and address (if known to the advocate and solicitor) of the person to whom, or by or on behalf of whom, the privileged communication was made.

20 (6) A person is not excused from making an oral statement pursuant to an order made under subsection (1)(d) on the ground that the statement might tend to incriminate the person.

Offences under this Part

88.—(1) A person that —

25 (a) without reasonable excuse, refuses or fails to comply with an order under section 87(1)(b), (c) or (d);

(b) in purported compliance with an order made under section 87(1)(b) or (c), provides to the Authority or transmits to a regulatory authority any material or copy of material known to the person to be false or misleading in a material particular; or

30

(c) in purported compliance with an order made under section 87(1)(d), makes a statement to the Authority that is false or misleading in a material particular,

shall be guilty of an offence.

(2) A person that is guilty of an offence under subsection (1)(a) shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part of a day during which the offence continues after conviction; or

(b) in any other case, to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part of a day during which the offence continues after conviction.

(3) A person that is guilty of an offence under subsection (1)(b) or (c) shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both; or

(b) in any other case, to a fine not exceeding \$100,000.

Immunities

89.—(1) No civil or criminal proceedings, other than proceedings for an offence under section 88, shall lie against any person for —

(a) providing to the Authority or transmitting any material or copy of material to the Authority or a regulatory authority of a foreign country, if that person had provided or transmitted that material or copy in good faith in compliance with an order made under section 87(1)(b) or (c);

(b) making a statement to the Authority in good faith and in compliance with an order made under section 87(1)(d); or

(c) doing or omitting to do any act, if that person had done or omitted to do the act in good faith and as a result of complying with an order made under section 87(1)(b), (c) or (d).

(2) A person that complies with an order made under section 87(1)(b), (c) or (d) is not to be treated as being in breach of any restriction upon the disclosure of information or thing imposed by any provision of or requirement under any prescribed written law,
5 rule of law, contract or rule of professional conduct.

PART 7 OFFENCES

Offences by corporations

90.—(1) Where, in a proceeding for an offence under this Act, it is
10 necessary to prove the state of mind of a corporation in relation to a particular conduct, evidence that —

(a) an officer, employee or agent of the corporation engaged in that conduct within the scope of his or her actual or apparent authority; and

15 (b) the officer, employee or agent had that state of mind, is evidence that the corporation had that state of mind.

(2) Where a corporation commits an offence under this Act, a person —

(a) who is —

20 (i) an officer of the corporation; or

(ii) an individual involved in the management of the corporation and in a position to influence the conduct of the corporation in relation to the commission of the offence; and

25 (b) who —

(i) consented or connived, or conspired with others, to effect the commission of the offence;

30 (ii) is in any other way, whether by act or omission, knowingly concerned in, or is party to, the commission of the offence by the corporation; or

- (iii) knew or ought reasonably to have known that the offence by the corporation (or an offence of the same type) would be or is being committed, and failed to take all reasonable steps to prevent or stop the commission of that offence,

5

shall be guilty of the same offence as is the corporation, and shall be liable on conviction to be punished accordingly.

(3) A person mentioned in subsection (2) may rely on a defence that would be available to the corporation if it were charged with the offence with which the person is charged and, in doing so, the person bears the same burden of proof that the corporation would bear.

10

(4) To avoid doubt, this section does not affect the application of —

- (a) Chapters V and VA of the Penal Code; or
- (b) the Evidence Act (Cap. 97) or any other law or practice regarding the admissibility of evidence.

15

(5) To avoid doubt, subsection (2) also does not affect the liability of the corporation for an offence under this Act, and applies whether or not the corporation is convicted of the offence.

(6) In this section —

“corporation” includes a limited liability partnership within the meaning of section 2(1) of the Limited Liability Partnerships Act;

20

“officer”, in relation to a corporation, means any director, partner, chief executive, manager, secretary or other similar officer of the corporation, and includes —

25

- (a) any person purporting to act in any such capacity; and
- (b) for a corporation whose affairs are managed by its members, any of those members as if the member were a director of the corporation;

“state of mind” of a person includes —

30

- (a) the knowledge, intention, opinion, belief or purpose of the person; and

- (b) the person's reasons for the intention, opinion, belief or purpose.

Offences by unincorporated associations or partnerships

5 **91.**—(1) Where, in a proceeding for an offence under this Act, it is necessary to prove the state of mind of an unincorporated association or a partnership in relation to a particular conduct, evidence that —

(a) an employee or agent of the unincorporated association or partnership engaged in that conduct within the scope of his or her actual or apparent authority; and

10 (b) the employee or agent had that state of mind,

is evidence that the unincorporated association or partnership had that state of mind.

(2) Where an unincorporated association or a partnership commits an offence under this Act, a person —

15 (a) who is —

(i) an officer of the unincorporated association or a member of its governing body;

(ii) a partner in the partnership; or

20 (iii) an individual involved in the management of the unincorporated association or partnership and in a position to influence the conduct of the unincorporated association or partnership (as the case may be) in relation to the commission of the offence; and

25 (b) who —

(i) consented or connived, or conspired with others, to effect the commission of the offence;

30 (ii) is in any other way, whether by act or omission, knowingly concerned in, or is party to, the commission of the offence by the unincorporated association or partnership; or

(iii) knew or ought reasonably to have known that the offence by the unincorporated association or partnership (or an offence of the same type) would be or is being committed, and failed to take all reasonable steps to prevent or stop the commission of that offence, 5

shall be guilty of the same offence as is the unincorporated association or partnership (as the case may be), and shall be liable on conviction to be punished accordingly.

(3) A person mentioned in subsection (2) may rely on a defence that would be available to the unincorporated association or partnership if it were charged with the offence with which the person is charged and, in doing so, the person bears the same burden of proof that the unincorporated association or partnership would bear. 10

(4) To avoid doubt, this section does not affect the application of — 15
(a) Chapters V and VA of the Penal Code; or
(b) the Evidence Act or any other law or practice regarding the admissibility of evidence.

(5) To avoid doubt, subsection (2) also does not affect the liability of an unincorporated association or a partnership for an offence under this Act, and applies whether or not the unincorporated association or partnership is convicted of the offence. 20

(6) In this section —
“officer”, in relation to an unincorporated association (other than a partnership), means the president, the secretary, or any member of the committee of the unincorporated association, and includes — 25

(a) any person holding a position analogous to that of president, secretary or member of a committee of the unincorporated association; and 30

(b) any person purporting to act in any such capacity;

“partner” includes a person purporting to act as a partner;

“state of mind” of a person includes —

- (a) the knowledge, intention, opinion, belief or purpose of the person; and
- (b) the person’s reasons for the intention, opinion, belief or purpose.

Offences by officers

92.—(1) An officer of a relevant entity, whose duty is or includes ensuring that the relevant entity complies with a provision of this Act, who fails to take all reasonable steps to secure such compliance, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both.

(2) An officer of a relevant entity, whose duty is or includes submitting information to the Authority or any other person under this Act, who fails to take all reasonable steps to ensure the accuracy and correctness of any information so submitted, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both.

(3) In any proceedings against an officer under subsection (1) or (2), it is a defence for the officer to prove that he or she had reasonable grounds for believing that —

- (a) another individual was charged with the duty of —
 - (i) securing compliance with the requirements of this Act; or
 - (ii) ensuring that the information submitted was accurate,

as the case may be; and

- (b) that individual was competent, and in a position, to discharge that duty.

(4) An officer is not to be sentenced to imprisonment for any offence under subsection (1) or (2) unless, in the opinion of the court, the officer committed the offence wilfully.

- (5) In this section, “relevant entity” means an entity that is —
 - (a) a licensee; or
 - (b) an operator, a settlement institution, or a participant, of a payment system.

Falsification of records by officers, etc.

5

93.—(1) An officer, auditor, employee or agent of a relevant entity who —

- (a) wilfully makes, or causes to be made, a false entry in any book, or in any report, slip, document or statement of the business, affairs, transactions, conditions or assets of the relevant entity; 10
- (b) wilfully omits to make an entry in any book, or in any report, slip, document or statement of the business, affairs, transactions, conditions or assets of the relevant entity, or wilfully causes any such entry to be omitted; or 15
- (c) wilfully alters, extracts, conceals or destroys an entry in any book, or in any report, slip, document or statement of the business, affairs, transactions, conditions or assets of the relevant entity, or wilfully causes any such entry to be altered, extracted, concealed or destroyed, 20

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both.

(2) In this section —

“officer” includes a person purporting to act in the capacity of an officer; 25

“relevant entity” means an entity that is —

- (a) a licensee; or
- (b) an operator, a settlement institution, or a participant, of a payment system. 30

General duty to use reasonable care not to provide false information to Authority

5 **94.**—(1) An individual who provides the Authority with any information under or for the purposes of any provision of this Act must use reasonable care to ensure that the information is not false or misleading in any material particular.

(2) An individual who —

(a) signs any document lodged with the Authority; or

10 (b) lodges with the Authority any document by electronic means using any identification or identifying code, password or other authentication method or procedure assigned to the individual by the Authority,

must use reasonable care to ensure that the document is not false or misleading in any material particular.

15 (3) An individual who contravenes subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both.

General penalty

20 **95.** A person guilty of an offence under this Act for which no penalty is expressly provided shall be liable on conviction —

(a) in the case of an individual, to a fine not exceeding \$50,000; or

(b) in any other case, to a fine not exceeding \$100,000.

Composition of offences

25 **96.**—(1) The Authority may, in its discretion, compound any offence under this Act that is prescribed as a compoundable offence by collecting from a person reasonably suspected of having committed the offence a sum of money not exceeding half of the amount of the maximum fine prescribed for that offence.
30

(2) The Authority may, in its discretion, compound any offence under this Act (including an offence under a provision that has been repealed) that —

(a) was compoundable under this section when the offence was committed; but

5

(b) has ceased to be so compoundable,

by collecting from a person reasonably suspected of having committed the offence a sum of money not exceeding half of the amount of the maximum fine prescribed for that offence at the time it was committed.

10

(3) Despite section 108(a), the Authority may, in its discretion, compound any offence under the Money-changing and Remittance Businesses Act (Cap. 187) (including an offence under a provision that has been repealed) that —

(a) was compoundable under section 29 of that Act when the offence was committed; but

15

(b) has ceased to be so compoundable,

by collecting from a person reasonably suspected of having committed the offence a sum of money not exceeding half of the amount of the maximum fine prescribed for that offence at the time it was committed.

20

(4) Despite section 108(b), the Authority may, in its discretion, compound any offence under the Payment Systems (Oversight) Act (Cap. 222A) (including an offence under a provision that has been repealed) that —

25

(a) was compoundable under section 50 of that Act when the offence was committed; but

(b) has ceased to be so compoundable,

by collecting from a person reasonably suspected of having committed the offence a sum of money not exceeding half of the amount of the maximum fine prescribed for that offence at the time it was committed.

30

(5) On payment of the sum of money mentioned in subsection (1), (2), (3) or (4), no further proceedings may be taken against that person in respect of the offence.

5 (6) All sums collected by the Authority under subsection (1), (2), (3) or (4) must be paid into the Consolidated Fund.

PART 8

MISCELLANEOUS

Jurisdiction of court

10 **97.** Despite any provision to the contrary in the Criminal Procedure Code (Cap. 68), a District Court has jurisdiction to try any offence under this Act and has power to impose the full penalty or punishment in respect of any offence under this Act.

Opportunity to be heard

15 **98.** Where this Act provides for a person to be given an opportunity to be heard by the Authority, the Authority may prescribe the manner in which the person is to be given such opportunity to be heard.

Power of court to make certain orders

99.—(1) Where, on an application of the Authority, it appears to the court that a person —

- 20 (a) has committed an offence under this Act; or
 (b) is about to do an act that, if done, would be an offence under this Act,

the court may (without prejudice to any other order it may make) make one or more of the orders under subsection (2).

25 (2) The orders mentioned in subsection (1) are —

- (a) in the case of a persistent or continuing contravention of a provision of this Act, an order restraining a person from —
 (i) carrying on a business of providing one or more types of payment services;

- (ii) carrying on the business of an operator of a payment system;
 - (iii) carrying on the business of a settlement institution of a payment system;
 - (iv) holding itself out as a licensee; or 5
 - (v) holding itself out as an operator, or a settlement institution, of a designated payment system;
- (b) for the purpose of securing compliance with any order made under this section, an order directing a person to do or refrain from doing any specified act; or 10
- (c) any ancillary order the court considers to be desirable as a result of making any other order under this section.

