

**RESPONSE TO
FEEDBACK RECEIVED**

August 2017

**Proposed
Establishment of a
National Payments
Council**

MAS

Monetary Authority of Singapore

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1 Preface

1.1 On 25 August 2016, MAS consulted on establishing a national payments council.

1.2 The consultation period closed on 31 October 2016 and MAS thanks all respondents for their contributions. The list of respondents is in Annex 1 and the full submissions are provided in Annex 2¹.

1.3 MAS has considered the feedback carefully, and has incorporated specific suggestions into the scope and mandate of the proposed Payments Council.

1.4 The responses below relate specifically to feedback received on the establishment of the Payments Council. MAS will respond to feedback received on the proposed activity-based payments framework in November 2017.

¹ Some names and submissions are omitted on request of confidentiality by the respondents.

2 Payments Council Objectives and Activities

2.1 MAS proposed to set up a Payments Council with a mandate to foster innovation, competition and collaboration in the payments industry. MAS consulted the industry on the proposed objectives of the Payments Council, which included:

- a) Governance and stakeholder engagement,
- b) Coordination and implementation,
- c) Research and surveillance, and
- d) Advisory, policy and enforcement.

2.2 Respondents were supportive and welcomed the establishment of the Payments Council to help shape the future of Singapore's payments ecosystem.

2.3 Most respondents agreed with the Payments Council's proposed objectives on engaging stakeholders, improving coordination and advising MAS. Such objectives would encourage collective action and bring efficiency to the payments sector, while aligning with national interests at the same time. Most respondents were also supportive of the Council undertaking research and surveillance activities.

2.4 While most respondents had no comments about project management, the few who disagreed raised concerns that undertaking project management activities would be a costly endeavour due to the additional funding and resources required.

2.5 Many respondents expressed concerns about the Payments Council's role in governance and enforcement, and sought clarity on the division of roles between the Payments Council and MAS (with its mandate over payment system supervision and oversight). Several respondents suggested that the Payments Council would serve best in an advisory role instead of functioning as a regulatory body.

MAS' Response

2.6 MAS agrees that the objectives of the Payments Council should be to facilitate stakeholder engagement, promote collaboration and coordination, and provide an advisory role to MAS on payments related issues.

2.7 While most respondents were open to the Payments Council conducting research and surveillance, the Payments Council will not be required to actively carry out

such activities. However, the Payments Council may from time to time be called upon to conduct research and surveillance in support of payments-related projects.

2.8 Implementation roles such as executing projects will be out of the Council's scope of responsibilities. However, while the Payments Council will not undertake and implement projects, it may be called upon to facilitate strategic payments projects and initiatives.

2.9 Objectives related to governance, regulation and policy-making will continue to reside with MAS. Hence, the key activities of the Payments Council will relate to facilitating industry discussion and coordination, and advising MAS on payments and related issues. To better reflect the key objectives and activities of the Payments Council as an industry advisory and collaborative body, MAS has decided to refer to this as the Payments Council, instead of the national payments council.

Assuming Responsibilities of Singapore Clearing House Association (SCHA)

2.10 MAS proposed that the Payments Council could assume SCHA's current role as one of its activities, and sought comments on the Payment Council's proposed powers over payment systems and its participants, as well as the proposed payment systems to be governed. MAS also sought views on whether the Payments Council should introduce a membership fee to charge members for participation in the payment systems governed by the Payments Council.

2.11 The majority of respondents commented that it was not appropriate for the Payments Council to assume SCHA's role, citing a conflict of interest and confidentiality. Since the SCHA appointed vendors to manage and operate payment systems, these respondents pointed out a strong likelihood that the vendors in consideration could be Council members themselves. Similarly, potential confidentiality issues related to contracts could arise as competing vendors could be part of the Payments Council.

MAS' Response

2.12 MAS agrees that the SCHA ought to continue its current activities. The Payment Council will function in an advisory capacity and thus, will not be empowered to establish and enforce by-laws, and rules and regulations of payment systems, nor will it be empowered to appoint vendors for payment systems. In view of this, subsequent proposals relating to governance, management and operation of payment systems by the Payments Council instead of the SCHA are no longer relevant. However, in order to

improve coordination between the Payments Council and SCHA, the Chairman of the SCHA will be invited to join the Payments Council as an ex-officio member.

Single Point of Contact

2.13 Most respondents disagreed with the proposal for the Payments Council to function as a single point of contact for public feedback and complaints, and many pointed out that existing channels are already in place for such engagements. Most businesses have already established processes to address customer feedback and complaints and respondents felt that there was no need to duplicate efforts. Furthermore, as a multi-party Council, it would be challenging to route the feedback to the right parties. Several respondents suggested that the Payments Council could consider accepting broad public feedback on industry developments and activities in the payment system.

