



Fintech 2020

Second Edition

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Singapore

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Approaches and developments

The Singapore government and its statutory boards, including and most notably, the Monetary Authority of Singapore (“**MAS**”), have identified FinTech as a potential growth area. They have launched numerous initiatives to support FinTech investment and innovation in Singapore.

Institutional developments

In 2015, the MAS formed the FinTech & Innovation Group (“**FTIG**”) dedicated to formulating regulatory policies and developing strategies to facilitate the use of technology and innovation, to better manage risks, enhance efficiency, and strengthen competitiveness in the financial sector.¹

At a nation-wide institutional level, the MAS and the National Research Foundation in the Prime Minister’s Office of Singapore jointly established a FinTech Office in May 2016. This is intended to serve as a one-stop office for all FinTech matters and to promote Singapore as a FinTech hub.² FinTech businesses may seek advice on government grants and schemes through the FinTech Office. Broadly, the grants and schemes include: (1) the Financial Sector Technology and Innovation (“**FSTI**”) scheme, under the purview of the MAS; (2) Capability Development Grant – Technology Innovation scheme, under the Info-communications Media Development Authority (“**IMDA**”); and (3) Startup SG Accelerator, under Enterprise Singapore (a statutory board under the Singapore Ministry of Trade and Industry).

For instance, the FSTI Proof of Concept scheme aims to promote experimentation within the financial services sector in Singapore, and to accelerate the development and dissemination of early-stage innovative technologies in financial services. Depending on the project, the MAS may provide funding support of up to 50% to 70% of the qualifying costs, up to a maximum of S\$200,000, for up to 18 months to Singapore-based financial institutions as well as technology or solution providers working with Singapore-based financial institutions for early-stage development of innovative solutions to problems in the financial industry.³

Regulation – MAS’s principles of FinTech regulation

Apart from being the central bank of Singapore, the MAS is the key regulator overseeing the financial industry in Singapore, and has oversight over financial institutions such as banks, insurers and insurance intermediaries, capital market intermediaries, financial advisers and the stock exchange. In supporting the development of the FinTech industry, the MAS indicated that its role is two-fold: to provide regulation conducive to innovation while fostering safety and security; and to facilitate the infrastructure for an innovative ecosystem and the adoption of new technologies.⁴

The MAS also laid down general principles underlying its approach to FinTech regulation. First, the MAS indicated that regulation should not “front-run” innovation. Instead, it would monitor new innovative offerings, and continually evaluate whether there is a need to regulate them. In addition, any regulation should be introduced when risks arising from the new technology are material or cross a certain threshold, and regulation should be proportionate to the risk posed.⁵ Lastly, the MAS would seek to incentivise risk mitigation aspects resulting from the new technologies while restraining any new risks created.

Regulation – MAS’s FinTech regulatory initiatives

In line with its regulatory principles, the MAS introduced a FinTech Regulatory Sandbox for financial institutions and new FinTech players to test innovative FinTech products or services in the production environment, but within a well-defined space and duration. Under the FinTech Regulatory Sandbox, the MAS may relax specific legal and regulatory requirements which the entity would be otherwise subject to.⁶

In addition, the MAS has issued “softer” regulatory instruments, such as guidelines providing interpretative guidance on the application of existing legislation to innovative FinTech solutions. These include the Guidelines on Provision of Digital Advisory Services (“**Robo-advisory Guidelines**”) and A Guide to Digital Token Offerings. The MAS also issued several guidelines outlining its expectations of FIs to address the risks from new technology solutions. For instance, there is the E-Payments User Protection Guidelines, which set out duties and responsibilities of FIs and consumers in respect of payment transactions, thereby mitigating risks from mistaken and erroneous transactions. In addition, the MAS issued notices on technology risk management as well as risk management practices on outsourcing, e.g., to third-party cloud computing services.