(3) The court may, before making an order under subsection (2), direct that notice of the application be given to such person as it thinks fit or that notice of the application be published in such manner as it thinks fit, or both. 15

(4) A person that, without reasonable excuse, contravenes an order made under subsection (2) shall be guilty of an offence and shall be liable on conviction —

- (a) in the case of an individual, to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both; or 20
- (b) in any other case, to a fine not exceeding \$100,000.

(5) Subject to subsection (6), subsection (4) does not affect the powers of the court in relation to the punishment of contempt of court. 25

(6) A person cannot be punished for contempt of court in respect of any contravention of an order made under subsection (2), for which the person has been convicted of an offence under subsection (4).

(7) A person cannot be convicted of an offence under subsection (4) in respect of any contravention of an order made under subsection (2) that has been punished as a contempt of court. 30

(8) The court may rescind, vary or discharge, or suspend the operation of, an order made by the court under this section.

General exemption

100.—(1) The Authority may, by regulations, exempt any of the following from all or any of the provisions of this Act, subject to such conditions as may be prescribed:

- 5 (a) any person or class of persons;
- (b) any payment service or class of payment services;
- (c) any payment system or class of payment systems;
- (d) any payment account or class of payment accounts;
- 10 (e) any shares or interests in shares, or class or description of shares or interests in shares;
- (f) any other thing or class or description of things.

(2) Where the Authority, by regulations made under subsection (1), exempts any person or class of persons from section 20(1) and (3), the conditions that may be prescribed under subsection (1) include the following conditions:

- 15 (a) a condition relating to the operations or activities of the exempt person, or of any person in the exempt class of persons;
- 20 (b) a condition relating to the criteria that must be satisfied in order for the exempt person, or any person in the exempt class of persons, to grant any credit facility (within the meaning given by section 20(5)) to any individual in Singapore;
- 25 (c) a condition relating to the standards to be maintained by the exempt person, or by any person in the exempt class of persons, when carrying on a business of granting any such credit facility to any individual in Singapore;
- 30 (d) a condition relating to the duties to be undertaken by the exempt person, or by any person in the exempt class of persons, when doing any of the following things:
 - (i) granting any such credit facility to any individual in Singapore;

- (ii) offering to grant, or issuing any advertisement containing any offer to grant, any such credit facility to any individual in Singapore;
- (iii) making an offer or invitation, or issuing any advertisement containing any offer or invitation, to any individual in Singapore to enter into any agreement relating to the granting of any such credit facility to that individual;
- (e) a condition relating to the maintenance by the exempt person, or by any person in the exempt class of persons, of a licence, under any other written law, that allows that person to carry on a business of granting any credit facility to any individual in Singapore.

(3) Where the Authority, by regulations made under subsection (1), exempts any person or class of persons from section 28 or 59, the conditions that may be prescribed under subsection (1) include the following conditions:

- (a) a condition restricting the disposal or further acquisition, by that person or class of persons, of any shares or voting power in —
 - (i) a licensee incorporated in Singapore (in the case of an exemption from section 28); or
 - (ii) an operator of a designated payment system (in the case of an exemption from section 59);
- (b) a condition restricting the exercise, by that person or class of persons, of any voting power in —
 - (i) a licensee incorporated in Singapore (in the case of an exemption from section 28); or
 - (ii) an operator of a designated payment system (in the case of an exemption from section 59).

(4) The Authority may, if the Authority considers it appropriate to do so in the circumstances of the case, on the application of any person, exempt the person from —

- (a) all or any of the provisions of this Act; or

(b) all or any of the requirements imposed by the Authority under this Act.

(5) An exemption under subsection (4) —

(a) may be granted by notice in writing subject to such conditions as the Authority may specify in that notice;

(b) need not be published in the *Gazette*; and

(c) may be revoked at any time by the Authority.

(6) The Authority may at any time add to, vary or revoke any condition imposed under this section.

(7) A person shall be guilty of an offence if the person contravenes any condition —

(a) prescribed under subsection (1);

(b) specified by the Authority under subsection (5)(a); or

(c) added or varied under subsection (6).

Codes, guidelines, etc., by Authority

101.—(1) The Authority may issue, and in its discretion publish by notification in the *Gazette* or in any other manner the Authority considers appropriate, such codes, guidelines, policy statements, practice notes and no-action letters as the Authority considers appropriate for providing guidance —

(a) in furtherance of the Authority's regulatory objectives;

(b) in relation to any matter relating to any of the Authority's functions under this Act; or

(c) in relation to the operation of any of the provisions of this Act.

(2) The Authority may, at any time, amend or revoke the whole or any part of any code, guideline, policy statement, practice note or no-action letter issued under this section.

(3) Where amendments are made under subsection (2) —

(a) the other provisions of this section apply, with the necessary modifications, to such amendments as they

apply to the code, guideline, policy statement, practice note or no-action letter; and

(b) any reference in this Act or any other written law to the code, guideline, policy statement, practice note or no-action letter, however expressed, is (unless the context otherwise requires) a reference to the code, guideline, policy statement, practice note or no-action letter as so amended. 5

(4) Any failure by a person to comply with any provision of a code, guideline, policy statement or practice note issued under this section to the person does not of itself render that person liable to criminal proceedings, but any such failure may, in any proceedings, whether civil or criminal, be relied upon by any party to the proceedings as tending to establish or negate any liability that is in question in the proceedings. 10 15

(5) The issue by the Authority of a no-action letter does not of itself prevent the institution of any proceedings against any person for the contravention of any provision of this Act.

(6) Any code, guideline, policy statement or practice note issued under this section may be of general or specific application, and may specify that different provisions of such code, guideline, policy statement or practice note apply to different circumstances or provide for different cases or classes of cases. 20

(7) To avoid doubt, any code, guideline, policy statement, practice note or no-action letter issued under this section is not to be treated as subsidiary legislation. 25

(8) In this section, “no-action letter” means a letter written by the Authority to a person to the effect that, if the facts are as represented by the person, the Authority will not institute proceedings against the person in respect of a particular state of affairs or particular conduct. 30

Power of Authority to issue notice in writing

102.—(1) The Authority may, if it thinks it necessary or expedient for the effective administration of this Act, for the protection of consumers or in the interest of the public or a section of the public, for

ensuring the integrity and proper management of a designated payment system, or for ensuring the integrity of the e-money stored in a payment account, issue to any of the following persons or classes of persons a notice in writing, either of a general or a specific nature, to
5 comply with such requirements as the Authority may specify in the notice:

- (a) any licensee or class of licensees;
- (b) any operator, or class of operators, of a relevant payment system;
- 10 (c) any settlement institution, or class of settlement institutions, of a relevant payment system;
- (d) any participant, or class of participants, of a relevant payment system;
- (e) any person, or class of persons, that determines access to a
15 relevant payment system;
- (f) any exempt payment service provider or class of exempt payment service providers;
- (g) any person, or class of persons, exempt under section 100;
- (h) any person that contravenes, has contravened, or is likely
20 to contravene, any provision of this Act.

(2) Without limiting subsection (1), a notice may be issued —

- (a) with respect to —
 - (i) the activities that may be carried out by a licensee, an
25 exempt payment service provider, or a person exempt under section 100, in relation to its business;
 - (ii) the standards, framework, policies and procedures for the prudent management of risks (including information technology risks) by a licensee, an
30 exempt payment service provider or a person exempt under section 100, or by an operator or a settlement institution of a designated payment system;

- (iii) the financial soundness, financial management and stability of a licensee, an exempt payment service provider or a person exempt under section 100, or of an operator, a settlement institution or a participant of a designated payment system; 5
- (iv) the standards to be maintained by a licensee, an exempt payment service provider, or a person exempt under section 100, in the conduct of its business;
- (v) the arrangement and conditions that are to apply if a licensee, an exempt payment service provider or a person exempt under section 100, or an operator, a settlement institution or a participant of a designated payment system, appoints any person as an independent contractor to carry out any of the functions and duties of the licensee, exempt payment service provider, person exempt under section 100, operator, settlement institution or participant, as the case may be; 10 15
- (vi) the type, form, manner and frequency of returns and other information to be submitted to the Authority; 20
- (vii) the preparation and publication of reports on the performance of a licensee, an exempt payment service provider or a person exempt under section 100, or of an operator, a settlement institution or a participant of a designated payment system; 25
- (viii) the remuneration of an auditor appointed under this Act and the costs of an audit carried out under this Act; 30
- (ix) any measures to be taken by any of the following persons or classes of persons to address any discriminatory measure practised by one or more of those persons or classes of persons:

- (A) any operator, or class of operators, of a relevant payment system;
 - (B) any settlement institution, or class of settlement institutions, of a relevant payment system;
 - (C) any participant, or class of participants, of a relevant payment system;
 - (D) any person, or class of persons, that determines access to a relevant payment system;
- 5
- (x) the appointment of a person approved by the Authority —
 - (A) to advise an operator, a settlement institution or a participant of a designated payment system on the proper conduct of its business; or
 - (B) to advise a class of participants of a designated payment system on the proper conduct of the business of a participant in that class of participants;
- 10
- (xi) the collection by or on behalf of the Authority of information from a licensee, an exempt payment service provider or a person exempt under section 100, or from an operator, a settlement institution or a participant of a designated payment system, in relation to the conduct of its business at such intervals or on such occasions as may be set out in the notice;
- 15
- (xii) the manner in which a licensee, an exempt payment service provider or a person exempt under section 100, or an operator, a settlement institution or a participant of a designated payment system, deals with its customers, and any conflicts of interests between the licensee, exempt payment service provider, person exempt under section 100, operator, settlement institution or participant (as the case may be) and its customers;
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- (xiii) the duties of a licensee, an exempt payment service provider, or a person exempt under section 100, to its customers in the operation of payment accounts maintained for those customers (including duties in relation to the foreign exchange rate to be applied, where the currency for which the licensee, exempt payment service provider or person exempt under section 100 maintains a payment account for a customer is different from the currency received for payment into that payment account);
 - (xiv) the duties of a licensee, an exempt payment service provider, or a person exempt under section 100, to its customers in relation to the safeguarding of money under section 23 (including duties in relation to the foreign exchange rate to be applied, where the currency in which the money is safeguarded is different from the currency received by the licensee, exempt payment service provider or person exempt under section 100 from, or on account of, a customer);
 - (xv) the display or exhibition by a licensee, an exempt payment service provider, or a person exempt under section 100, of such cautionary statements as the Authority thinks fit in a conspicuous place at every place of business of the licensee, exempt payment service provider or person exempt under section 100; and
 - (xvi) the provision by a licensee, an exempt payment service provider, or a person exempt under section 100, of cautionary statements in writing to the customers of the licensee, exempt payment service provider or person exempt under section 100;
- (b) to require any person that contravenes, has contravened, or is likely to contravene, any provision of this Act —
- (i) to comply with, or to cease contravening, that provision;

(ii) to take any action necessary to enable the person to conduct the person's business in accordance with sound principles; and

(iii) where the person is a company, to remove any of its directors; and

(c) for any other purpose specified in this Act.

(3) It is not necessary to publish any notice in writing issued under subsection (1) in the *Gazette*.

(4) The Authority may at any time vary, rescind or revoke any notice issued under subsection (1).

(5) A person that fails to comply with any requirement specified in a notice issued under subsection (1) shall (if the failure to comply with that requirement is not an offence under any other provision of this Act) be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part of a day during which the offence continues after conviction.

(6) In this section, "discriminatory measure" means any measure that is, or is likely to be, not equally disadvantageous or advantageous to all participants of the relevant payment system, in that the measure —

(a) prejudices or benefits one or more of those participants to a greater extent than the other participants; or

(b) prejudices or benefits one or more of those participants without affecting the other participants.

Power of Authority to make regulations

103.—(1) The Authority may make regulations prescribing matters required or permitted by this Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to this Act.

