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MEDIA RELEASE

**MAS Issues Guidelines to Discourage
Cryptocurrency Trading by General Public**

Singapore, 17 January 2022... The Monetary Authority of Singapore (MAS) today issued guidelines giving effect to MAS' expectations that Digital Payment Token (DPT or more commonly known as cryptocurrency) service providers should not promote their DPT services to the general public in Singapore.

2 DPT service providers include payment institutions, banks and other financial institutions, as well as applicants¹ 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.

3 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.

4 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.

¹ These are entities that are not licensed under the Payment Services Act but are allowed to continue to provide DPT services while their licence applications are being reviewed by MAS. The list of such entities can be found in this [link](#).

5 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.”

6 For more information on DPTs and their associated risks, consumers can refer to this [article](#) published on MoneySense, Singapore’s national financial education programme.

Additional information

Under the PS Act, entities which provide services relating to DPTs are regulated primarily for money laundering and terrorism financing risks, as well as technology risk. Customers of regulated entities must be informed of the risks of trading in DPTs under the PSN08 Notice on Disclosures and Communications but are otherwise not subject to any statutory protection for their trading of DPTs.

Amendments to PS Act have been passed in January 2021 to expand the scope of regulated DPT services to align with the enhanced standards by Financial Action Task Force (FATF). More information can be found in this [link](#).

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