

**PS Notices and Guidelines Consultation
FinTech and Innovation Group
Monetary Authority of Singapore
10 Shenton Way, MAS Building Singapore 079117**

Subject: Industry Submission on Consultation Paper on Proposed Payment Services Notices & Guidelines

On behalf of the Asia Internet Coalition (AIC) and its members, I am writing to express our sincere gratitude to the Monetary Authority of Singapore (MAS) for the opportunity to submit comments on the **Consultation Paper on Proposed Payment Services Notices & Guidelines**. AIC is an industry association comprised of leading Internet and technology companies in the Asia Pacific region with an objective to promote the understanding and resolution of Internet and ICT policy issues. Our current members are Airbnb, Amazon, Apple, Expedia Group, Facebook, Google, LinkedIn, LINE, Rakuten, Twitter and Yahoo (Oath), and Booking.com.

We commend this initiative by MAS on the proposed payment services notices and guidelines and appreciate to give the industry adequate notice of the commencement of the PS Act and the relevant subsidiary legislation. We have been actively involved in regular industry submission on the regulations and one order under the PS Act, anti-money laundering and countering the financing of terrorism (“AML/CFT”) notices under the MAS Act, notices under the PS Act, and guidelines. In conjunction we would also like to highlight our submission on Consultation Paper on the Proposed Payment Services Notices on Prevention of Money Laundering and Countering the Financing of Terrorism, which can be found [HERE](#).

As responsible stakeholders to shape the industry dialogue around the most pressing issues, we appreciate the ability to participate in this discussion and the opportunity to provide inputs into the policy-making process and shape the payment regulatory framework in Singapore. As such, please find appended to this letter detailed comments and recommendations, which we would like to respectfully request MAS to consider, which could be a useful feedback for future consultations to determine an optimal approach to implementing an effective **Payment Services Notices & Guidelines**.

Should you have any questions or need clarification on any of the recommendations, please do not hesitate to contact our Secretariat Mr. Sarthak Luthra at Secretariat@aicasia.org or at +65 8739 1490. Importantly, we would also be happy to offer our inputs and insights, directly through meetings and discussions and help shape an effective regulatory framework in Singapore.

Sincerely,



**Jeff Paine
Managing Director,
Asia Internet Coalition**

RESPONSE TO CONSULTATION PAPER

Please note that all submissions received will be published and attributed to the respective respondents unless they expressly request MAS not to do so. As such, if respondents would like (i) their whole submission or part of it, or (ii) their identity, or both, to be kept confidential, please expressly state so in the submission to MAS. In addition, MAS reserves the right not to publish any submission received where MAS considers it not in the public interest to do so, such as where the submission appears to be libellous or offensive.

Consultation topic:	Proposed Payment Services Notices and Guidelines P012-2019
Name¹/Organisation: <small>¹if responding in a personal capacity</small>	Asia Internet Coalition (AIC)
Contact number for any clarification:	+65 8739 1490
Email address for any clarification:	Secretariat@aicasia.org
Confidentiality	
I wish to keep the following confidential:	N/A <i>(Please indicate any part of your submission you would like to be kept confidential, or if you would like your identity to be kept confidential. Your contact information will not be published.)</i>

Question 1. Implementation timeframe and general comments

MAS seeks comments on the implementation timeframe proposed for the notices and guidelines. If you have general comments on the measures proposed in this Consultation Paper, please set them out in response to this question.

We understand that all the proposed notices and amended guidelines of the Payment Services Act 2019 will come into force on the commencement date of the Act, except notices and guidelines that state otherwise.

Furthermore, we would like to confirm that the proposed notices and amended guidelines would not be effective during the grace period for a potential licensee required to apply for a license for the first time. The grace period will allow the potential licensee for any system enhancements necessary to comply with the Act.

Question 2. Reporting requirements

MAS seeks comments on the draft PSN03, PSN04 and PSN04A. In particular, please let us have your views on the arrangements for existing licensees under the MCRBA and approved SVF holders to comply with PSN04A for an initial period of about 6 months after the commencement of the PS Act.

In accordance with PSN04, a digital payment token service provider is required to submit Form 6A and Form 6B.

We would like to clarify that Form 6A would only apply to a service provider that exchanges digital tokens to fiat currency. In other words, we would like to confirm that a digital payment token service provider only exchanging a digital token to another digital token would be exempt from submitting Form 6A on a monthly basis.

Question 3. Technology risk management and cyber hygiene requirements

MAS seeks comments on the draft PSN05 and PSN06. MAS also seeks views on the implementation timeframe for PSN06.

N/A

Question 4. Conduct requirements

MAS seeks comments on the draft PSN07. In particular, please let us have your views on the requirements relating to the transmission of money, the manner of calculating foreign currency, and the proposed operating days and hours.

We agree that all transactions by a licensee, including digital payment token services, should be recorded accordingly for safety and transparency. However, the requirements of ANNEX A and ANNEX B of PSN07 only consider digital payment token services that involve fiat currencies. We would be grateful if MAS could provide further guidance on digital payment token services that do not involve fiat-currency transactions.

We have the following additional comments on PSN07:

1. ANNEX A. PARTICULARS TO BE INCLUDED IN THE REGISTER, Section 5. (a). We would like to clarify whether the transaction date should be recorded as per the local time in Singapore (SGT). In the case of a payment service provider with multi-national users, the provider may use UTC as its basis and convert the displayed time zone based on user preference. We encourage MAS not to limit the date format of transaction data for recording purposes.
2. ANNEX B. INFORMATION TO BE SET OUT IN RECEIPTS TO CUSTOMERS, Section 4. Concerning the requirements of issuing receipts, we respectfully request the narrowing of requirements to directly involved transactions only. In the case of pure crypto-crypto exchange transactions, a service provider may only act as an intermediary, which means that the provider does not have control over the transactions themselves. The service provider only receives a transaction fee at a pre-arranged rate when a transaction occurs. Furthermore, charged fees are disclosed on a user's transaction page, which the user can access freely. Therefore, issuing receipts for indirect transactions would create an unnecessary burden for both service providers and users.

Question 5. Disclosure and communications requirements

MAS seeks comments on the draft PSN08. In particular, please let us have your views on the disclosure requirements as well as requirements concerning false or misleading scope of regulation.

N/A

Question 6. Guidelines and Savings Regulations

MAS seeks comments on the proposed extension of the guidelines to licensees. MAS also seeks comments on the proposed Savings Regulations.

N/A