(2) Without limiting subsection (1), the Authority may make regulations for or with respect to —

- (a) the fees to be paid in respect of any matter or thing required for the purposes of this Act, and the refund or remission of the whole or any part of any such fees;
- (b) the granting, variation, change, lapsing, surrender, revocation or suspension of a licence, and all incidental matters; 5
- (c) the cessation of the provision of a payment service by a licensee, an exempt payment service provider or a person exempt under section 100, and all incidental matters;
- (d) the activities that may be carried out by an operator, a settlement institution or a participant of a designated payment system, in relation to its business; 10
- (e) the standards to be maintained by an operator, a settlement institution or a participant of a designated payment system in the conduct of its business; 15
- (f) any measures to be taken by an operator, a settlement institution, or a participant or class of participants, of a designated payment system in relation to its business;
- (g) the standards, framework, policies and procedures for business continuity management (including for ensuring the availability of a designated payment system by the maintenance of a backup system) by an operator or a settlement institution of a designated payment system; 20
- (h) the corporate governance of a licensee, an exempt payment service provider or a person exempt under section 100, or of an operator or a settlement institution of a designated payment system; 25
- (i) prescribing the offences that may be compounded;
- (j) prescribing the procedure —
 - (i) for the use of the electronic service mentioned in section 106; and 30
 - (ii) in circumstances where there is a breakdown or an interruption of the electronic service;

- (k) the imposition, variation or revocation of an access regime;
- (l) the acquisition or holding of shares or any other interest in an operator of a designated payment system;
- 5 (m) the acquisition or holding of shares or any other interest by an operator of a designated payment system in any other entity;
- (n) different requirements for the audit of accounts in relation to different designated payment systems;
- 10 (o) the responsibilities of an operator or a settlement institution of a designated payment system in relation to the audit of its accounts;
- (p) the procedures applicable in the event of a default in any payment obligations facilitated by a designated payment system, including the suspension and re-admission of any participants of the designated payment system; and
- 15 (q) the determination, for the purposes of this Act, of the equivalent in foreign currency of a Singapore dollar amount, including the exchange rate and time at which the amount of foreign currency is to be translated to Singapore currency.

(3) Except as otherwise expressly provided in this Act, regulations made under this Act —

- (a) may be of general or specific application;
- 25 (b) may contain such saving and transitional provisions as the Authority may consider necessary or expedient;
- (c) may provide that a contravention of any specified provision of the regulations shall be an offence; and
- (d) may provide —
 - 30 (i) in the case of an individual, for penalties not exceeding a fine of \$50,000 or imprisonment for a term not exceeding 2 years or both for each offence and, in the case of a continuing offence, a further penalty not exceeding a fine of \$5,000 for every day

or part of a day during which the offence continues after conviction; and

- (ii) in any other case, for penalties not exceeding a fine of \$100,000 and, in the case of a continuing offence, a further penalty not exceeding a fine of \$10,000 for every day or part of a day during which the offence continues after conviction.

5

Publication of certain information

104.—(1) The Authority may, from time to time, prepare and publish —

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- (a) consolidated statements aggregating any information provided under this Act; or
- (b) for statistical purposes, statements that relate to or are derived from any information provided under this Act in respect of —
 - (i) a payment system, being the only payment system in its class; or
 - (ii) a payment service provided by a licensee, being the only payment service in its class.

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(2) The Authority may, from time to time and in such form or manner as the Authority considers appropriate, publish such information as the Authority may consider necessary or expedient to publish in the public interest, including information relating to all or any of the following:

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- (a) the lapsing, surrender, revocation or suspension of the licence of any person under section 11;
- (b) the acceptance by any person of an offer to compound an offence under section 96;
- (c) the revocation or withdrawal of any exemption granted under this Act;
- (d) the conviction of any person for any offence under this Act;

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- (e) any other action taken by the Authority against any person under this Act.

Service of documents

5 **105.**—(1) A document that is permitted or required by this Act to be served on a person may be served as described in this section.

(2) A document permitted or required by this Act to be served on an individual may be served —

- (a) by giving it to the individual personally;
- 10 (b) by sending it by prepaid registered post to the address specified by the individual for the service of documents or, if no address is so specified, the individual's residential address or business address;
- 15 (c) by leaving it at the individual's residential address with an adult apparently resident there, or at the individual's business address with an adult apparently employed there;
- (d) by affixing a copy of the document in a conspicuous place at the individual's residential address or business address;
- 20 (e) by sending it by fax to the fax number last known to the person giving or serving the document as the fax number for the service of documents on the individual; or
- (f) by sending it by email to the individual's last email address.

25 (3) A document permitted or required by this Act to be served on a partnership (other than a limited liability partnership) may be served —

- (a) by giving it to any partner or other like officer of the partnership;
- (b) by leaving it at, or by sending it by prepaid registered post to, the business address of the partnership;
- 30 (c) by sending it by fax to the fax number used at the business address of the partnership; or

(d) by sending it by email to the last email address of the partnership.

(4) A document permitted or required by this Act to be served on a body corporate (including a limited liability partnership) or an unincorporated association may be served — 5

(a) by giving it to the secretary or other similar officer of the body corporate or unincorporated association, or to the manager of the limited liability partnership;

(b) by leaving it at, or by sending it by prepaid registered post to, the registered office or principal office of the body corporate or unincorporated association; 10

(c) by sending it by fax to the fax number used at the registered office or principal office of the body corporate or unincorporated association; or

(d) by sending it by email to the last email address of the body corporate or unincorporated association. 15

(5) Service of a document under subsection (2), (3) or (4) takes effect —

(a) if the document is sent by fax and a notification of successful transmission is received, on the day of transmission; 20

(b) if the document is sent by prepaid registered post, 2 days after the day the document was posted (even if it is returned undelivered); or

(c) if the document is sent by email, at the time the email becomes capable of being retrieved by the person to whom the document is sent. 25

(6) A document may be served on a person under this Act by email only with that person's prior written consent.

(7) This section does not apply to documents to be served in proceedings in court. 30

(8) In this section —

“business address” means —

- (a) in the case of an individual, the individual’s usual or last known place of business, or place of employment, in Singapore; or
- (b) in the case of a partnership (other than a limited liability partnership), the principal or last known place of business in Singapore of the partnership;

“document” includes a notice permitted or required by this Act to be served;

“last email address” means —

- (a) the last email address given, by the addressee concerned to the person giving or serving the document, as the email address for the service of documents under this Act; or
- (b) the last email address of the addressee concerned known to the person giving or serving the document;

“residential address” means an individual’s usual or last known place of residence in Singapore.

Electronic service

106.—(1) The Authority may provide an electronic service for the service of any document that is required or authorised by this Act to be served on any person.

(2) For the purposes of the electronic service, the Authority may assign to any person —

- (a) an authentication code; and
- (b) an account with the electronic service.

(3) Despite section 105, where a person has given consent for any document to be served on the person through the electronic service —

- (a) the Authority may serve the document on that person by transmitting an electronic record of the document to that person’s account with the electronic service; and

(b) the document is treated as having been served at the time when an electronic record of the document enters the person’s account with the electronic service.

(4) In this section —

“account with the electronic service”, in relation to any person, means a computer account within the electronic service that is assigned by the Authority to the person for the storage and retrieval of electronic records relating to the person; 5

“authentication code”, in relation to any person, means an identification or identifying code, a password or any other authentication method or procedure that is assigned to the person for the purposes of identifying and authenticating the access to and use of the electronic service by the person; 10

“document” includes a notice and an order;

“electronic record” has the meaning given by section 2(1) of the Electronic Transactions Act (Cap. 88). 15

Amendment of Schedules

107.—(1) The Minister may from time to time, by order in the *Gazette*, amend, add to or vary the First or Second Schedule.

(2) The Minister may, in any order made under subsection (1), make such incidental, consequential or supplementary provisions as may be necessary or expedient. 20

(3) Any order made under subsection (1) must be presented to Parliament as soon as possible after publication in the *Gazette*.

Repeal

108. The following Acts are repealed: 25

(a) the Money-changing and Remittance Businesses Act;

(b) the Payment Systems (Oversight) Act.

PART 9

CONSEQUENTIAL AND RELATED AMENDMENTS
TO OTHER ACTS**Amendment of Central Provident Fund Act**

5 **109.** The Third Schedule to the Central Provident Fund Act (Cap. 36, 2013 Ed.) is amended —

(a) by deleting item 24; and

(b) by inserting, immediately after item 27, the following item:

“27A. Payment Services Act 2019.”.

10 **Amendment of Companies Act**

110. The Companies Act (Cap. 50, 2006 Ed.) is amended —

(a) by deleting the words “section 12A of the Money-changing and Remittance Businesses Act (Cap. 187), section 22 of the Payment Systems (Oversight) Act (Cap. 222A)” in section 145(6)(b) and substituting the words “section 35 or 66 of the Payment Services Act 2019”;

(b) by deleting paragraph (d) of section 377(14);

(c) by deleting paragraphs (n) and (o) of section 377(14) and substituting the following paragraphs:

20 “(n) an operator of a payment system designated under section 42 of the Payment Services Act 2019;

(o) a person that has in force a licence granted under section 6 of the Payment Services Act 2019 that entitles the person to carry on a business of providing one or more of the following payment services:

25 (i) a cross-border money transfer service;

30 (ii) a domestic money transfer service;

(iii) an e-money issuance service;

- (iv) a merchant acquisition service.”; and
- (d) by deleting sub-paragraph (i) of paragraph 2(a) of the Fourteenth Schedule.

Amendment of Credit Bureau Act 2016

111. Section 49(11) of the Credit Bureau Act 2016 (Act 27 of 2016) is amended by deleting paragraphs (g) and (h) and substituting the following paragraph: 5

“(g) Payment Services Act 2019;”.

Amendment of Financial Advisers Act

112. Section 2(1) of the Financial Advisers Act (Cap. 110, 2007 Ed.) is amended by deleting paragraph (e) of the definition of “prescribed written law” and substituting the following paragraph: 10

“(e) Payment Services Act 2019;”.

Amendment of Financial Holding Companies Act 2013

113. Section 53 of the Financial Holding Companies Act 2013 (Act 13 of 2013) is amended by deleting paragraph (f) of the definition of “prescribed written law” and substituting the following paragraph: 15

“(f) Payment Services Act 2019;”.

Amendment of Insolvency, Restructuring and Dissolution Act 2018 20

114. Section 250(7) of the Insolvency, Restructuring and Dissolution Act 2018 (Act 40 of 2018) is amended —

- (a) by deleting paragraph (d) of the definition of “relevant company”; and 25
- (b) by deleting paragraphs (n) and (o) of the definition of “relevant company” and substituting the following paragraphs:

“(n) an operator of a payment system designated under section 42 of the Payment Services Act 2019;

(o) a person that has in force a licence granted under section 6 of the Payment Services Act 2019 that entitles the person to carry on a business of providing one or more of the following payment services:

(i) a cross-border money transfer service;

(ii) a domestic money transfer service;

(iii) an e-money issuance service;

(iv) a merchant acquisition service.”.

Amendment of Insurance Act

115. Section 49A of the Insurance Act (Cap. 142, 2002 Ed.) is amended by deleting paragraph (e) of the definition of “prescribed written law” and substituting the following paragraph:

“(e) Payment Services Act 2019;”.

Amendment of Limited Liability Partnerships Act

116. The Sixth Schedule to the Limited Liability Partnerships Act (Cap. 163A, 2006 Ed.) is amended by deleting sub-paragraph (i) of paragraph 2(a).

Amendment of Monetary Authority of Singapore Act

117. The Monetary Authority of Singapore Act (Cap. 186, 1999 Ed.) is amended —

(a) by deleting paragraph (d) of section 27A(6) and substituting the following paragraph:

“(d) a person granted a licence under the Payment Services Act 2019;”;

(b) by deleting paragraph (ka) of section 27A(6);

- (c) by deleting the definition of “designated payment system” in section 82 and substituting the following definition:

““designated payment system” has the same meaning as in section 2(1) of the Payment Services Act 2019;”;

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- (d) by deleting the definitions of “operator” and “settlement institution” in section 82 and substituting the following definitions:

““operator” and “settlement institution” have the same meanings as in section 2(1) of the Payment Services Act 2019;”;

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- (e) by deleting paragraphs (g) and (h) of the definition of “prescribed written law” in section 86 and substituting the following paragraph:

“(g) the Payment Services Act 2019;”;

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- (f) by deleting the words “Payment Systems (Oversight) Act (Cap. 222A)” in paragraph (b) of the definition of “participant” in section 98 and substituting the words “Payment Services Act 2019”;

- (g) by deleting the words “Payment Systems (Oversight) Act” in the definition of “payment system operator” in section 98 and substituting the words “Payment Services Act 2019”;

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- (h) by deleting paragraphs (i) and (j) of the definition of “prescribed written law” in section 152(1) and substituting the following paragraph:

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“(i) the Payment Services Act 2019;”;

- (i) by deleting item 16 of the Schedule; and

- (j) by deleting item 18 of the Schedule and substituting the following item:

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“18. Payment Services Act 2019”.

