



# Payment Services Act



# Overview of the Payment Services Act.

The Payment Services Act (PSA) was launched by the Monetary Authority of Singapore on 14 January 2019 with a primary focus to regulate companies in the FinTech industry offering various types of payment systems and payment services, including digital payment token services. The PSA provides for regulatory certainty and consumer safeguards, while encouraging innovation and growth of payment services.

## PAYMENT ACTIVITIES

1

Account Issuance

2

Domestic Money Transfers

3

Cross-Border Money Transfers

4

Merchant Acquisition

5

E-Money Issuance

6

Digital Payment Token Dealing or Exchange

7

Money Changing

## LICENCE CLASSES

### Money Changing Licence

- Conducts money-changing service only

### Standard Payment Institution

- ≤ S\$3m monthly transactions for any activity type
- ≤ S\$6m monthly transactions for two or more activity types
- ≤ S\$5m of daily outstanding e-money

### Major Payment Institution

- > S\$3m monthly transactions for any activity type
- > S\$6m monthly transactions for two or more activity types
- > S\$5m of daily outstanding e-money



Payment Services Act  
**Mitigating  
Four Key  
Risks**

**1**  
Money Laundering &  
Terrorism Financing

**2**  
User Protection  
Safeguarding of funds in  
transit and e-money float

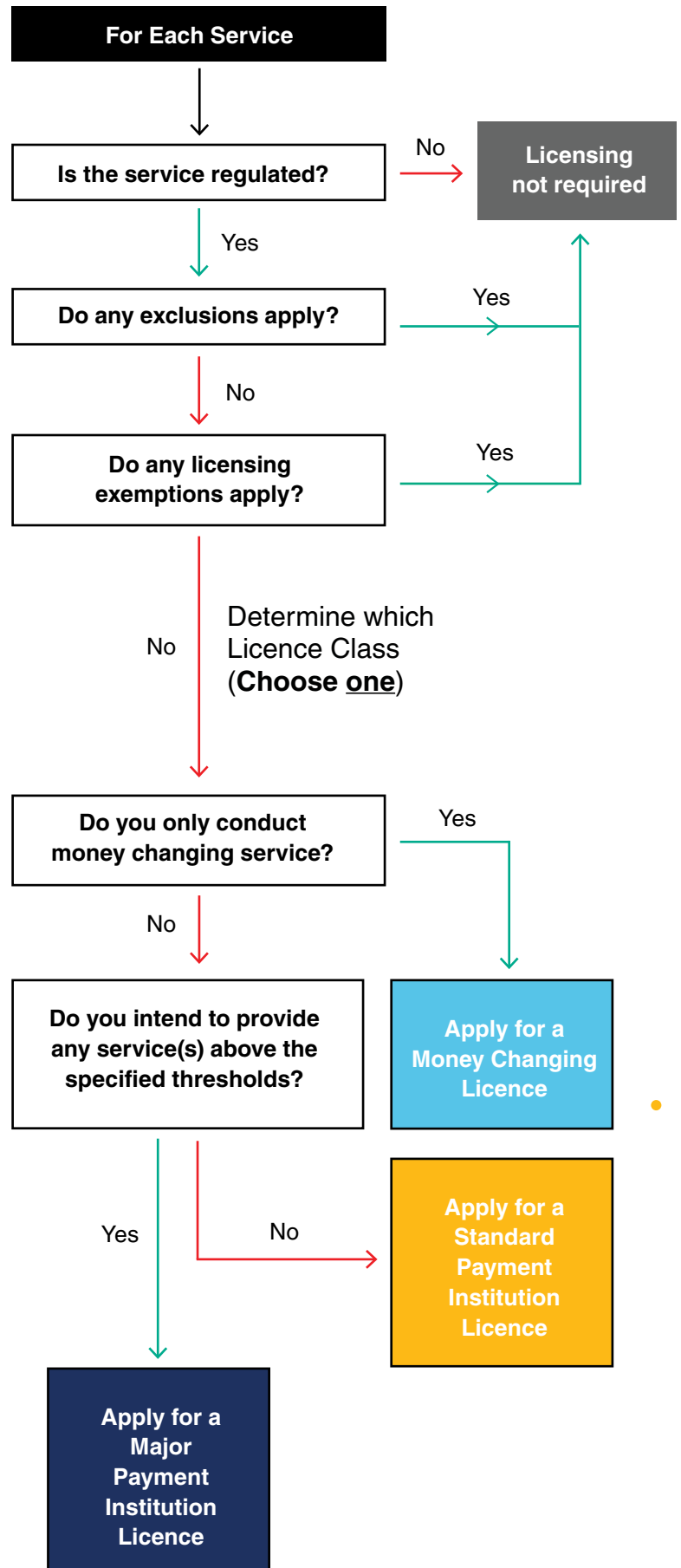
**3**  
Interoperability

- Access Regime
- Common Platform
- Common Standards

**4**  
Technology Risks

- Governance
- Authentication
- Cyber Hygiene
- Encryption
- Anti-Fraud

**Determine if you need a licence  
and which payment services you  
will conduct**



# Our solutions to get you started.

## (A) Review of Application Documents

A well-crafted business plan is critical to the success of the PSA licence application. A coherent and well-organized plan lays out the roadmap of the business with clear articulation of the revenue generation activities and various revenue streams.

### Revenue Generation Activities

The activities have to be technologically feasible and financially sustainable. They have to be reflected in the financial projections and thoroughly accounted for in the compliance documents. It is also important to identify the proposed clientele groups with a well thought out plan and strategy.

### Transaction Flow Diagram

The diagram has to be eloquent and detailed in describing the beginning to the end of the business transactions. It has to cover all the various revenue generation activities, with cross references to the key compliance documents to be elaborated in other sections of the application.

## How We Can Help

We understand business, payments, technology and the digital tokens economy. Our business plan review will give valuable insights to strengthen your application.

We will:



Review the business plan to make sure it is consistent with the financial statements and projections.



Analyze your revenue generation activities and their associated clientele transaction type for congruency with the rest of the business plan.



Evaluate your financial statement projections for reasonableness.



Identify any potential gaps in the business plan.