In view of the new FinTech payment solutions, the MAS was also integral in introducing the new Payment Services Act 2019 (No. 2 of 2019) (“**PSA**”), which came into force on 28 January 2020. The PSA is a single, activity-based and risk-specific legislation for payment-related services, consolidating existing payments regulatory frameworks and introducing new types of licensable payment services. There are now seven types of payment services regulated under the PSA.⁷

Infrastructure – strengthening FinTech infrastructure

From an infrastructure perspective, the MAS introduced several major initiatives to improve the national payments infrastructure, in furtherance of its objective of creating a Smart Financial Centre. In particular, the MAS worked with industry players such as banks to develop the Fast and Secure Transfers (“**FAST**”) system, a 24/7 real-time inter-bank funds transfer system. The MAS was also involved in implementing PayNow, which operates on FAST. PayNow enables individuals or businesses to instantly transfer money using unique identifiers such as their personal identification number or mobile phone number.⁸

To streamline multiple payment channels, the MAS introduced the Unified Point-of-Sale Terminal (“**UPOS**”) which accepts all major credit card brands regardless of the technologies used (for example, whether using a smart chip, Near Field Communication (“**NFC**”) technology or Quick Response (“**QR**”) code). Moreover, the MAS facilitated the creation of a QR code known as Singapore Quick Response Code (“**SGQR**”) which would be adopted by payment applications as a single unified QR code for payment. This dispenses with the need for multiple QR codes from various payment service providers to be displayed at the payment terminal.

To facilitate collaboration between traditional players and new FinTech players in the financial services industry, the MAS introduced a Financial Industry Application Programming

Interface (“**API**”) Register, containing 517 APIs (as of November 2019) in various functional categories such as transactions, sales and marketing. The register is updated on an ongoing basis and provides FinTech startups with a consolidated register to utilise APIs contributed by financial institutions.

The MAS has also undertaken a collaborative project termed “Project Ubin” with various local and international players, including the Bank of England and the Bank of Canada, which explores the use of distributed ledger technology (“**DLT**”) for clearing and settlement of payments and securities, both within and across borders.⁹

FinTech offering in Singapore

FinTech offerings – an overview

FinTech offerings in Singapore include operating cryptocurrency exchanges and the offering of digital tokens (also known as initial coin offerings (“**ICOs**”)), the development of electronic payments or fund transfer solutions, digital advisory services (“**robo-advisers**”), and digital banking services.

Existing FinTech payments solutions

One key example of disruption is the introduction of FinTech solutions that offer mobile or contactless payments and/or fund transfers. As mentioned, a number of these FinTech solutions involve government-initiated schemes, including PayNow, SGQR and UPOS. On 10 July 2017, the PayNow service was introduced, enabling customers of any of the seven participating banks (namely, Citibank Singapore, DBS Bank/POSB, HSBC, Maybank, OCBC Bank, Standard Chartered Bank and UOB) to transfer funds directly to one another using their mobile phone number or personal identification number (i.e., NRIC/FIN), almost instantly and on a 24/7 basis, without the receiver needing to download the app. There is no need to input the recipient’s bank and account number when transferring money via PayNow. The PayNow service has been expanded (under PayNow Corporate) to include businesses which are customers of the nine participating banks (including Bank of China and Industrial and Commercial Bank of China in addition to the initial seven banks).¹⁰ PayNow Corporate allows businesses and the Singapore government to instantly pay and receive money using the organisation’s Unique Entity Number.¹¹

Contactless and cashless payment services (for example, through the use of NFC, QR codes, etc.) offered by established international players such as Apple Pay, Android Pay and Samsung Pay are also prevalent, allowing users to tap and pay for goods and services at any Visa payWave and Mastercard PayPass contactless payment terminals.¹² Other cashless mobile payment options offered by private sector players include GrabPay, Singtel Dash and Alipay. For GrabPay and Singtel Dash, deductions may be made from users’ e-wallets when users tap their smart phones on local merchants’ contactless payment terminals. Meanwhile, Alipay is a China-based cashless payment service provider that allows payments to be made by scanning the QR code at the payment terminal, much like PayNow.¹³

Depending on the scope of the FinTech activities, electronic payment and fund transfer solutions based on FinTech may have to comply with regulatory requirements relating to payment systems and stored value facilities under the PSA. In addition, licensing requirements relating to the carrying on of a remittance business may apply if the payments services provider facilitates fund transfers out of Singapore.