Amendment of Remote Gambling Act 2014

118. Section 3(1) of the Remote Gambling Act 2014 (Act 34 of 2014) is amended by deleting paragraphs (c) and (d) of the definition of “financial institution” and substituting the following paragraph:

5 “(c) any operator of a designated payment system under the Payment Services Act 2019; or”.

Amendment of Securities and Futures Act

119. Section 2(1) of the Securities and Futures Act (Cap. 289, 2006 Ed.) is amended by deleting paragraph (f) of the definition of “prescribed written law” and substituting the following paragraph:

10 “(f) Payment Services Act 2019;”.

Amendment of Small Claims Tribunals Act

120. Paragraph 2 of the Schedule to the Small Claims Tribunals Act (Cap. 308, 1998 Ed.) (as in force on the date of commencement of section 20 of the Small Claims Tribunals (Amendment) Act 2018 (Act 33 of 2018)) is amended by deleting the words “holding a valid money-changer’s licence under the Money-changing and Remittance Businesses Act (Cap. 187)” and substituting the words “who has in force a licence under the Payment Services Act 2019 that entitles the person to carry on a business of providing a money-changing service”.

PART 10

SAVING AND TRANSITIONAL PROVISIONS

Interpretation of this Part

25 **121.** In this Part, unless the context otherwise requires —

“appointed day” means the date of commencement of section 108;

“approved bank” and “approved holder” have the meanings given by section 2(1) of the PSOA;

“MCRBA” means the Money-changing and Remittance Businesses Act as in force immediately before the appointed day;

“money-changer’s licence” has the meaning given by section 2(1) of the MCRBA; 5

“PSOA” means the Payment Systems (Oversight) Act as in force immediately before the appointed day;

“remittance licence” has the meaning given by section 2(1) of the MCRBA;

“stored value facility” has the meaning given by section 2(1) of the PSOA. 10

Saving and transitional provisions for holders of licences under MCRBA and approved holders of stored value facilities under PSOA

122.—(1) Any person that, immediately before the appointed day, is a holder of a remittance licence, but is not also a holder of a money-changer’s licence or an approved holder of a stored value facility — 15

(a) is deemed to have been granted, on the appointed day, a major payment institution licence under section 6(7) that entitles that person to carry on a business of providing a cross-border money transfer service; and 20

(b) is exempt from section 23 for a period of 12 months beginning on the appointed day in respect of any cross-border money transfer service provided by that person. 25

(2) Any person that, immediately before the appointed day, is a holder of a money-changer’s licence but is not also a holder of a remittance licence or an approved holder of a stored value facility —

(a) is deemed to have been granted, on the appointed day, a money-changing licence under section 6(7); and 30

(b) is exempt from section 23 for a period of 12 months beginning on the appointed day in respect of any money-changing service provided by that person.

5 (3) Any person that, immediately before the appointed day, is an approved holder of a stored value facility, but is not also a holder of a remittance licence or a money-changer's licence, is deemed to have been granted, on the appointed day, a major payment institution licence under section 6(7) that entitles that person to carry on a business of providing an e-money issuance service.

10 (4) Any person that, immediately before the appointed day, is a holder of both a remittance licence and a money-changer's licence —

(a) is deemed to have been granted, on the appointed day, a major payment institution licence under section 6(7) that entitles that person to carry on a business of providing both of the following services:

15 (i) a cross-border money transfer service;

(ii) a money-changing service; and

(b) is exempt from section 23 for a period of 12 months beginning on the appointed day in respect of any cross-border money transfer service and any money-changing service provided by that person.

20 (5) Any person that, immediately before the appointed day, is both a holder of a remittance licence and an approved holder of a stored value facility —

25 (a) is deemed to have been granted, on the appointed day, a major payment institution licence under section 6(7) that entitles that person to carry on a business of providing both of the following services:

(i) a cross-border money transfer service;

30 (ii) an e-money issuance service; and

(b) is exempt from section 23 for a period of 12 months beginning on the appointed day in respect of any cross-border money transfer service provided by that person.

(6) Any person that, immediately before the appointed day, is both a holder of a money-changer's licence and an approved holder of a stored value facility —

(a) is deemed to have been granted, on the appointed day, a major payment institution licence under section 6(7) that entitles that person to carry on a business of providing both of the following services: 5

(i) a money-changing service;

(ii) an e-money issuance service; and

(b) is exempt from section 23 for a period of 12 months beginning on the appointed day in respect of any money-changing service provided by that person. 10

(7) Any person that, immediately before the appointed day, is a holder of both a remittance licence and a money-changer's licence and an approved holder of a stored value facility — 15

(a) is deemed to have been granted, on the appointed day, a major payment institution licence under section 6(7) that entitles that person to carry on a business of providing all of the following services:

(i) a cross-border money transfer service; 20

(ii) a money-changing service;

(iii) an e-money issuance service; and

(b) is exempt from section 23 for a period of 12 months beginning on the appointed day in respect of any cross-border money transfer service and any money-changing service provided by that person. 25

(8) Every condition or restriction imposed under the MCRBA or the PSOA to which a person mentioned in subsection (1), (2), (3), (4), (5), (6) or (7) is subject, immediately before the appointed day, as a holder of a remittance licence or a money-changer's licence or as an approved holder of a stored value facility, is deemed, on the appointed day, to be a condition or restriction to which that person is subject as the holder of a licence deemed to have been granted to that person under the applicable subsection. 30

(9) Any individual who, immediately before the appointed day, is a chief executive officer, director or partner of a person mentioned in subsection (1), (2), (3), (4), (5), (6) or (7) is deemed, on the appointed day, to have been appointed as chief executive officer, director or partner (as the case may be) of that person with the approval of the Authority under section 34(3)(b).

(10) Any approval granted, and any condition imposed, under section 11(3) of the MCRBA that remains in force immediately before the appointed day is deemed, on the appointed day, to be an approval granted, and a condition imposed, under section 14(6).

Saving and transitional provisions for persons granted exemptions under MCRBA or PSOA

123.—(1) Any person that, immediately before the appointed day, was exempt under section 31(3) of the MCRBA from the requirement to hold a remittance licence is deemed, on the appointed day, to be exempt under section 100(4) from sections 5(1) and 6(4) and (5) in respect of any business of providing any cross-border money transfer service carried on by that person.

(2) Any person that, immediately before the appointed day, was exempt under section 31(3) of the MCRBA from the requirement to hold a money-changer's licence is deemed, on the appointed day, to be exempt under section 100(4) from sections 5(1) and 6(3), (4) and (5) in respect of any business of providing any money-changing service carried on by that person.

(3) Any person that, immediately before the appointed day, was exempt under section 53(2) of the PSOA from section 33(1) of the PSOA is deemed, on the appointed day, to be exempt under section 100(4) from sections 5(1) and 6(4) and (5) in respect of any business of providing any e-money issuance service carried on by that person.

(4) Any person that, immediately before the appointed day, was exempt under section 53(2) of the PSOA from section 31 of the PSOA is deemed, on the appointed day, to be exempt under section 100(4) from section 9 in respect of any advertisement, offer or invitation mentioned in section 9 relating to the provision by that

person of an e-money issuance service, an account issuance service, or both of those services.

(5) Every condition or restriction imposed under the MCRBA or the PSOA to which a person mentioned in subsection (1), (2), (3) or (4) is subject, immediately before the appointed day — 5

(a) as a person exempt under section 31(3) of the MCRBA from the requirement to hold a remittance licence or a money-changer's licence; or

(b) as a person exempt under section 53(2) of the PSOA from section 31 or 33(1) of the PSOA, 10

is deemed, on the appointed day, to be a condition or restriction to which that person is subject as a person exempt under section 100(4).

Pending applications for licences and renewals under MCRBA and pending applications for certain approvals under PSOA

124.—(1) Any application for a renewal of a remittance licence or money-changer's licence that is pending, immediately before the appointed day, is deemed to have been withdrawn on the appointed day, and the Authority must refund any fee paid for that application to the applicant. 15

(2) Any application for any of the following licences and approvals that is pending, immediately before the appointed day, is deemed to have been withdrawn on the appointed day, and the Authority must refund any fee paid for that application to the applicant: 20

(a) a remittance licence or money-changer's licence;

(b) approval as an approved holder of a stored value facility; 25

(c) approval as an approved bank in respect of a stored value facility.

Saving and transitional provisions for designated payment systems

125.—(1) Any payment system that, immediately before the appointed day, is a designated payment system under section 7(1) 30

of the PSOA is deemed, on the appointed day, to be a designated payment system under section 42(1).

5 (2) Any condition or restriction to which a person is subject, immediately before the appointed day, in the person's capacity as an operator, a settlement institution or a participant of a designated payment system under the PSOA, is deemed, on the appointed day, to be a condition or restriction to which that person is subject under this Act, only to the extent that the condition or restriction is consistent with the provisions of this Act.

10 (3) Any individual who, immediately before the appointed day, is a chief executive officer or director of an operator of a designated payment system under the PSOA is deemed, on the appointed day, to have been appointed as chief executive officer or director (as the case may be) of that operator with the approval of the Authority under
15 section 65(3)(b) of this Act.

(4) Any approval mentioned in section 23(1) of the PSOA that remains in force immediately before the appointed day is deemed, on the appointed day, to be an approval under section 59(3) of an application under section 59(1) to be a 5% controller of an operator of
20 a designated payment system.

(5) Any approval mentioned in section 23(2) of the PSOA (for a person to become a 12% controller of an operator of a designated payment system) that remains in force immediately before the appointed day is deemed, on the appointed day, to be an approval
25 under section 59(3) of an application under section 59(1) to be a 12% controller of an operator of a designated payment system.

(6) Any approval mentioned in section 23(2) of the PSOA (for a person to become a 20% controller of an operator of a designated payment system) that remains in force immediately before the
30 appointed day is deemed, on the appointed day, to be an approval under section 59(3) of an application under section 59(1) to be a 20% controller of an operator of a designated payment system.

(7) Any condition or restriction imposed under section 24 of the PSOA for an approval mentioned in section 23(1) or (2) of the PSOA
35 is deemed, on the appointed day, to be a condition or restriction

imposed under section 59(4) for the corresponding approval under section 59(3).

Other saving and transitional provisions

126. For a period of 2 years after the date of commencement of any provision of this Act, the Minister may, by regulations, prescribe such additional provisions of a saving or transitional nature consequent to the enactment of that provision as the Minister may consider necessary or expedient.

5

FIRST SCHEDULE

Sections 2 and 107

10

PAYMENT SERVICES

PART 1

SERVICES THAT ARE PAYMENT SERVICES

1. Except where Part 2 of this Schedule provides otherwise, each of the following services is a payment service for the purposes of this Act:

15

- (a) an account issuance service;
- (b) a domestic money transfer service;
- (c) a cross-border money transfer service;
- (d) a merchant acquisition service;
- (e) an e-money issuance service;
- (f) a digital payment token service;
- (g) a money-changing service.

