

RESPONSE TO CONSULTATION PAPER ON NEW OMNIBUS ACT FOR THE FINANCIAL SECTOR

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Consultation topic:	The New Omnibus Act for the Financial Sector
Name¹/Organisation: ¹ if responding in a personal capacity	Asia Internet Coalition (AIC)
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Email address for any clarifications:	Secretariat@aicasia.org
Confidentiality	
I wish to keep the following confidential:	N/A

20 August 2020

To

The Legal Department
Monetary Authority of Singapore 10 Shenton Way, MAS Building Singapore 079117
Fax: (65) 62203973
Email: legal_dept@mas.gov.sg

Subject: Industry Submission by Asia Internet Coalition (AIC) on Consultation Paper on the New Omnibus Act for the Financial Sector

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 the New Omnibus Act for the Financial Sector](#). AIC is an industry association comprising 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.

We commend the MAS efforts on steering this public consultation, which seeks views on the harmonised and expanded power to issue prohibition orders, the regulation of virtual asset service providers created in Singapore for anti-money laundering and countering of financing of terrorism purposes, the harmonised power to impose requirements on technology risk management, and the provision of statutory protection from liability to mediators, adjudicators and employees of an operator of an approved dispute resolution scheme.

The AIC recognising the increasing need for a financial sector-wide regulatory approach to complement MAS' entity and activity based regulation in addressing the emerging risks and challenges that impact the financial sector.

As responsible stakeholders, we appreciate the ability to participate in this discussion and the opportunity to provide input into the policy-making process. As such, please find appended to this letter our comments and recommendations to **Question 6 and Question 9**, which we would like to respectfully request MAS to consider.

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 on industry best practices, directly through meetings and discussions and help shape the dialogue around creating a robust financial sector in Singapore.

Sincerely,



Jeff Paine
Managing Director
Asia Internet Coalition (AIC)

Question 6: MAS seeks comments on the proposed definition of DTs as set out in section 2(1) of Annex C:

- (a) a digital payment token ; or**
 - (b) a digital representation of a capital markets product which –**
 - (i) can be transferred, stored or traded electronically; and**
 - (ii) satisfies such other characteristics as MAS may prescribe;**
- but does not include an excluded digital token.**

We propose that MAS consider expanding the definition of digital payment tokens and prescribe for digital assets (specifically “stablecoins”) that do not fall under the current definitions of digital payment tokens or e-money. Stablecoins refer to a wide range of instruments but are typically tokens designed for stability of price mechanisms. Certain stablecoins are not clearly categorized as either digital payment tokens, e-money, or digital representations of capital market products. We respectfully submit that stablecoins that do not qualify as e-money should benefit from a more tailored and flexible regulatory approach and it would be appropriate for such stablecoins to be regulated as a specialized subset of digital payment tokens and not be regulated as e-money.

Question 9: MAS seeks comments on our proposal to align proposed AML/CFT requirements to be imposed on DT service providers with the existing PS Notice 02 for DPT Service Providers, given the similar nature of ML/TF risks of both these activities.

We seek MAS’ clarification as to the specific types of “technology” as indicated in Section 4 (Harmonised Power to impose requirements on Technology Risk Management) and Annex D (PROPOSED PROVISIONS ON HARMONISED POWER TO ISSUE DIRECTIONS OR MAKE REGULATIONS ON TECHNOLOGY RISK MANAGEMENT).