ICOs and cryptocurrency exchanges

Singapore is also one of the largest markets for ICOs. Notable ICOs include the ICO by blockchain startup TenX and PolicyPal.

The MAS stated that it may regulate digital token offerings (also known as ICOs) if the digital tokens constitute capital markets products regulated under the Securities and Futures Act (Cap. 289) (“SFA”), which include shares, debentures, units in a collective investment scheme and derivative contracts. This would depend on the characteristics and the rights attached to the digital token in the offering exercise. Where the digital tokens constitute products regulated under the SFA, the offeror may have to comply with prospectus registration requirements for the offering of the digital tokens, and licensing requirements for dealing in regulated products, under the SFA. Where the offeror is seen to be operating a platform facilitating the secondary trading of digital tokens constituting regulated products, the offeror may have to be approved or recognised by the MAS as an approved exchange or a recognised market operator, unless so exempted. iSTOX, which uses blockchain technology, was approved by the MAS as a recognised market operator and capital markets services (“CMS”) licensee in February 2020.

Regardless of the applicability of the SFA, the offeror would be subject to ongoing anti-money laundering and countering the financing of terrorism (“AML/CFT”) laws, such as the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A), and the Terrorism (Suppression of Financing) Act (Cap. 325). This would include a mandatory suspicious transaction reporting requirement for any person who reasonably suspects that any property or part thereof is linked to the prescribed drug dealing or serious crimes, which must be reported to the Suspicious Transactions Reporting Office of Singapore. Further guidance may be obtained from the Guidelines on Prevention of Money Laundering and Countering the Financing of Terrorism.

Licensing requirements are applicable to “account issuance services” under the PSA. Under the First Schedule, this refers to the service of issuing a payment account to any person in Singapore, or any service enabling money to be placed or withdrawn from a payment account, such as an e-wallet. Licensing requirements also apply to “digital payment services”, defined as any service of dealing in or facilitating the exchange of digital payment tokens. Depending on the scope of payment services, offerors conducting ICOs or operating cryptocurrency exchanges may potentially be required to obtain a licence under the PSA. The MAS proposed amendments in December 2019 to expand the definition of “digital payment token service” in the PSA to ensure that entities providing the service of accepting or arranging for the transmission of ICOs are required to be licensed and subject to AML/CFT requirements.

Digital advisory services (robo-advisers)

The financial advisory space in Singapore has seen several new FinTech players offering digital advisory services (i.e., robo-advisers), which are advisory services on investment products based on automated, algorithm-based tools involving limited or no human interaction. Notable robo-advisers include StashAway, AutoWealth, MoneyOwl and EndowUs.

With the increasing prevalence of digital advisory services, the MAS issued the Robo-advisory Guidelines in October 2018, where the MAS stated that while there is no separate authorisation regime for robo-advisers, the licensing framework under the SFA and the Financial Advisers Act (Cap. 110) (“FAA”) is technology-agnostic. Therefore, robo-advisers need to be licensed if they carry out regulated activities under the relevant legislation, unless exempted, particularly if it provides financial advisory services within the ambit of the FAA. In addition, if the robo-adviser offers a platform for the execution of certain investment products, it may be required to hold a CMS licence under the SFA for dealing in capital markets products. Where the robo-adviser retains some discretion over management of the clients’ investment portfolio, a CMS licence under the SFA in fund management may be required.¹⁴

Digital banks

In June 2019, the MAS announced that it would issue up to five new digital bank licences, extending them to non-bank players. They will be subject to regulatory requirements under the Banking Act. Licensees could provide a wide range of financial services and take deposits from retail customers, or non-retail segments.¹⁵ MAS has received about 21 applications and will evaluate all applications based on their value propositions.