20

PART 2

SERVICES THAT ARE NOT PAYMENT SERVICES

2. Despite Part 1 of this Schedule, the following services are not payment services for the purposes of this Act:

25

- (a) the service of executing a payment transaction on behalf of the payer or the payee, if performed by a commercial agent authorised to negotiate or conclude the sale or purchase of goods or services on behalf of the payer or the payee, as the case may be;

30

FIRST SCHEDULE — *continued*

- (b) the service of executing a payment transaction based on any of the following documents, each being a document drawn on a person with a view to placing money at the disposal of the payee:
- 5 (i) any cheque, cashier's order, drawing voucher, dividend warrant, demand draft, remittance receipt, traveller's cheque or gift cheque;
- (ii) any paper postal order;
- (c) the service of executing any payment transaction within a payment system or securities settlement system between any 2 or more participants of the system (each being a payment service provider, settlement agent, central counterparty, clearing house, central bank or any other participant of the system);
- 10
- (d) the service of executing any payment transaction between 2 or more persons (each being a payment services provider, an agent of that payment service provider, or a branch of that payment service provider), each of which acts for its own account in the payment transaction, in any case where the service is provided by one of those persons;
- 15
- (e) the service of executing payment transactions (including both domestic money transfers and cross-border money transfers) between 2 or more related corporations, in any case where the payment transaction —
- 20 (i) is not executed through a payment service provider; or
- (ii) is executed through a payment service provider that is one of those related corporations;
- 25
- (f) the service of transporting currency, including the collection, processing and delivery of the currency, where the provision of the service is carried on as a business;
- (g) the service of collecting and delivering currency, where no fee is collected for the service, and the service is provided as a not-for-profit or charitable activity;
- 30
- (h) any service, including (but not limited to) any of the following services, provided by any technical service provider that supports the provision of any payment service, but does not at any time enter into possession of any money under that payment service:
- 35 (i) the service of processing and storing data;

FIRST SCHEDULE — *continued*

- (ii) any information technology security, trust or privacy protection service;
- (iii) any data and entity authentication service;
- (iv) any information technology service; 5
- (v) the service of providing a communication network;
- (vi) the service of providing and maintaining any terminal or device used for any payment service;
- (i) any payment service mentioned in Part 1 of this Schedule that is provided by any person licensed, approved, registered or regulated, or exempt from being licensed, approved, registered or regulated, under any of the following Acts, in any case where the payment service is solely incidental to or necessary solely for that person to carry on that person’s business in any regulated activity for which that person is so licensed, approved, registered, regulated or exempt from being licensed, approved, registered or regulated: 10 15
 - (i) Financial Advisers Act (Cap. 110);
 - (ii) Insurance Act (Cap. 142);
 - (iii) Securities and Futures Act (Cap. 289);
 - (iv) Trust Companies Act (Cap. 336); 20
- (j) any payment service mentioned in Part 1 of this Schedule that is provided by any person in respect only of any limited purpose e-money;
- (k) any service of dealing in, or facilitating the exchange of, any central bank digital payment token, carried out by a central bank or financial institution; 25
- (l) any service of dealing in, or facilitating the exchange of, any limited purpose digital payment token.

PART 3

INTERPRETATION 30

3. In this Schedule, unless the context otherwise requires —

“account issuance service” means any of the following services:

- (a) the service of issuing a payment account to any person in Singapore;

FIRST SCHEDULE — *continued*

(b) any service relating to any operation required for operating a payment account, including —

(i) any service (other than a domestic money transfer service or a cross-border money transfer service) that enables money to be placed in a payment account; or

(ii) any service (other than a domestic money transfer service or a cross-border money transfer service) that enables money to be withdrawn from a payment account;

“associated company”, in relation to an issuer of electronically stored monetary value, means a company at least 20%, but not more than 50%, of the shares of which are held by the issuer, or by the issuer and its subsidiaries (if any);

“central bank digital payment token” means any digital payment token that is issued by a central bank, or by any entity authorised by a central bank to issue a digital payment token on behalf of the central bank;

“commercial agent” means any person that carries on a business of acting as an authorised agent for another person, for the purposes of negotiating or concluding the sale or purchase of goods or services on behalf of that other person;

“cross-border money transfer service” means either of the following services:

(a) any service of accepting money in Singapore, whether as principal or agent, for the purpose of transmitting, or arranging for the transmission of, the money to any person outside Singapore (other than any such service that the Authority may prescribe);

(b) any service of receiving any money from outside Singapore for, or arranging for the receipt of any money from outside Singapore by, any person in Singapore (other than any such service that the Authority may prescribe), whether as principal or as agent;

“direct debit” means the act of debiting a payer’s payment account pursuant to a payment transaction initiated by a payee with the consent of the payer, regardless whether the payment order is given by the payee to the payee’s payment service provider or to the payer’s payment service provider;

“dealing in”, in relation to any digital payment token, means the buying or selling of that digital payment token in exchange for any money or any

FIRST SCHEDULE — *continued*

other digital payment token (whether of the same or a different type), but does not include any of the following:

- (a) facilitating the exchange of digital payment tokens;
- (b) accepting any digital payment token as a means of payment for the provision of goods or services; 5
- (c) using any digital payment token as a means of payment for the provision of goods or services;

“digital payment token exchange” —

- (a) means a place, or a facility (whether electronic or otherwise), where — 10
 - (i) offers or invitations to buy or sell any digital payment token in exchange for any money or any other digital payment token (whether of the same or a different type), are regularly made on a centralised basis; 15
 - (ii) those offers or invitations are intended, or may reasonably be expected, to result (whether directly or indirectly) in the acceptance of those offers or in the making of offers to buy or sell digital payment tokens in exchange for money or other digital payment tokens (whether of the same or a different type), as the case may be; and 20
 - (iii) the person making any such offer or invitation, and the person accepting that offer or making an offer in response to that invitation, are different persons; but 25
- (b) does not include a place or facility (whether electronic or otherwise) that is used exclusively by one person to do only either or both of the following things:
 - (i) to make offers or invitations to buy or sell any digital payment token in exchange for any money, or any digital payment token (whether of the same or a different type); 30
 - (ii) to accept any offer to buy or sell any digital payment token in exchange for any money, or any digital payment token (whether of the same or a different type); 35

FIRST SCHEDULE — *continued*

“digital payment token service” means any of the following services:

(a) any service of dealing in digital payment tokens (other than any such service that the Authority may prescribe);

5 (b) any service of facilitating the exchange of digital payment tokens (other than any such service that the Authority may prescribe);

“domestic money transfer service” means the service of accepting money for the purpose of executing, or arranging for the execution of, any of the following payment transactions, each of which is between a payer in Singapore and a payee in Singapore, in any case where neither the payer nor the payee is a financial institution:

(a) a payment transaction executed from, by way of or through a payment account;

15 (b) a direct debit (including a one-off direct debit) through a payment account;

(c) a credit transfer (including a standing order) through a payment account;

20 (d) accepting any money from any person for transfer to the payment account of a different person;

“e-money issuance service” means the service of issuing e-money to any person for the purpose of allowing a person to make payment transactions;

“facilitating the exchange of”, in relation to any type of digital payment token, means establishing or operating a digital payment token exchange for that type of digital payment token, in a case where the person that establishes or operates that digital payment token exchange, for the purposes of an offer or invitation (made or to be made on that digital payment token exchange) to buy or sell that type of digital payment token in exchange for any money or any digital payment token (whether of that type or a different type), comes into possession of any money or any digital payment token, whether at the time that offer or invitation is made or otherwise;

“facilitating the exchange of digital payment tokens” means establishing or operating a digital payment token exchange, in a case where the person that establishes or operates that digital payment token exchange, for the purposes of an offer or invitation (made or to be made on that digital payment token exchange) to buy or sell any digital payment token in exchange for any money or any digital payment token (whether of the same or a different type), comes into possession of any money or any

FIRST SCHEDULE — *continued*

digital payment token, whether at the time that offer or invitation is made or otherwise;

“financial institution” means any person that —

- (a) is licensed, approved, registered or regulated, or is exempt from being licensed, approved, registered or regulated, by the Authority under any written law; or 5
- (b) is licensed, approved, registered or regulated, or is exempt from being licensed, approved, registered or regulated, under any law administered by an authority in a foreign country (the functions of which correspond to the functions of the Authority in Singapore) to carry on any financial activity in that country; 10

“financial product” means any product or service that is provided by a financial institution;

“franchise” means a written agreement or arrangement between 2 or more persons by which — 15

- (a) a party (called in this definition the franchisor) to the agreement or arrangement authorises or permits another party (called in this definition the franchisee) to the agreement or arrangement, or a person associated with the franchisee, to engage in the business of offering, selling or distributing goods or services in Singapore under a plan or system controlled by the franchisor or a person associated with the franchisor; 20
- (b) the business carried on by the franchisee or person associated with the franchisee (as the case may be) is capable of being identified by the public as associated with a trade mark or service mark, logo, symbol or name identifying, commonly connected with or controlled by the franchisor or person associated with the franchisor, as the case may be; 25
- (c) the franchisor or person associated with the franchisor (as the case may be) exerts, or has authority to exert, a significant degree of control over the method or manner of operation of the business of the franchisee or person associated with the franchisee, as the case may be; 30
- (d) the franchisee or person associated with the franchisee (as the case may be) is required under the agreement or arrangement to make payment, or give some other form of consideration, to the franchisor or person associated with the franchisor, as the case may be; and 35

FIRST SCHEDULE — *continued*

(e) the franchisor or person associated with the franchisor (as the case may be) agrees to communicate to the franchisee or person associated with the franchisee (as the case may be) knowledge, experience, expertise, know-how, trade secrets or other information, whether or not the knowledge, experience, expertise, know-how or information is proprietary or confidential;

“in-game asset” means any digital representation of value that —

- (a) is purchased or otherwise acquired by a person (called in this definition the game player);
- (b) is not denominated in any currency;
- (c) is issued as part of an online game; and
- (d) is used by the game player to pay or in exchange for virtual objects or services in the online game;

“limited network of providers of goods or services”, in relation to any electronically stored monetary value that is accepted by a member of the network as payment or part payment for goods or services, means any of the following groups of entities:

- (a) a group of entities consisting only of all parties to a franchise, of which the issuer of the electronically stored monetary value is a party;
- (b) a group of entities consisting only of the issuer of the electronically stored monetary value and all of its related corporations;
- (c) where any securities or securities-based derivatives contracts of the issuer of the electronically stored monetary value are listed on the Mainboard of Singapore Exchange Limited, a group of entities consisting only of that issuer and all of its associated companies;

“limited purpose digital payment token” means any non-monetary customer loyalty or reward point, any in-game asset, or any similar digital representation of value that —

- (a) cannot be returned to its issuer, transferred or sold in exchange for money; and

FIRST SCHEDULE — *continued*

(b) may only be used —

- (i) in the case of a non-monetary customer loyalty or reward point — for the payment or part payment of, or in exchange for, goods or services, or both, provided by its issuer or any merchant specified by its issuer; or 5
- (ii) in the case of an in-game asset — for the payment of, or in exchange for, virtual objects or virtual services within an online game, or any similar thing within, that is part of, or in relation to, an online game; 10

“limited purpose e-money” means any of the following types of electronically stored monetary value:

- (a) any electronically stored monetary value that is, or is intended to be, used only in Singapore for any of the following purposes:
 - (i) the payment or part payment of goods or services (or both) provided by the issuer of the electronically stored monetary value; 15
 - (ii) the payment or part payment of goods or services (or both) provided by any member of a limited network of providers of goods or services, being a network that has a commercial arrangement with the issuer of the electronically stored monetary value for every member of the network to accept the electronically stored monetary value as payment or part payment for goods or services (or both) provided by the member; 20 25
 - (iii) the payment or part payment of goods or services (or both) provided by any person within any one or more physical premises owned, operated or managed by the issuer of the electronically stored monetary value, or any related corporation or associated company of that issuer, in a case where all of the following conditions are satisfied: 30
 - (A) the user of the electronically stored monetary value is not contractually entitled to receive any refund of any unused portion of the electronically stored monetary value in any currency; 35
 - (B) if the electronically stored monetary value exceeds \$100 (or its equivalent in a foreign

FIRST SCHEDULE — *continued*

5 currency), any unused portion of the electronically stored monetary value cannot be refunded to the user of the electronically stored monetary value in any currency, unless the issuer identifies and verifies the identity of that user;

10 (C) the electronically stored monetary value cannot be withdrawn by the user of the electronically stored monetary value, from any payment account maintained for that user, in exchange for any currency;

15 (D) the amount of electronically stored monetary value contained in any payment account maintained for the electronically stored monetary value cannot exceed \$1,000 (or its equivalent in a foreign currency);