Examine the transaction flow diagram to ensure its consistency with other sections of the application.

## (B) Technology Risk Management

An effective and well-managed Information Technology (IT) system is one of the most crucial competitive advantages an organization can secure. The right technology implemented appropriately and properly managed and monitored can lead to significant gains in growth and efficiency.

We can help to improve the security posture of organisations amidst the evolving developments in information technology and the related compliance requirements.

Our services include:

### (I) Basic Services

- Perform penetration tests on your systems;
- Explain and identify systems and controls gaps applicable to your organisation including:
  - PSN06 Cyber Hygiene and Technology Risk Management Guidelines with focus on:



### (II) Additional Services

- Full IT audit advisory and remediation advice for PSA application;
- Consult and create documents to complete the PSA application;
- Liaise with the system vendors for compliance related measures required for the application; and
- Provide other required technological assistance for your systems to comply to PSA.

## (C) Systems and Controls Review

Staying abreast of the evolving regulatory expectations and compliance requirements of the Monetary Authority of Singapore (MAS) is more complicated than ever.

Crowe has an established team that is experienced in helping financial institutions customise and optimise related compliance programs with a hands-on approach that delivers sustainable and robust results, our specialised expertise includes:

- Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT);
- Personal Data Protection Act (PDPA) and General Data Protection Regulation (GDPR);
- MAS Licensing and Outsourcing Requirements;
- Complaints Handling and Suspicious Transaction Reporting (STR); and
- Regulatory Reporting.



## How We Can Help

- 1 Review the organisation's existing process documentation, policies and procedures to assess effectiveness of internal control design;
- 2 Provide guidance to improve and strengthen the organisation's policies and procedures;
- 3 Conduct interviews with relevant process owners and make appropriate recommendations to rectify any control deficiencies and inadequacies identified; and
- 4 Strengthen the compliance team of your organisation by providing training and consultancy services on relevant best practices.



## Contact Information

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## We are here to help you get there.

Crowe Horwath First Trust (Crowe Singapore) is a public accounting and consulting firm that provides audit, advisory, tax, outsourcing and fund administration solutions to a diverse and international clientele including public-listed entities, multinational corporations and financial institutions.

We are part of an international professional services network, Crowe Global. Ranked as the eighth largest global accounting network, Crowe Global consists of more than 200 independent accounting and advisory services firms in close to 130 countries around the world.