Regulatory and insurance technology

RegTech

Local banks have been utilising regulatory technology solutions to comply with their ongoing regulatory obligations, such as AML/CFT obligations. For instance, OCBC collaborated with the Singapore Police Force for Project Poet (Production Orders: Electronic Transmission) in 2019 to allow banking information to be conveyed more promptly between the bank and the police, which enhances Singapore's AML risk management regime.

MAS also sought to enhance supervisory and surveillance of unlicensed ICOs by making use of data such as transactional information on public blockchains, and assessing their ML/TF risks.

While the use of RegTech solutions may facilitate FinTech service providers' compliance with ongoing regulatory obligations, in the event of any regulatory breach, the FinTech service provider would likely be held responsible for the breach. In this regard, the FinTech service provider should undertake prudent risk-management practices and when engaging a third-party RegTech service provider, should retain overall supervision and oversight. Further guidance may be obtained from the MAS's Guidelines on Outsourcing and Technology Risk Management Guidelines.

InsurTech

Singapore is one of the largest InsurTech hubs in the Asia region.¹⁶ Singapore InsurTech companies include GoBear, an insurance plans and financial products comparison platform and Bandboo, a peer-to-peer online platform for people to co-insure one another.¹⁷

PolicyPal Network, an InsurTech startup, is a direct insurance broker that employs machine learning and artificial intelligence to offer digital insurance policies and allows users to select and manage existing policies. Users can upload their existing policies to understand their insurance coverage and research on available policies with global insurance companies, including big names like Allianz, HSBC Insurance and AXA.¹⁸

Besides InsurTech companies, there are also notable InsurTech innovation labs in Singapore. For one, Metlife Lumenlab focuses on building new products and services grounded in technology and data to help people achieve richer and more fulfilling lives. Solaria Labs was also launched in Singapore to build and test experimental new products based on customer-centric research around emerging trends such as next-generation vehicles, connected life and the sharing economy.¹⁹

The Singapore government has recognised the potential of InsurTech. Minister Ong Ye Kung, who is also a MAS board member, noted the MAS's desire to continue to encourage and foster Insurance-InsurTech collaborations.²⁰ While there is currently no legislation specifically regulating InsurTech under Singapore law, InsurTech companies may be regulated under a wide range of legislation such as the FAA (i.e., Financial Advisers Act) or Insurance Act. Meanwhile, the MAS, as the regulator of the industry, has stated that it is technology-neutral and will not favour one technology over another, and will monitor technological developments of the industry closely.²¹

Regulatory bodies

The specific regulatory bodies involved depends on the nature of the entity's FinTech services or products, and its business activities. The MAS is the key regulator of the financial services industry in Singapore, and administers various legislation governing financial institutions such as banks, insurers and insurance intermediaries, capital market intermediaries, financial advisers and stock exchanges. A notable exclusion from the financial institutions regulated by the MAS is moneylenders regulated under the Moneylenders Act (Cap. 188), under the purview of the Registry of Moneylenders (part of the Singapore Ministry of Law).

The Accounting and Corporate Regulatory Authority ("ACRA"), a statutory board instituted under the Singapore Ministry of Finance, is the regulator of business entities, public accountants and corporate service providers in Singapore. ACRA monitors registered companies' compliance with the Companies Act (Cap. 50), including prescribed regulatory filings and lodgments.

The Competition and Consumer Commission of Singapore ("CCCS"), a statutory board under the Ministry of Trade and Industry, administers and enforces the Competition Act (Cap. 50B), which governs competition law matters in Singapore. The CCCS also administers the Consumer Protection (Fair Trading) Act (Cap. 52A) ("CPFTA"), the principal consumer protection legislation in Singapore. FinTech business dealing with consumers should be aware that most MAS-regulated financial products and services come within the ambit of the CPFTA, and consumers can seek redress and civil remedies for unfair practices in respect of these financial products and services. In terms of matters relating to personal data protection, the Singapore Personal Data Protection Commission is the regulatory authority administering and enforcing the Personal Data Protection Act 2012 (No. 26 of 2012), which governs the collection, use and disclosure of personal data.