(b) any electronically stored monetary value that is, or is intended to be, used only in Singapore in a case where —

20 (i) all of the electronically stored monetary value is issued by a public authority; or

25 (ii) a public authority has undertaken to be fully liable for the value of all of the electronically stored monetary value issued by the issuer of the electronically stored monetary value, in the event of any default by the issuer in honouring a valid payment made using the electronically stored monetary value;

(c) any electronically stored monetary value, that —

30 (i) is denominated in any currency;

(ii) is issued as part of a scheme, the dominant purpose of which is to promote the purchase of goods, or the use of services, provided by the issuer of the electronically stored monetary value or any merchant specified by that issuer;

35 (iii) is issued to a user of the electronically stored monetary value upon the purchase of goods, or the use of services, provided by the issuer of the electronically stored monetary value or any merchant specified by that issuer;

FIRST SCHEDULE — *continued*

- (iv) is used for the payment or part payment of goods or services (or both) provided by the issuer of the electronically stored monetary value or any merchant specified by that issuer; 5
 - (v) is not part of a financial product;
 - (vi) cannot be withdrawn by the user of the electronically stored monetary value, from any payment account maintained for that user, in exchange for currency; and
 - (vii) if the electronically stored monetary value exceeds \$100 (or its equivalent in a foreign currency), cannot be refunded to the user of the electronically stored monetary value in any currency, unless the issuer of the electronically stored monetary value identifies and verifies the identity of that user; 10 15
- “merchant acquisition service” means any service of accepting and processing a payment transaction for a merchant under a contract between the provider of the service and the merchant, which results in a transfer of money to the merchant pursuant to the payment transaction, regardless whether the provider of the service comes into possession of any money in respect of the payment transaction, in a case where — 20
- (a) the merchant carries on business in Singapore, or is incorporated, formed or registered in Singapore; or
 - (b) the contract between the provider of the service and the merchant is entered into in Singapore; 25
- “money-changing service” means the service of buying or selling foreign currency notes;
- “non-monetary customer loyalty or reward point” means any digital representation of value, by whatever name called, that satisfies all of the following conditions: 30
- (a) it is not denominated in any currency;
 - (b) it is issued as part of a scheme, the dominant purpose of which is to promote the purchase of goods, or the use of services, provided by its issuer or any merchant specified by its issuer;
 - (c) it is issued to a person upon the purchase of goods, or the use of services, provided by its issuer or any merchant specified by its issuer; 35

FIRST SCHEDULE — *continued*

(d) it is used for the payment or part payment of, or in exchange for, goods or services (or both) provided by its issuer or any merchant specified by its issuer;

5 (e) it is not part of a financial product;

“related corporation” has the meaning given by section 4(1) of the Companies Act (Cap. 50).

4. For the purposes of this Schedule —

10 (a) a person is deemed to provide a cross-border money transfer service if that person offers —

(i) to transmit money in Singapore on behalf of a person in Singapore to a person outside Singapore;

15 (ii) to arrange in Singapore for money in Singapore to be transmitted from a person in Singapore to a person outside Singapore;

(iii) to receive money in Singapore on behalf of a person in Singapore from a person outside Singapore; or

(iv) to arrange in Singapore for money to be received in Singapore by a person in Singapore from a person outside Singapore; and

20 (b) a person is deemed to provide a money-changing service if the person offers to buy or sell foreign currency notes.

SECOND SCHEDULE

Sections 4(2) and 107

SPECIFIED PROVISIONS

25 1. Section 13(3)

2. Section 100(4)

EXPLANATORY STATEMENT

This Bill seeks to provide for the licensing and regulation of payment service providers, the oversight of payment systems, and connected matters.

The Bill also repeals the Money-changing and Remittance Businesses Act (Cap. 187) and the Payment Systems (Oversight) Act (Cap. 222A), and makes consequential and related amendments to certain other Acts.

PART 1

PRELIMINARY

Part 1 (comprising clauses 1 to 4) deals with preliminary matters.

Clause 1 relates to the short title and commencement.

Clause 2 defines certain terms used in the Bill. The clause also explains when a person has an interest in a share, what constitutes control of a percentage of the votes in a corporation, when a person is an associate of another person, when a person has a substantial shareholding in a corporation, and (for certain specified provisions) when a payment service (or the provision of a payment service) is incidental to any other business carried on by a person.

Clause 3 provides that the Bill does not apply to any public authority, but empowers the Minister to declare that a public authority is one to which the Bill applies. Thus, generally, the Bill does not regulate any public authority that provides any payment service, or is an operator, a settlement institution or a participant of a payment system.

Clause 4 empowers the Monetary Authority of Singapore (the Authority) to appoint any person to exercise any of the Authority's powers, or perform any of the Authority's functions or duties, under the Bill, subject to certain restrictions.

PART 2

LICENSING OF PAYMENT SERVICE PROVIDERS

Part 2 (comprising clauses 5 to 40) deals with the licensing and regulation of payment service providers.

Clause 5(1) prohibits a person from carrying on a business of providing any type of payment service in Singapore, unless the person has in force a licence that entitles the person to carry on a business of providing that type of payment service, or is an exempt payment service provider in respect of that type of payment service. Clause 5(3) makes it an offence to contravene clause 5(1).

Clause 5(2) stipulates that where a person provides any type of payment service while the person carries on any primary business, the person is presumed

to carry on a secondary business of providing that type of payment service, regardless whether the provision of that type of payment service is related or incidental to the primary business. Unless the person is able to rebut this presumption, the person must have in force an appropriate licence in order to provide that type of payment service. This statutory presumption is not rebutted merely by proof that the provision of that type of payment service is related or incidental, or is both related and incidental, to the primary business. The need for this presumption has come about by reason of the decision of the High Court in *Chinpo Shipping Co (Pte) Ltd v Public Prosecutor* [2017] SGHC 108, which suggests that the undertaking of remittances that are purely incidental to a primary business of ship agency and ship chandelling would not have constituted the carrying on of a remittance business for the purpose of section 6(1) of the Money-changing and Remittance Businesses Act.

Clause 6 sets out the 3 types of licences that a person can apply for, namely, a money-changing licence, a standard payment institution licence and a major payment institution licence, and provides for matters related to an application for, and the grant of, a licence. The clause also prohibits a licensee from carrying on a business of providing certain payment services if the total values (e.g. of payment transactions or e-money) involved exceed certain thresholds, unless the licensee has in force a major payment institution licence.

Clause 7 provides for matters related to a variation of a standard payment institution licence or major payment institution licence (by a change of the types of payment services that may be provided under the licence), or a change of the type of licence, held by a licensee.

Clause 8 prohibits a person from holding the person out as carrying on a business of providing any type of payment service, unless the person is a licensee, an exempt payment service provider, or a person exempt under clause 100, in respect of that type of payment service. The clause also prohibits a person from holding the person out as a licensee, unless the person has in force a licence.

Clause 9 prohibits a person (other than a licensee or an exempt payment service provider) from doing certain things. The clause also prohibits a person in Singapore (whether or not a licensee or an exempt payment service provider) from doing certain things on behalf of a person outside Singapore who is not a licensee and is not an exempt payment service provider. The things that the person is prohibited from doing are as follows:

- (a) offering to provide (or issuing an advertisement containing an offer to provide) any payment service to the public, or any section of the public, in Singapore;
- (b) making an offer or invitation (or issuing an advertisement containing an offer or invitation) to the public, or any section of the public, in

Singapore, to enter into any agreement relating to the provision of any type of payment service.

Clause 10 requires a licensee to pay a prescribed annual fee to the Authority. The clause also empowers the Authority to prescribe different annual fees for different classes of licensees, depending on the type and number of payment services that a licensee is entitled to carry on a business of providing, the volume of transactions accepted, processed or executed by a licensee, and all other factors which the Authority may consider relevant.

Clause 11 provides for the surrender of a licence, and sets out the circumstances in which a licence lapses or may be revoked by the Authority. The Authority may suspend a licence instead of revoking it, and may extend or cancel the suspension. The clause also sets out the obligations of a licensee on the lapsing, revocation or suspension of a licence.

Clause 12 enables a person aggrieved by the Authority's refusal to grant a licence to the person, or the revocation or suspension of the person's licence, to appeal to the Minister.

Clause 13 exempts certain persons (such as banks licensed by the Authority) from the requirement to have in force a licence to carry on a business of providing any payment service. These persons (called exempt payment service providers) are required to comply with certain provisions of the Bill, but may apply to the Authority to be exempt from complying with any of those provisions. The Authority may prescribe, or specify by notice in writing, the conditions or restrictions imposed on an exempt payment service provider. The Authority may by notification in the *Gazette* declare that a person ceases to be exempt under clause 13(1), or may withdraw an exemption granted to a person under clause 13(3), in certain circumstances. A person that is aggrieved by a decision of the Authority to make such a declaration in respect of the person, or to withdraw an exemption granted to the person under clause 13(3), may appeal to the Minister.

Clause 14 requires a licensee to have a permanent place of business or a registered office in Singapore.

Clause 15 requires a licensee to notify the Authority of the occurrence of certain events, such as any civil or criminal proceedings instituted against the licensee (whether in Singapore or elsewhere), and any event (including an irregularity in the operations of the licensee) that materially impedes or impairs the operations of the licensee.

Clause 16 empowers the Authority to require a licensee to provide to the Authority information relating to the licensee's business of providing any payment service. This is to facilitate the performance of the Authority's regulatory function.

Clause 17 empowers the Authority to require a licensee to submit periodic reports or returns relating to the licensee's business to the Authority. This is also to facilitate the performance of the Authority's regulatory functions.

Clause 18 prohibits a licensee from providing any type of payment service in Singapore through an agent, unless the agent is licensed to carry on a business of providing that type of payment service or is an exempt payment service provider in respect of that type of payment service.

Clause 19 prohibits a licensee that carries on a business of providing an account issuance service from doing any of the following things, where certain matters apply:

- (a) allowing a payment service user, to whom the licensee has issued any payment account or provided any service relating to any operation required for operating a payment account, to withdraw e-money from that payment account and to exchange that e-money for Singapore currency, at the licensee's place of business;
- (b) entering into any agreement or arrangement, with any entity incorporated, formed or registered, or carrying on a business, in Singapore, that would allow a payment service user, to whom the licensee has issued any payment account or provided any service relating to any operation required for operating a payment account, to withdraw e-money from that payment account and to exchange that e-money for Singapore currency, in Singapore.

Clause 20 prohibits a licensee from carrying on a business of granting any credit facility to any individual in Singapore. The clause also prohibits a licensee that carries on a business of providing an e-money issuance service from lending any customer money, or using any customer money (or any interest earned on that customer money) to finance wholly or to a material extent any activity of any business carried on by the licensee.

Clause 21 states that section 14 of the Currency Act (Cap. 69) does not apply to the issue of e-money.

Clause 22 requires a major payment institution to maintain with the Authority security to ensure that the major payment institution fulfils its obligations to its customers. The clause empowers the Authority to use the deposit to pay any sums claimed by the customers of the major payment institution, where the major payment institution has surrendered its licence, or that licence has lapsed or has been revoked.

Clause 23 requires every major payment institution that carries on a business of providing a domestic money transfer service, a cross-border money transfer service, a merchant acquisition service or an e-money issuance service to safeguard, in the manner set out in the clause, the whole or such part (as may be

prescribed) of the money received from, or an account of, a customer. The clause also provides for the obligations of a major payment institution and a safeguarding institution in respect of such safeguarding, and for the clause to apply with the necessary modifications to any licensee, other than a major payment institution, that may be prescribed.

Clause 24 requires a major payment institution that carries on a business of providing an account issuance service to ensure that —

- (a) the currency equivalent of the e-money contained in a personal payment account issued to a payment service user does not exceed the prescribed amount;
- (b) the total currency equivalent of the e-money transferred in one year from a personal payment account issued to a payment service user (other than to a personal deposit account in the name of or designated by that payment service user) does not exceed the prescribed amount; and
- (c) if the major payment institution issues 2 or more personal payment accounts to the same payment service user —
 - (i) the total currency equivalent of the e-money contained in all personal payment accounts issued to that payment service user does not exceed the prescribed amount; and
 - (ii) the total currency equivalent of the e-money transferred in one year from all personal payment accounts issued to that payment service user (other than to any personal deposit account in the name of or designated by that payment service user) does not exceed the prescribed amount.

