EPAA SUBMISSION TO

CONSULTATION ON PROPOSED AMENDMENTS TO THE PAYMENT SERVICES ACT 2019 FOR STABLECOINS REGULATION

Country of Origin:
Singapore

Department:
Monetary Authority of Singapore

Title:
Consultation on Proposed Amendments to the Payment Services Act 2019 for Stablecoins Regulation

Date:
1 Sept 2026

Submission Date:
16 Oct 2026

Original Link:
https://www.mas.gov.sg/publications/consultations/2026/consultation-on-proposed-amendments-to-the-payment-services-act-for-stablecoin-regulation

Submission of Emerging Payments Association Asia (EPAA) to Monetary Authority of Singapore (MAS) on Consultation Paper P015-2026 "Consultation on Proposed Amendments to the Payment Services Act for Stablecoin Regulation" published 1 September 2026, comments due 16 October 2026.

Uploaded via form.gov.sg

1.MAS seeks feedback on the proposed definition of "stablecoin" and related amendments under Section 2(1) of the PS Act. In particular, MAS seeks views on whether these amendments provides sufficient clarity to distinguish stablecoins from e-money.(optional)

The Emerging Payments Association Asia (EPAA) welcomes the opportunity to comment on the Monetary Authority of Singapore's Consultation on Proposed Amendments to the Payment Services Act for Stablecoin Regulation.

EPAA supports MAS's intent to provide legal clarity for stablecoin issuance.

The consultation paper states that MAS will amend section 2(1) to clarify that stablecoins "fall within the broader category of digital payment tokens… unless otherwise expressly provided."

EPAA notes that the proposed definition of "stablecoin" contains no technology-based characteristic.

A currency-denominated stored value balance (such as an e-wallet balance) could arguably fall within it and, because the amended definition of "e-money" excludes "any stablecoin", existing e-money products could be drawn out of the e-money regime. Tokenised deposits raise the same issue, as deposits are excluded from "e-money" but not from "stablecoin".

EPAA recommends that MAS either add a technology-based characteristic to the definition or prescribe e-money and tokenised deposits as excluded stablecoins from commencement and confirm that the amendments are not intended to change the regulatory characterisation of any existing e-money product.

EPAA also appreciates MAS clarifying the definition of "stablecoin" and asks that the definition be further refined so that it clearly includes only tokens that reference a currency, an asset, or a pool or basket of currencies of stable value, and that are backed by high-quality reserve assets.

We further note that the definition of "stablecoin" at Section 2(1) of the PS Act excludes any explicit reference to "investment", which may not cover a common use case of an investor temporarily holding funds in stablecoins when buying and selling digital assets.

This is explicitly covered in the Hong Kong Ordinance, as follow:

(ii) Is used, or intended to be used, as a medium of exchange accepted by the public for any one or more of the following purposes:

a. Payment for goods or services;

b. Discharge of a debt;

c. Investment;

While the MAS has discretion to extend the stablecoin definition to other characteristics, it may wish to consider whether its current definition is aligned with other regional jurisdictions and is robust enough to cover such a common use case.

3.MAS seeks feedback on the proposed amendments to Part 2, Division 1 and Division 2, as well as the addition of paragraph 2(m) to the First Schedule to the PS Act. (optional)

EPAA notes that the creation of a dedicated licence class for stablecoin issuance under the proposals are essentially "opt-in". On this basis, it is unclear, give the obligations imposed, what the incentive would be for a reputable issuer to become an "MAS-regulated stablecoin".

On this basis, EPAA recommends that the MAS clarify how "MAS-regulated stablecoins" fit into Singapore's broader payments ecosystem and consider explicit incentives for reputable issuers to opt-into the regulatory regime, including:

• signalling future access to MAS-operated tokenised settlement systems,

• enabling preferential treatment in sandbox or pilot environments, or

• offering streamlined supervisory oversight.

These incentives would materially increase uptake.

EPAA recognises that MAS expects to authorise only a limited number of stablecoins. For that reason, it is important that the regime offers clear benefits to the issuers its wishes to attract.

As well, use of the term "MAS-regulated stablecoin" will be restricted to those who have opted-in, potentially providing consumers with a degree of comfort that the stablecoin they hold is regulated.

However, this term will operate alongside other differently-identified providers (such as an MAS recognised stablecoin issuer and just a stablecoin issuer). This will require a degree of educational effort for the public to be able to distinguish between providers. If not done well, this may place the public at risk. Consideration should be given as to whether terms like "stablecoin issuer" are restricted, as is done with terms such as "bank", to better protect the public.

Question 5. MAS seeks comments on the inclusion and framing of the proposed prohibition of interest to be paid on MAS-regulated stablecoins to holders.

EPAA supports the policy objective of distinguishing MAS-regulated stablecoins from savings or investment products.

EPAA suggests that the prohibition on the payment of interest on MAS-regulated stablecoins be limited to issuers and not extend to the independent activities of third parties.

Question 7. MAS seeks comments on the relevance of caps on aggregate issuance or individual holdings for stablecoins.

EPAA notes that issuance caps are difficult to manage and may restrict specific use cases, especially for corporations and businesses.

18.MAS seeks comments on the requirements to be imposed on issuers of designated systemic stablecoins, including complying with the requirements similar to that of MAS-regulated stablecoin issuers and to have plans for recovery and resolution.

Stablecoins play an important role in the payment ecosystem. While EPAA encourages regulators to create a framework for systemic stablecoins, it notes that this is very early in respect to market development and care is required in terms of the introduction and timing of such a regime.

19. MAS seeks comments on the proposed direction-making powers to restrict circulation of certain designated systemic stablecoins, including what would be an appropriate notice period, and potential recourse for customers with exposure to such stablecoins at the point of designation.

Many EPAA members use stablecoins for cross-border settlement, and a direction to cease offering a stablecoin could disrupt payment flows at short notice. EPAA recommends that, other than in a genuine emergency, a direction should be subject to a minimum notice period, permit in-flight transactions to be completed and customer balances to be redeemed or withdrawn in an orderly way, and confirm that DPT service providers will not be liable to customers for actions taken to comply with.

20.MAS seeks comments on the factors that should be taken into consideration prior to designating a stablecoin as systemic, including corresponding data to track and monitor for such purpose. (optional)

The consultation paper states that MAS will introduce powers to designate a stablecoin as a "Designated Systemic Stablecoin," requiring additional compliance requirements and enabling MAS to restrict circulation if obligations are not met.

EPAA believes that, given that the consequence of designation are significant, that clear designation criteria should be established. Without transparent thresholds, issuers may be reluctant to scale their stablecoin operations in Singapore.
Further, any designation of a systemic stablecoin should be clear and specific and should provide the issuer with a defined timeframe within which to comply with the resulting regulatory requirements.

On this basis, EPAA recommends MAS provide clarity on the indicative timeframes and a clear process and review mechanism for designation, for instance through providing clarity on the operation of Section 40B and 40D. This clarity could include expanding on the criteria outlined in Paragraph 4.10 that the MAS would take into account for designation such as size and inter-connectivity, how designation is undertaken and communicated to the issuer and the market, and whether there is any process for de-designation.

21. MAS seeks feedback on the proposed amendments to section 100A of the PS Act, setting out the framework to facilitate the multi-jurisdiction issuance of MAS-regulated stablecoins.

EPAA supports multi-jurisdictional issuance. Any equivalence regime should be issuer-level and outcome-based. Any assessment of an equivalent regime should focus on reserve composition and location, disclosure requirements, governance, and redemption rights.