

## **FOR IMMEDIATE RELEASE**

### **MEDIA RELEASE**

#### **MAS commits \$42m to spur adoption of technology solutions for risk management and regulatory compliance**

Singapore, 30 April 2021... The Monetary Authority of Singapore (MAS) announced today a new Regulatory Technology (RegTech) grant scheme and an enhancement of the Digital Acceleration Grant (DAG) scheme to accelerate technology adoption in the financial sector. MAS will commit \$42 million for the RegTech grant scheme and enhanced DAG scheme.<sup>1</sup>

#### **RegTech Grant**

2 The RegTech grant scheme, which is available to Singapore-based financial institutions (FIs), aims to promote the adoption and integration of technology solutions in the risk management and compliance functions of FIs. This will help FIs enhance processes and capabilities in these domains, and encourage a vibrant RegTech ecosystem in Singapore.

3 The grant scheme will cover two tracks.

- Under the *pilot track*, FIs can seek funding to pilot potential RegTech solutions before embarking on full-scale integration of the product into its operating environment. Funding for this track will be capped at S\$75,000.
- Through the *production level project track*, FIs can seek funding to develop larger scale customised projects that can be fully integrated into the FI's systems. Funding for such projects will be capped at S\$300,000.

Both tracks can be used to support either in-house development or commercial partnerships with RegTech firms based in Singapore.

#### **Enhanced DAG**

4 The DAG<sup>2</sup> was launched in April 2020 to help smaller FIs and FinTech firms adopt digital solutions to better cope with the impact of COVID-19, and to position themselves for subsequent recovery and growth. As of 31 March 2021, MAS received over 1,100 applications from both FIs and FinTech firms. Applicants have tapped on the DAG to adopt cloud solutions and services, online communication and collaboration tools, data-analytics solutions, compliance solutions, and office productivity tools.

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<sup>1</sup> These grants are part of the S\$250 million committed under the [enhanced Financial Sector Technology and Innovation Scheme](#) (FSTI 2.0) in August 2020.

<sup>2</sup> The DAG was set up to support digitalisation in smaller FIs and FinTech firms with not more than 200 employees. More information found [here](#).



5 In view of the strong response, MAS will commit an additional S\$30 million to the DAG till 31 December 2021 to encourage the industry to adopt digital solutions that enhance productivity, cyber security, and operational efficiency. This brings the total grants available under the DAG scheme to S\$65 million. Eligibility for the DAG will be extended to life insurance and general insurance agencies that employ not more than 200 agents and employees. The key enhancements to the DAG can be found in Annex A.

6 Mr Sopnendu Mohanty, Chief FinTech Officer, MAS, said “MAS remains committed to the digital transformation of the Singapore financial sector. We expect the RegTech ecosystem to flourish with widespread use of innovative solutions to aid risk management and compliance. The Digital Acceleration Grant has enabled the smaller FIs and FinTech firms to adapt to the challenges in the past year and we will continue to support these firms as they accelerate their digital transformation journey. We encourage FIs to tap on these grants to embed technology into the firms’ DNA.”

7 Applications are now open for both grants. Please refer to the [MAS website](#) for more information and the application form for the DAG. To request an application form for the RegTech Grant, please contact [fintech\\_office@mas.gov.sg](mailto:fintech_office@mas.gov.sg).

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### **Key changes to Digital Acceleration Grant Institution Project<sup>3</sup> track**

- **Ex-post applications:** To be eligible for the grant, applicants will need to fulfil a minimum 6 months prior usage of the digital solution.
- **Publishing pre-approved solutions list:** Applicants can refer to the General Solutions list to ascertain if a solution can be funded under this grant. Applicants can still obtain an in-principle approval for solutions not found in the list.
- **Cessation of support for certain solutions:** Given the transition from work from home arrangements to working in the office, funding will no longer be available for all hardware, equipment that support alternative work arrangements and basic digital solutions such as email services and office productivity tools. Examples can be found on the DAG website.
- **Extension of DAG eligibility:** Aside from MAS-licensed Financial Institutions and FinTech firms with less than 200 employees, Life Insurance and General Insurance Agencies with less than 200 representatives and employees will also be eligible for DAG support. Life Insurance and General Insurance Agencies will be able to submit claims for expenses incurred after 1 April 2021. Click [here](#) to find out more.

**Deadline for submission:** To encourage prompt submission of applications, applicants are to submit their applications not later than 6 months from their last expense.

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<sup>3</sup> The Institution Project track supports 80% of qualifying expenses for the adoption of digital solutions by smaller FIs and FinTech firms, up to a cap of S\$120,000 per entity, over the duration of the scheme.