Clause 25 empowers the Authority to issue a notice in writing directing a payment service provider (being a major payment institution, an exempt payment service provider or a person exempt under clause 100) to be a participant of a payment system, or to enter into an arrangement with the operator of the payment system, to ensure interoperability between payment accounts issued by the payment service provider and a payment system. The clause also sets out some of the matters that the Authority must have regard to in considering whether to issue such a notice in writing.

Clause 26 empowers the Authority to issue a notice in writing directing a payment service provider (being a major payment institution, an exempt payment service provider or a person exempt under clause 100) that operates a payment system to adopt any common standard, on such terms and conditions as the Authority may consider appropriate, in order to ensure interoperability between different payment systems operated by different payment service providers.

Clause 27 specifies the persons to whom Division 3 of Part 2 applies.

Clause 28 requires a person to apply for and obtain the Authority's approval to become a 20% controller of a licensee.

Clause 29 enables the Authority to serve a written notice of objection on a person that is, or is required to obtain or has obtained the Authority's approval to become, a 20% controller of a licensee. The notice of objection may require the person to cease to be a 20% controller of a licensee, or to comply with a direction under clause 30 (relating to the transfer or disposal of shares in the licensee). A person served with a notice of objection must comply with the notice within the time specified by the Authority in the notice.

Clause 30 empowers the Authority, in a case where the Authority is satisfied that a person has contravened certain provisions of, or has failed to comply with any condition under, clause 28, or where the Authority has served a written notice of objection under clause 29, to do any of the following things by notice in writing:

- (a) direct the transfer or disposal of all or any of the person's shares in the licensee;
- (b) restrict the transfer or disposal of all or any of those shares;
- (c) make such other direction as the Authority considers appropriate.

Clause 31 empowers the Authority to direct a licensee, by notice in writing, to provide to the Authority any information relating to any of the licensee's shareholders that the Authority may require for certain regulatory purposes. The clause also empowers the Authority to direct a shareholder of the licensee, or a person that appears to have an interest in any share in the licensee, to provide to the Authority certain information relating to that shareholder or person.

Clause 32 sets out certain offences, penalties and defences applicable to Division 3 of Part 2.

Clause 33 enables certain persons aggrieved by certain decisions of the Authority under Division 3 of Part 2 to appeal to the Minister.

Clause 34 requires a licensee to apply for and obtain the Authority's approval before appointing an individual as —

- (a) in the case of a licensee incorporated or formed in Singapore — the chief executive officer, a director or a partner of the licensee; or
- (b) in the case of a licensee incorporated or formed outside Singapore — the chief executive officer, a director or a partner of the licensee who is directly responsible for the whole or any part of the licensee's business in Singapore.

Clause 35 empowers the Authority to direct a licensee incorporated or formed in Singapore to remove the chief executive officer, a director or a partner of the licensee on certain grounds.

Clause 36 enables certain persons aggrieved by certain decisions of the Authority under Division 4 of Part 2 to appeal to the Minister.

Clause 37 requires a licensee to appoint an auditor on an annual basis, and provides for matters concerning the duties and remuneration of an auditor of a licensee. The clause also empowers the Authority —

- (a) to appoint an auditor for a licensee in certain circumstances;
- (b) to impose additional duties on an auditor of a licensee; and
- (c) to require a licensee to replace an auditor of the licensee, if the Authority is not satisfied with the auditor's performance of any duty.

Clause 38 sets out the powers that an auditor, who is appointed by the Authority, may exercise for the purpose of carrying out an examination or audit.

Clause 39 prohibits an auditor of a licensee, and an employee of the auditor, from disclosing information that comes to the auditor's or employee's knowledge in the course of performing the auditor's or employee's duties, except in certain cases.

Clause 40 criminalises certain acts done with the intention to prevent, delay or obstruct the carrying out of an examination or audit.

PART 3

PAYMENT SYSTEMS

Part 3 (comprising clauses 41 to 71) deals with the oversight of payment systems, and mainly updates the regulatory regime for payment systems (in particular, designated payment systems and their operators, settlement institutions and participants) under the Payment Systems (Oversight) Act.

Clause 41 empowers the Authority to require any participant, operator or settlement institution of a payment system (or any person acting on behalf of the operator) to provide to the Authority information relating to the payment system.

Clause 42 empowers the Authority to designate a payment system as a designated payment system. The clause also sets out the considerations that the Authority may take into account in deciding whether to designate a payment system as a designated payment system.

Clause 43 prohibits a person from holding the person out as the operator or settlement institution of a designated payment system unless the Authority has designated the payment system as a designated payment system.

Clause 44 empowers the Authority to impose conditions or restrictions on an operator, a settlement institution or a participant of a designated payment system.

Clause 45 empowers the Authority to withdraw the designation of a designated payment system when the applicable consideration for designating that payment system is no longer valid or satisfied.

Clause 46 sets out the exemptions applicable to an operator, a settlement institution or a participant of a payment system that is designated to ensure efficiency or competitiveness in any of the services provided by the operator of the payment system.

Clause 47 requires an operator and a settlement institution of a designated payment system to establish a permanent place of business or a registered office in Singapore.

Clause 48 requires an operator or a settlement institution of a designated payment system to notify the Authority of the occurrence of certain events, such as an intention to make a material change to the nature of the operating rules, settlement procedures or activities of the designated payment system, and an event or irregularity that impedes or prevents access to, or impairs the usual operations of, the designated payment system or its settlement operations.

Clause 49 requires an operator of a designated payment system to submit to the Authority periodic reports or returns.

Clause 50 requires an operator of a designated payment system to notify the Authority of the carrying on by the operator of any business (the firstmentioned business) other than, or the acquisition by the operator of a substantial shareholding in a corporation that does not carry on, the business of operating a payment system, a business incidental to operating a payment system, or a prescribed business or class of businesses. The clause also empowers the Authority to direct an operator of a designated payment system to cease carrying on the firstmentioned business, to carry on the firstmentioned business subject to such conditions or restrictions as the Authority may impose, to dispose of the operator's shareholding in the corporation, or to exercise the operator's rights relating to that shareholding subject to such conditions or restrictions as the Authority may impose.

Clause 51 empowers the Authority to impose an access regime in respect of a relevant payment system on one or more of the following persons or classes of persons:

- (a) a participant or class of participants of that payment system;
- (b) an operator, or a class of operators, of that payment system;
- (c) a settlement institution or class of settlement institutions of that payment system;
- (d) any other person or class of persons that determines access to that payment system.

The clause also sets out the matters that the Authority must have regard to in considering whether to impose an access regime.

Clause 52 empowers the Authority to vary an access regime, and sets out the matters that the Authority must have regard to in considering whether to vary an access regime.

Clause 53 specifies when an access regime ceases to be in force. The clause also empowers the Authority to revoke an access regime, and sets out the matters that the Authority must have regard to in considering whether to revoke an access regime.

Clause 54 enables a person that has been denied access to a relevant payment system to apply to the High Court for certain orders.

Clause 55 defines certain terms used in Division 5 of Part 3.

Clauses 56 and 57 provide for certain matters relating to the voluntary transfer of the business of an operator or a settlement institution of a designated payment system. An operator or a settlement institution of a designated payment system may transfer the whole or part of its business (including any business that is not the usual business of an operator or a settlement institution of a designated payment system) to a transferee, if (among other things) the Authority has consented to the transfer, and the High Court has approved the transfer. Clauses 56 and 57 do not apply to the transfer of any business of an operator or a settlement institution of a designated payment system under any other law.

Clause 58 specifies the persons to whom Division 6 of Part 3 applies.

Clause 59 requires a person to apply for and obtain the Authority's approval to become a 5% controller, a 12% controller, a 20% controller or an indirect controller of an operator of a designated payment system, or to enter into an agreement or arrangement described in clause 59(2).

Clause 60 enables the Authority to serve a written notice of objection on a person that is, or is required to obtain or has obtained the Authority's approval to become, a 5% controller, a 12% controller, a 20% controller or an indirect controller of an operator of a designated payment system, or is required to obtain or has obtained the Authority's approval to enter into an agreement or arrangement described in clause 59(2). The notice of objection may require the person to cease to be a 5% controller, a 12% controller, a 20% controller or an indirect controller (as the case may be) of the operator, to take steps to cease to be a party to the agreement or arrangement described in clause 59(2), or to comply with a direction under clause 61 (relating to the transfer or disposal of shares in the operator). A person served with a notice of objection must comply with the notice within the time specified by the Authority in the notice.

Clause 61 empowers the Authority, in a case where the Authority is satisfied that a person has contravened certain provisions of, or has failed to comply with

any condition under, clause 59, or where the Authority has served a written notice of objection under clause 60, to do any of the following things by notice in writing:

- (a) direct the transfer or disposal of all or any of the person's shares in the operator of a designated payment system;
- (b) restrict the transfer or disposal of all or any of those shares; or
- (c) make such other direction as the Authority considers appropriate.

Clause 62 empowers the Authority to direct an operator of a designated payment system, by notice in writing, to provide to the Authority any information relating to any of the operator's shareholders that the Authority may require for certain regulatory purposes. The clause also empowers the Authority to direct a shareholder of the operator, or a person that appears to have an interest in any share in the operator, to provide to the Authority certain information relating to that shareholder or person.

Clause 63 sets out certain offences, penalties and defences applicable to Division 6 of Part 3.

Clause 64 enables certain persons aggrieved by certain decisions of the Authority under Division 6 of Part 3 to appeal to the Minister.

Clause 65 requires an operator of a designated payment system to apply for and obtain the approval of the Authority before appointing an individual as —

- (a) in the case of a Singapore operator of a designated payment system — the chief executive officer or a director of the operator; or
- (b) in the case of any other operator of a designated payment system — the chief executive officer or a director of the operator who is directly responsible for the whole or any part of the operator's business in Singapore.

Clause 66 empowers the Authority to direct an operator or a settlement institution of a designated payment system to remove an executive officer or a director of the operator or settlement institution (as the case may be) on certain grounds.

Clause 67 enables certain persons aggrieved by certain decisions of the Authority under Division 7 of Part 3 to appeal to the Minister.

Clause 68 requires an operator or a settlement institution of a designated payment system to appoint an auditor on an annual basis, and provides for matters concerning the duties and remuneration of an auditor of an operator or a settlement institution of a designated payment system. The clause also empowers the Authority —

- (a) to appoint an auditor for an operator or a settlement institution of a designated payment system in certain circumstances;

- (b) to impose additional duties on an auditor of an operator or a settlement institution of a designated payment system; and
- (c) to require an operator or a settlement institution of a designated payment system to replace an auditor of the operator or settlement institution (as the case may be) if the Authority is not satisfied with the auditor's performance of any duty.

Clause 69 sets out the powers that an auditor, who is appointed by the Authority, may exercise for the purpose of carrying out an examination or audit.

Clause 70 prohibits an auditor of an operator or a settlement institution of a designated payment system, and an employee of the auditor, from disclosing information that comes to the auditor's or employee's knowledge in the course of performing the auditor's or employee's duties, except in certain cases.

Clause 71 criminalises certain acts done with the intention to prevent, delay or obstruct the carrying out of an examination or audit.

PART 4

INSPECTION AND INVESTIGATIONS

Part 4 (comprising clauses 72 to 76) confers certain additional powers of inspection and investigation on the Authority.

Clause 72 empowers the Authority to inspect, under conditions of secrecy, the books of a licensee, an exempt payment service provider, an operator of a designated payment system, a settlement institution of a designated payment system, a participant of a designated payment system and a person exempt under clause 100. The clause also sets out the obligations of these persons, and provides for certain matters relating to inspections carried out by the Authority under the clause.

Clause 73 empowers the Authority to conduct an investigation for certain purposes. The clause also provides for certain matters relating to investigations carried out by the Authority under the clause.

Clause 74 provides for the confidentiality, and for restrictions on the disclosure, of the Authority's report produced following an inspection by the Authority under clause 72 or an investigation by the Authority under clause 73.

Clause 75 provides that a person is not excused from disclosing information to the Authority under Part 4 on the ground that the disclosure of the information might tend to incriminate the person. However, if the person claims (before making a statement disclosing the information) that the statement might tend to incriminate the person, that statement is not admissible in evidence against the person in criminal proceedings other than proceedings for an offence under clause 94(3).