Different regulatory bodies may also administer FinTech-related government grants or incentive schemes. For instance, this may include the MAS (in respect of the FSTI), Enterprise Singapore (in respect of the Startup SG Accelerator, Startup SG Equity, Startup SG Founder and Startup SG Tech) and the IMDA (in respect of the Capability Development Grant – Technology Innovation).

Key regulations and regulatory approaches

An overview of the MAS's approach to regulatory approach and policies relating to FinTech is discussed in the section "Approaches and developments".

FinTech-related regulation

Presently, there is no single omnibus legislation regulating FinTech offerings *per se*. Existing financial services legislation is technology-agnostic and would apply to FinTech services and products if they fall within the scope of regulated financial activities. Depending on the nature of services and products, some of the following FinTech-related legislation may be applicable:

- SFA (i.e., Securities and Futures Act (Cap. 289));
- Companies Act (Cap. 50);
- FAA (i.e., Financial Advisers Act (Cap. 110));
- Insurance Act (Cap. 142);
- Banking Act (Cap. 19);
- Trust Companies Act (Cap. 336);
- Moneylenders Act (Cap. 188);

- Currency Act (Cap. 69); and
- Commodity Trading Act (Cap. 48A).

Depending on the precise scope of FinTech activities, regulatory issues may include (among others):

- prospectus registration requirements for offering capital market products to persons in Singapore under the SFA;
- licensing requirements for carrying on business in regulated activities (e.g., dealing in capital markets products or fund management) under the SFA;
- regulatory requirements for operating a secondary trading facility for certain financial products under the SFA;
- licensing requirements for providing financial advisory services within the meaning of the FAA; and
- licensing requirements for carrying on a moneylending business under the Moneylenders Act.

PSA

As stated, the PSA came into force in January 2020. It streamlines the previous legislative regime for payment services, by combining the Payment Systems (Oversight) Act (“PSOA”) and the Money-changing and Remittance Businesses Act (“MCRBA”) under a single legislation. In addition, the PSA expands the scope of regulated payment services to seven types of payment services. The PSA repealed the PSOA and the MCRBA, and Part 10 of the PSA provides for transitional arrangements to facilitate a smooth transition of existing regulated entities and entities to be regulated into the new framework.

The PSA consists of two parallel regulatory frameworks: (a) the licensing regime for payment service providers; and (b) the designation framework for significant payment systems.

With respect to the licensing regime, the PSA regulates seven types of payment services, namely:

- account issuance services;
- domestic money transfer services;
- cross-border money transfer services;
- merchant acquisition services;
- electronic money (“e-money”) issuance services;
- digital payment token services; and
- money-changing services.

Providers of such payment services are required to hold a licence under the PSA, unless otherwise exempted from doing so.

The payment services provider needs to hold the class of licence which corresponds to the risk posed by the scale of services provided. There are three classes of licence under the PSA, namely:

- a **money-changing licence** for carrying on a business of providing money-changing services, but not any other regulated payment services;
- a **standard payment institution licence** for carrying on a business of providing any regulated payment service (other than money-changing) which do not meet the thresholds set out under limb (c); and
- a **major payment institution licence** for carrying on a business of providing any payment services (other than money-changing) which exceeds certain prescribed thresholds, including, for services other than e-money issuance and e-money account issuance, where the monthly average of the total value of all payment transactions

that were accepted, processed, or executed exceeds: (i) S\$3 million for any one of the regulated payment services; or (ii) S\$6 million for two or more of the regulated payment services.