MAS' Response

2.14 MAS agrees that complaints and feedback at an institutional level should remain with the relevant organisation. Similarly, there are existing channels for general public feedback, such as via MAS, MoneySense, the Association of Banks and CASE. In view of this, there is no compelling reason for the Payments Council to undertake this role.

3 Composition of the Payments Council

3.1 MAS sought feedback on the proposed membership structure, representation on the Payments Council, a proposal of a two-year term with rotating members, as well MAS' role in the Payments Council.

Proposed Membership Structure and Representation

3.2 Most respondents agreed that the Payments Council ought to be represented by members from the supply and demand side and agreed with the proposed composition. Some respondents requested for clarification on Payments Council representation and selection criteria, and highlighted that membership ought to be limited to prevent the Council from becoming too large and unwieldy. A few respondents also cited concerns that the inclusion of demand and government members might hinder the progress of discussion due to a lack of familiarity with the payments industry.

3.3 Most respondents agreed that representation from each member should be at a CEO or senior management level in order to lend proper weight to the Council. Many

respondents were neutral to the fixed term, although a small number suggested extending the two-year to cover projects that the Council might need to manage. A few respondents also suggested that the Council be made up of both permanent and rotating membership.

MAS' Response

3.4 MAS agrees that the Payments Council membership should have representation from both supply and demand sides.

3.5 MAS will invite members that can best represent their relevant community. From the supply side, MAS will draw representation from local and foreign banks, as well non-bank payment service providers. In order to reflect the views of the diverse demand side users, MAS will invite businesses, trade associations and chambers of commerce. As users of the payments system, the demand side voice is crucial for meaningful and well-rounded discussions.

3.6 Payments Council members will be appointed for a two-year term, in line with other MAS committees. As the Payments Council will not undertake any project management role, there is no need for a longer term.

MAS' Role as Chair in the Payments Council

3.7 Most respondents agreed that MAS' role as chair of the Payments Council would best serve the purpose of driving initiatives aligned to Singapore's long term payments vision. A few respondents were concerned that the Payments Council would be too heavily influenced by a public body, and this might hinder the Council's mandate to promote innovation. These respondents preferred an independent party to chair the Payments Council instead of MAS.

MAS' Response

3.8 MAS has long supported and promoted a culture of innovation in the financial sector and understands this to be critical in developing an open and efficient payments industry. MAS believes its role as chair in the Payments Council will balance public and private interests, and will continue to encourage innovation as long as it does not run counter to the safety and soundness of the ecosystem. MAS will invite FinTech players to join the Council as members, as well as share the latest innovations and developments with the Payments Council.

4 Ownership of the Payments Council

4.1 MAS sought comments on the possible models for ownership that would allow the Payments Council to achieve its objectives and mandate.

4.2 Most respondents felt that the Payments Council should follow a public ownership model to best align with its public mandate. A few respondents did not see the need for private or public ownership for the Council.

MAS' Response

4.3 As the Payments Council will function as an industry coordination and advisory body chaired by MAS, ownership of the Council will no longer be an issue.

MONETARY AUTHORITY OF SINGAPORE

2 August 2017

Annex 1

**LIST OF RESPONDENTS TO THE CONSULTATION PAPER ON
PROPOSED ESTABLISHMENT OF A NATIONAL PAYMENTS COUNCIL**

1. Alipay Singapore E-commerce Pte Ltd, who requested for their comments to be kept confidential.
2. Allen & Gledhill LLP, representing Barclays Bank, Credit Suisse, J.P Morgan Chase Bank (Singapore Branch), OCBC, Standard Chartered Bank, and UBS, who requested for their comments to be kept confidential.
3. American Express International Inc., Singapore Branch, who requested for their comments to be kept confidential.
4. Australia and New Zealand Banking Group Ltd, Singapore Branch, who requested for their comments to be kept confidential.
5. Association of Cryptocurrency Enterprises and Startups Singapore (ACCESS)
6. AXS Pte Ltd, who requested for their comments to be kept confidential.
7. Banking Computer Services Pte Ltd, who requested for their comments to be kept confidential.
8. Bullionstar Pte Ltd
9. Consumers Association of Singapore (CASE)
10. Competition Commission of Singapore (CCS), who requested for their comments to be kept confidential.
11. Deutsche Bank
12. Diners Club (Singapore) Pte Ltd, who requested for some comments to be kept confidential.
13. Docomo Digital (NTT Docomo Group), who requested for their comments to be kept confidential.
14. Dr Sandra Booyesen