Clause 76 makes it clear that Part 4 does not require an advocate and solicitor to disclose any privileged communication made by or to the advocate and solicitor in that capacity. However, the advocate and solicitor must give the name and address (if known to the advocate and solicitor) of the person to whom, or by or on behalf of whom, that privileged communication was made.

PART 5

EMERGENCY POWERS

Part 5 (comprising clauses 77 to 83) deals with the powers that may be exercised by the Authority in an emergency.

Clause 77 defines certain terms that are used in Part 5. In particular, the clause defines an “emergency” as —

- (a) any situation that prevents a designated payment system from carrying out its functions;
- (b) any situation in which, in the opinion of the Authority, the operations of a designated payment system are carried on in a manner likely to be detrimental to the interests of the participants of the designated payment system; or
- (c) any undesirable situation or practice that, in the opinion of the Authority, constitutes an emergency.

Clause 78 empowers the Authority to exercise one or more of the following powers with respect to a payment entity in certain circumstances:

- (a) require the payment entity to take any action or to do or not to do any act in relation to its business;
- (b) appoint a statutory adviser to advise the payment entity on the proper management of such business of the payment entity as the Authority may determine;
- (c) assume control of and manage such business of the payment entity as the Authority may determine, or appoint a statutory manager to do so.

Clause 79 empowers the Authority to exercise certain powers in relation to a designated payment system where the Authority has reason to believe that an emergency exists, or thinks it is necessary or expedient in the interests of the public or a section of the public.

Clause 80 sets out the powers and obligations of the Authority or a statutory manager upon assuming control of the relevant business of a payment entity. The clause also states the effects of such assumption of control on any appointment of an individual as chief executive officer or director of the payment entity.

Clause 81 specifies when a statutory manager is deemed to have assumed control of the relevant business of a payment entity. The clause also specifies the circumstances in which the Authority must cease, or the statutory manager ceases, to be in control of the relevant business, and the circumstances in which the appointment of a statutory manager may be revoked.

Clause 82 sets out the obligations of a current or former chief executive officer, director, executive officer, employee, agent, banker, auditor or office-holder of, or trustee for, a payment entity, during the period when the Authority or a statutory manager is in control of the relevant business of the payment entity.

Clause 83 empowers the Authority to fix the remuneration and expenses a payment entity has to pay to the Authority and any person appointed by the Authority (where the Authority has assumed control of the relevant business of the payment entity), a statutory adviser or a statutory manager.

PART 6

ASSISTANCE TO FOREIGN REGULATORY AUTHORITIES

Part 6 (comprising clauses 84 to 89) deals with the assistance that may be rendered by the Authority to foreign regulatory authorities that exercise functions corresponding to the regulatory functions of the Authority under the Bill.

Clause 84 defines certain terms that are used in Part 6.

Clause 85 sets out the conditions that must be fulfilled before the Authority may provide assistance under Part 6 at the request of a foreign regulatory authority. For example —

- (a) the assistance must be intended for one of several specified purposes;
- (b) the requesting authority must undertake —
 - (i) not to disclose any acquired material to any person (other than a designated third party);
 - (ii) to obtain the prior consent of the Authority before disclosing any acquired material to a designated third party; and
 - (iii) to make such disclosure only in accordance with conditions imposed by the Authority; and
- (c) the matter to which the request relates is of sufficient gravity.

Clause 86 provides that in considering whether to grant the request, the Authority may also consider —

- (a) whether it would be an offence under the Bill if the act or omission to which the request relates were committed in Singapore; and

- (b) whether the requesting authority is willing to extend similar assistance to the Authority and to contribute towards the costs of assistance.

Clause 87 sets out the types of assistance that may be rendered. These include the transmission of material in the Authority's possession to the requesting authority, and the ordering of a person to provide material or an oral statement to the Authority for onward transmission to the requesting authority, or to transmit material directly to the requesting authority.

Clause 88 makes it an offence for a person to do certain acts, namely, refusing or failing to comply with an order made under clause 87(1)(b), (c) or (d), providing to the Authority or transmitting to the requesting authority any material or copy of material that the person knows to be false or misleading in a material particular, or making to the Authority a statement that is false or misleading in a material particular.

Clause 89 provides certain immunities to a person that complies with an order made under clause 87(1)(b), (c) or (d).

PART 7

OFFENCES

Part 7 (comprising clauses 90 to 96) provides for matters relating to offences under the Bill.

Clause 90 provides for the circumstances under which certain persons of a corporation assume liability for an offence that the corporation commits under the Bill. The clause also states what constitutes evidence that a corporation had a particular state of mind, where it is necessary to prove the state of mind of the corporation in a proceeding for an offence under the Bill.

Clause 91 provides for the circumstances under which certain persons of an unincorporated association or a partnership assume liability for an offence that the unincorporated association or partnership commits under the Bill. The clause also states what constitutes evidence that an unincorporated association or a partnership had a particular state of mind, where it is necessary to prove the state of mind of the unincorporated association or partnership in a proceeding for an offence under the Bill.

Clause 92 provides that an officer of a relevant entity (being a licensee, or an operator, a settlement institution, or a participant, of a payment system) whose duty is or includes —

- (a) ensuring that the relevant entity complies with a provision of the Bill;
or
(b) submitting information to the Authority or any other person under the Bill,

commits an offence if the officer fails to take all reasonable steps to ensure such compliance or to ensure that the information submitted is accurate and correct, as the case may be.

Clause 93 makes it an offence for any officer, auditor, employee or agent of a relevant entity (being a licensee, or an operator, a settlement institution, or a participant, of a payment system) to wilfully falsify any book or other document of the relevant entity, wilfully omit to make an entry in any book or other document of the relevant entity, or wilfully alter, extract, conceal or destroy an entry in any book or other document of the relevant entity.

Clause 94 requires an individual who provides the Authority with any information under the Bill, or signs or lodges any document with the Authority, to use reasonable care to ensure that the information or document is not false or misleading in any material particular.

Clause 95 prescribes the penalties for offences under the Bill where no penalty is expressly provided.

Clause 96 empowers the Authority to compound any offence under the Bill, the Money-changing and Remittance Businesses Act or the Payment Systems (Oversight) Act, that is or was prescribed as a compoundable offence.

PART 8

MISCELLANEOUS

Part 8 (comprising clauses 97 to 108) deals with miscellaneous matters.

Clause 97 empowers a District Court to try any offence under the Bill, and to impose the full penalty or punishment in respect of such offence, despite the Criminal Procedure Code (Cap. 68).

Clause 98 empowers the Authority to prescribe the manner in which a person is to be given an opportunity to be heard, where the Bill provides for such opportunity.

Clause 99 empowers the court, on the application of the Authority, to make certain orders against a person that has committed or is about to commit an offence under the Bill. A person that, without reasonable excuse, contravenes an order made by the court may be punished either under this provision or for contempt of court. The provision further makes it clear that if a person is punished under this provision, the person cannot be punished again for contempt of court and vice versa. This is to ensure that a person is not punished twice for the same contravention.

Clause 100 empowers the Authority, on its own initiative, to exempt (subject to conditions), by regulations, from all or any of the provisions of the Bill —

- (a) any person or class of persons;
- (b) any payment service or class of payment services;
- (c) any payment system or class of payment systems;
- (d) any payment account or class of payment accounts;
- (e) any shares or interests in shares or class or description of shares or interests in shares; and
- (f) any other thing or class or description of things.

The clause also empowers the Authority to grant certain exemptions by notice in writing upon a person's application.

Clause 101 empowers the Authority to issue codes, guidelines, policy statements, practice notes and no-action letters as it considers necessary for providing guidance on certain matters. These instruments are not subsidiary legislation.

Clause 102 empowers the Authority to impose requirements on the following persons, with respect to certain matters and in certain circumstances, by notice in writing:

- (a) any licensee or class of licensees;
- (b) any operator, or class of operators, of a relevant payment system;
- (c) any settlement institution, or class of settlement institutions, of a relevant payment system;
- (d) any participant, or class of participants, of a relevant payment system;
- (e) any person, or class of persons, that determines access to a relevant payment system;
- (f) any exempt payment service provider or class of exempt payment service providers;
- (g) any person, or class of persons, exempt under clause 100;
- (h) any person that contravenes, has contravened, or is likely to contravene, any provision of the Bill.

Clause 103 empowers the Authority to make regulations to, among other things, prescribe matters required or permitted to be prescribed by the Bill.

Clause 104 empowers the Authority to prepare and publish certain statements from time to time.

Clause 105 makes provision for the service of documents under the Bill.

Clause 106 provides for the electronic service of documents on any person under the Bill, where the person has consented to be served documents through the Authority's electronic service.

Clause 107 empowers the Minister to amend the First and Second Schedules by order in the *Gazette*, and to make such incidental, consequential or supplementary provisions (including provisions of a saving or transitional nature consequent to the enactment of that order) as the Minister may consider necessary or expedient.

Clause 108 repeals the Money-changing and Remittance Businesses Act and the Payment Systems (Oversight) Act.

PART 9

CONSEQUENTIAL AND RELATED AMENDMENTS TO OTHER ACTS

Part 9 (comprising clauses 109 to 120) deals with consequential and related amendments to other Acts, arising from the replacement of the Money-changing and Remittance Businesses Act and the Payment Systems (Oversight) Act by the Bill.

Clause 109 makes consequential amendments to the Central Provident Fund Act (Cap. 36).

Clause 110 makes consequential and related amendments to the Companies Act (Cap. 50).

Clause 111 makes consequential amendments to the Credit Bureau Act 2016 (Act 27 of 2016).

Clause 112 makes a consequential amendment to the Financial Advisers Act (Cap. 110).

Clause 113 makes a consequential amendment to the Financial Holding Companies Act 2013 (Act 13 of 2013).

Clause 114 makes consequential and related amendments to the Insolvency, Restructuring and Dissolution Act 2018 (Act 40 of 2018).

Clause 115 makes a consequential amendment to the Insurance Act (Cap. 142).

Clause 116 makes a related amendment to the Limited Liability Partnerships Act (Cap. 163A).

Clause 117 makes consequential and related amendments to the Monetary Authority of Singapore Act (Cap. 186).

Clause 118 makes consequential and related amendments to the Remote Gambling Act 2014 (Act 34 of 2014).

Clause 119 makes a consequential amendment to the Securities and Futures Act (Cap. 289).

Clause 120 makes a consequential amendment to the Small Claims Tribunals Act (Cap. 308).

PART 10

SAVING AND TRANSITIONAL PROVISIONS

Part 10 (comprising clauses 121 to 126) deals with saving and transitional provisions to facilitate the replacement of the Money-changing and Remittance Businesses Act and the Payment Systems (Oversight) Act by the Bill.

Clause 121 defines certain terms that are used in Part 10.

Clause 122 contains saving and transitional provisions for any person that, immediately before the date of commencement of clause 108 (the appointed day), is a holder of a remittance licence or a money-changer's licence under the Money-changing and Remittance Businesses Act or is an approved holder of a stored value facility under the Payment Systems (Oversight) Act.

Clause 123 contains saving and transitional provisions for any person that, immediately before the appointed day, was granted certain exemptions under the Money-changing and Remittance Businesses Act or the Payment Systems (Oversight) Act.

Clause 124 provides for the treatment of pending applications for licences and pending applications for renewals under the Money-changing and Remittance Businesses Act, and pending applications for certain approvals under the Payment Systems (Oversight) Act.

Clause 125 provides for savings and transitional provisions for any payment system that, immediately before the appointed day, is a designated payment system under the Payment Systems (Oversight) Act.

Clause 126 empowers the Minister to make regulations of a saving and transitional nature for a limited time.

The First Schedule sets out the services that are payment services, and the services that are not payment services, for the purposes of the definition of payment service in clause 2(1). In addition, certain terms defined in clause 2(1) adopt the meanings given by Part 3 of the First Schedule for those terms as used in that Schedule.

The Second Schedule sets out provisions of the Bill under which an officer of the Authority, who is appointed by the Authority under clause 4(2), may grant an exemption to a particular person, or revoke any such exemption.

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.