Furthermore, the PSA stipulates that where any type of payment service is provided while the person carries on any primary business, that person is presumed to carry on a secondary business of providing that type of payment service, regardless of whether provision of the service is related or incidental to the primary business. Accordingly, the appropriate licence for that payment service has to be obtained. This expressly displaces the SGHC case in *Chinpo Shipping co v PP* (2017), which suggests that remittances purely incidental to a primary business of ship agency and chandelling does not constitute a remittance business that requires licensing under the now-repealed MCRBA.²²

Where a FinTech business operates e-wallets or deals in digital payment tokens, it may be subject to the licensing requirements under the PSA. However, there are carve-outs from regulation under the PSA for payment services that do not pose sufficient risk to warrant regulation, particularly for services related to limited purpose e-money, and the dealing in or exchange of limited purpose digital payment tokens.²³ Other carve-outs include payment transactions performed by authorised commercial agents for the sale or purchase of goods or services.

Regulatory Sandbox

The MAS introduced the FinTech Regulatory Sandbox in 2016, to allow financial institutions or startups with a nascent FinTech service or product to experiment in a controlled environment to mitigate any financial risks. The parameters of each regulatory sandbox are tailored to address the risks posed by the FinTech service or product, and the MAS will decide on the specific regulatory requirements that may be relaxed during the sandbox period.

In 2018, the MAS proposed a Sandbox Express with fast-track approvals available within 21 days as a complement to the present FinTech Regulatory Sandbox. By doing so, the MAS seeks to encourage innovation by allowing for experiments to be embarked upon more quickly by introducing pre-defined sandboxes. This shortens the existing sandbox application and approval process because there is no longer a need for the MAS to create sandboxes specific to the applicant. In the consultation paper, the MAS identified insurance broking and recognised market operators and remittances as regulated activities for which pre-defined sandboxes may be designed. This list will be reviewed over time and may be amended to meet the evolving needs and interests of the financial industry, and to address any regulatory concerns. With effect from January 2020, Sandbox Express is no longer available for remittance businesses as the MCRBA was repealed with the commencement of the PSA, and they are subject to regulatory requirements under the PSA, under Activity C. The MAS will continue to review the need for the remittance Sandbox Express under the PSA.

Restrictions

As stated above, the MAS's regulatory approach is to be facilitative towards innovation in the financial sector, while managing risks appropriately. Thus, the MAS has not imposed outright bans or blanket prohibitions with respect to particular FinTech activities, even where such activities have been prohibited by other jurisdictions, e.g. cryptocurrency exchanges or ICOs.

Generally, with respect to FinTech, the MAS takes a technology-neutral approach in administering and enforcing legislation. Therefore, emerging FinTech activities within the scope of existing regulated activities would need to comply with such regulatory regimes. The MAS monitors Singapore's FinTech landscape and takes enforcement action to ensure compliance.

For instance, the MAS has taken a more restrictive approach towards FinTech services which stray into shadow banking. The MAS stated that carrying on the business of taking deposits and lending to the public crosses into the territory of banking business, and upon crossing that line, a banking licence, which imposes higher regulatory standards, including capital and liquidity requirements and more stringent risk management practices, would be required. Thus, under the PSA, larger e-wallet operators with an average daily e-money float of more than S\$5 million will have to ring-fence the e-money float in a prescribed manner, and are not permitted to provide loans out of the e-money float without holding the requisite licences.²⁴

In line with the MAS's stated objective to help ensure that consumers are well-informed and empowered,²⁵ in 2017, the MAS issued an advisory to the public on the significant risks in investments. The MAS notes that these risks include highly speculative valuation, heightened risk of fraud and lack of a proven track record. In addition, the MAS noted that cryptocurrencies are not regulated, and members of the public who lose money in cryptocurrency investments are unable to rely on any protection afforded under legislation administered by the MAS.

Where FinTech activities come within the ambit of existing legislation, the MAS has shown that it is willing to take action against errant FinTech players, to address any financial risks. In March 2020, the MAS imposed a penalty on a firm for failure to comply with the MAS's AML/CFT requirements.

Compliance with securities laws also extends to digital token exchanges. In May 2018, the MAS issued warnings to eight digital token exchanges in Singapore not to facilitate trading in digital tokens that are deemed to be securities or futures contracts without being authorised by the MAS.

