

## Regulatory Update – MAS Issues Guidelines To Discourage Crypto Trading By Public

On 17<sup>th</sup> January 2022, the Monetary Authority of Singapore (the “MAS”) has issued new rules for Digital Payment Token (DPT or cryptocurrency) service providers setting out the MAS expectations about the promotion and marketing of DPT services to the general public in Singapore. The Guidelines on the Provision of Digital Payment Token Services to the Public (the “Guidelines”)

DPT service providers include payment institutions, banks and other financial institutions, as well as applicants under the Payment Services Act (PS Act). DPT services include the buying or selling of DPTs or facilitating the exchange of DPTs. The definition of DPT services will be expanded to include the transfer of DPTs, provision of custodian wallet services for DPTs, and facilitating the exchange of DPTs without possession of moneys or DPTs by the DPT service provider, when the amendments to the PS Act take effect.

MAS has consistently warned that trading DPTs is highly risky and not suitable for the general public, as the prices of DPTs are subject to sharp speculative swings. MAS has observed that some DPT service providers have been actively promoting their services through online and physical advertisements or through the provision of physical automated teller machines (ATM) in public areas. This could encourage consumers to trade DPTs on impulse, without fully understanding the attendant risks.

The new guidelines clarify MAS’ expectations that DPT service providers should not engage in marketing or advertising of DPT services:

- in public areas in Singapore such as through advertisements on public transport, public transport venues, public websites, social media platforms, broadcast and print media, or provision of physical ATMs; or
- through the engagement of third parties, such as social media influencers, to promote DPT services to the general public in Singapore.

DPT service providers can only market or advertise on their own corporate websites, mobile applications or official social media accounts.

MAS Assistant Managing Director (Policy, Payments and Financial Crime), Ms Loo Siew Yee said, “MAS strongly encourages the development of blockchain technology and innovative application of crypto tokens in value-adding use cases. But the trading of cryptocurrencies is highly risky and not suitable for the general public. DPT service providers should therefore not portray the trading of DPTs in a manner that trivialises the high risks of trading in DPTs, nor engage in marketing activities that target the general public.



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