Singapore’s E-Payments Journey

Global Payments Week – Session 1
3 Dec 2018
Agenda

1. Our E-Payments Vision & Strategy
2. Payments Infrastructure Enablers
3. Getting Regulation Right
Our E-Payments Vision & Strategy
Our Vision of an E-Payments Society

- Simple, seamless, and safe electronic payments
- Use of cash and cheques is drastically reduced
- Payments embedded in business processes and enabling new business models

E-payments society

Experience  
Efficiency  
Enterprise

Person-to-Person  
Person-to-Business  
Business-to-Business
How Will We Get There?

1. Person-to-Person
2. Person-to-Business
3. Business-to-Business

End-to-End Electronic Payments

Getting Coordination Right

Service Providers

Regulations

Getting Regulation Right
Our Payments Landscape in 2016

1. Person-to-Person
   - ~70% of transactions by volume*
   *2016 MAS/KPMG survey
   - Mostly cash & cheque

2. Person-to-Business
   - Hawker centres
   - ~70% of transactions by volume*
   - Mostly electronic
   - Retail & F&B / Shopping Centres
   - Bill and government payments
   - ~70% of transactions by volume*
     - More electronic

3. Business-to-Business
   - ~60% of transactions by volume*
Payments Infrastructure Enablers
Person-to-Person: **PayNow**

Launched 10 Jul 2017, enables seamless P2P payments via **NRIC/FIN** and **mobile no.**

- **1.33 million** mobile no. and **770k** NRIC/FIN registrations
- **$2.5 billion** funds transferred
- **QR payments** enabled
- **9 participating banks**
Person-to-Business - PayNow Corporate

Business-to-Business

Launched 13 Aug 2018, it enables businesses, corporates and government agencies to pay and receive funds instantly, by linking their respective Unique Entity Numbers (UENs) to their Singapore bank account.

- **About 60,000 companies** registered
- **QR payments** enabled
- **Reduces cash and cheque handling** by businesses
- **Now 7 participating banks**

![Central Addressing Scheme](image)
Person-to-Business: **SGQR**

Streamlines multiple QR code payment options into a **single SGQR label**, simplifying QR payments for both consumers and merchants.

Consumers can look forward to seeing a **single SGQR label** moving forward.

A merchant’s accepted QR payment schemes will be shown as **logos underneath the QR code**.

- **First-of-its-kind** globally
- **37 industry members** in the taskforce
- **>11,000 QR codes** have been replaced with SGQR labels, with 8,000 more
- **First bills** with SGQR now deployed
- Replacement exercise expected to complete by **end-Dec 2018**
Person-to-Business: Hawker Centres

NETS appointed as the master acquirer for an interoperable and open access e-payment solution for coffee shops, hawker centres and industrial canteens.

Total 20 schemes

- Payment Scheme X
- Payment Scheme Y
- Payment Scheme Z

Merchant A

Merchant C

Master Acquirer

NETS

200 coffee shops, 25 hawker centres & 20 industrial canteens in next 2 years

Merchants will be given:
- 1 terminal for card payments
- 1 SGQR label for mobile payments

Merchant Fees:
- 0% MDR for 3 years
- Terminal rental fees waived
Non-Bank Access to FAST Infrastructure

- Facilitate interoperability
- Encourage competition
- Promote innovation
Non-Bank Access to FAST Infrastructure: Operating Models

**Existing:**
Interbank payments

- Bank 1
- Bank 2

**Direct FAST Access**
For larger e-wallet providers

- E-wallet 1

**Access through Aggregator**
For smaller e-wallet providers

- E-wallet 2
- E-wallet 3
- Aggregator

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**What is FAST?**
FAST (Fast and Secure Transfers) allows you to transfer money between bank accounts almost immediately, on a 24/7 basis.

**What is PayNow?**
PayNow allows you to send money through FAST, using just a mobile number, NRIC/FIN, or Corporate UEN.

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**External settlement + API**

- PayNow
- FAST
- MEPS+

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*Deferred net settlement in MEPS*
Getting Regulation Right
Current and future regulatory structures

CURRENT STRUCTURE

- Designation Framework
  For systemically and system-wide important payment systems
- Approval Framework
  For Widely Accepted Stored Value Facilities
- Remittance Licence
- Money-Changing Licence

FUTURE STRUCTURE

- Designation Framework
  For important payment systems (financial stability or efficiency reasons)
- Licensing Framework
  For customer/merchant facing payment services
  - Omnibus licensing regime to encourage synergies between existing and new technologies
  - Risk & activity based framework to address ML/TF, user protection, technology risk and interoperability concerns
  - Modular approach for regulatory and compliance flexibility

Payment Services Bill
A new licensing framework

- Single regulatory structure for traditional and new payment activities
- Address emerging and evolving risks
- Material and proportionate regulation

**activity-based, risk focused regulatory framework**

- Single licence for 7 regulated activities
- 4 key risks and concerns
- 3 licence classes with tiered regulation
Thank You