The MAS also recognised the risk that FinTech activities relating to digital tokens are prone to being misused for illegal activities due to the anonymity of the transactions, and the ease with which large sums of monies may be raised in a short period of time. Thus, the MAS and the Commercial Affairs Department (a department of the Singapore Police Force) jointly issued a public advisory warning of the risks of digital token-related investment schemes.

Cross-border business

It was reported that FinTech investments in Singapore more than doubled, reaching US\$861 million in 2019, up from US\$365 million in 2018, placing it among the top five FinTech markets by funds raised in the Asia-Pacific in 2019, according to an analysis by Accenture. Within the region, Singapore lags behind Australia, China, India and South Korea.²⁶

To facilitate cross-border business, Singapore entered into the first Digital Economy Agreement with Australia in March 2020, to ensure FIs can transfer financial data across both jurisdictions to support business decisions.²⁷

In recognition of the potential risks and benefits arising from FinTech applications, which is virtual and may have cross-border implications, Singapore regulators pro-actively entered into co-operation agreements and arrangements with their foreign counterparts. For instance, in the context of cross-border payments, the MAS and the Bank of Canada collaborated in the use of DLT and central bank digital currencies to make the cross-border payment process cheaper, faster and safer.

The MAS is a signatory to numerous FinTech Co-operation Agreements (approximately 33 to date) with their international counterparts which strengthen the MAS's ability to co-operate and exchange information with foreign regulators on FinTech, as well as to promote

innovation in financial services in the respective markets. For instance, in November 2019, the MAS concluded a FinTech Cooperation Agreement with eight members of the Canadian Securities Administrators to facilitate access by FinTech firms to each other's markets.²⁸

To effectively monitor cross-border capital markets activities, the MAS can rely on a broad surveillance network with foreign securities regulators under the International Organisation of Securities Commissions Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information. Such frameworks facilitate cross-border co-operation in the area of enforcement, by establishing a channel for the sharing of information among regulators.²⁹

In this regard, while FinTech services are virtual and may be borderless in nature, it should be noted that some legislation, such as the FAA and the SFA, contain provisions which give them extraterritorial effect. Accordingly, an act done entirely outside of Singapore but which has a "substantial and reasonably foreseeable effect" in Singapore may still contravene the FAA or the SFA. Therefore, the offering of FinTech products and services from entities based in foreign jurisdictions to persons in Singapore may have potential regulatory implications in Singapore on the part of the offeror.

With respect to money-laundering risks posed by FinTech activities, Singapore's main AML legislation, the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act expressly allows for the assertion of criminal extra-territorial jurisdiction, and empowers regulators and other government authorities such as the Suspicious Transaction Reporting Office ("STRO") to exchange information and jointly co-operate in enforcement. The STRO is a member of the Egmont Group of Financial Intelligence Units ("FIU"), which is a forum for FIUs worldwide to enhance support to respective governments against money laundering and other serious financial crimes.³⁰

Furthermore, FinTech may result in increased cybercrime and cybersecurity risks, which may originate outside of Singapore, and are addressed in international co-operation arrangements. The newly-introduced Cybersecurity Act 2018 (No. 9 of 2018) and the Computer Misuse Act (Cap. 50A) sets out the framework for cross-border enforcement of cybercrime, and the Cyber Security Agency of Singapore works closely with its foreign counterparts, through information-sharing arrangements, to facilitate cybersecurity investigations.³¹ Furthermore, the MAS has, in collaboration with the Financial Services Information Sharing and Analysis Center ("FS-ISAC"), established an Asia Pacific Regional Intelligence and Analysis Centre to encourage regional sharing and analysis of cybersecurity information within the financial services sector,³² and in 2017, the FS-ISAC and the MAS launched the FS-ISAC Asia Pacific Regional Analysis Centre's office and operations in Singapore.

* * *

Endnotes

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In the area of FinTech, Chong Kin often assists his technology-based clients to deploy payment platforms solution and enter into the finance-related sector, arising from the convergence of technology and financial regulation. With his strong background in competition, data-protection and technology laws, he is also depended upon by finance-related companies to deploy technology solutions.

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