15. East Springs Investments (Singapore) Ltd
16. EZ-link Pte Ltd, who requested for their comments to be kept confidential.
17. Fintech Alliance, an associate of the Singapore Infocomm Technology Federation
18. Lufthansa AirPlus Servicekarten GmbH
19. M1 Ltd
20. Mastercard Asia/Pacific, who requested for their comments to be kept confidential.
21. MoneyGram International, who requested for their comments to be kept confidential.
22. Network for Electronic Transfers (S) Pte Ltd, who requested for some comments to be kept confidential.
23. OKLink Technology Company Ltd
24. PayPal Pte Ltd (3PL), who requested for their comments to be kept confidential.
25. Rajah & Tann Singapore LLP
26. Red Dot Payment Pte Ltd, who requested for their comments to be kept confidential.
27. RHTLaw Taylor Wessing LLP
28. Ripple
29. Singapore Post Ltd
30. SingCash Pte Ltd ; Telecom Equipment Pte Ltd; Singtel Mobile Singapore Pte Ltd (Singtel)
31. StarHub Mobile Pte Ltd (StarHub)
32. The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (“HSBC Singapore Branch”); HSBC Bank (Singapore) Limited (“HSBC Singapore”); and HSBC Insurance (Singapore) Pte Limited, who requested for all comments to be kept confidential
33. TransferWise

34. UnionPay International (UPI), who requested for their comments to be kept confidential.
35. United Overseas Bank Ltd
36. Visa Worldwide Pte Ltd, who requested for their comments to be kept confidential.
37. Western Union
38. Wex Asia Pte Ltd, who requested for their comments to be kept confidential.
39. Wirecard Singapore Pte Ltd
40. WongPartnership LLP
41. Respondent A who requested for confidentiality of identity
42. Respondent B who requested for confidentiality of identity
43. Respondent C who requested for confidentiality of identity
44. 7 respondents requested for full confidentiality of their identity and submission.

Please refer to **Annex 2** for the submissions.

Annex 2

**FULL SUBMISSIONS FROM RESPONDENTS TO THE CONSULTATION PAPER
ON PROPOSED ESTABLISHMENT OF A NATIONAL PAYMENTS COUNCIL**

S/N	Respondent	Responses from Respondent
1	Alipay Singapore E-commerce Pte Ltd	Requested for all comments to be kept confidential
2	Allen & Gledhill LLP	Requested for all comments to be kept confidential
3	American Express International Inc., Singapore Branch	Requested for all comments to be kept confidential
4	Australia and New Zealand Banking Group Ltd, Singapore Branch	Requested for all comments to be kept confidential
5	Association of Cryptocurrency Enterprises and Startups Singapore (ACCESS)	<p>Question 36</p> <ul style="list-style-type: none"> ACCESS believes NPC's intent is good, that is, aim to get consumer and buy-side feedback. But ACCESS believes it's a concern if NPC has enforcement powers. <p>Question 37</p> <ul style="list-style-type: none"> What's the intent of the NPC? Is it to gather feedback? Is there a challenge with the existing payments? <p>Question 38</p> <ul style="list-style-type: none"> In view of Activity 6 (Payment Systems) being the basic infrastructure that the other Activities are built upon, the NPC's scope should be linked as such. Same goes for public transport card operators (e.g. EZ-Link & CashCard) <p>Question 40</p> <ul style="list-style-type: none"> ACCESS believes that NPC should be a feedback entity and not an enforcement entity. <p>Question 41</p>

S/N	Respondent	Responses from Respondent
		<ul style="list-style-type: none"> • ACCESS believes it can be the point to collect feedback for Singapore relating to payments, but not in the sense to enforce e.g. penalties. <p>Question 42</p> <ul style="list-style-type: none"> • ACCESS believes NPC should represent all categories and not only Activity 6. <p>Question 44</p> <ul style="list-style-type: none"> • If MAS’s role at the NPC is to primarily be the observer of activities, we believe it is fine. <p>Question 45</p> <ul style="list-style-type: none"> • ACCESS believes the composition of members must be a fair representation of the stakeholders in Singapore in relation to the PPF. <p>Question 46</p> <ul style="list-style-type: none"> • ACCESS believes if NPC is inclusive and represents the whole nation in terms of payments with no enforcement powers, then NPC is a great entity to nurture. <p>Question 47</p> <ul style="list-style-type: none"> • Access believes that a progressive method and flexibility should be put in place in case one method doesn’t work. <p>Question 48</p> <ul style="list-style-type: none"> • Voting is not mentioned in the paper. Is there a reason why it was left out? <p>Question 49</p> <ul style="list-style-type: none"> • Some members believe maybe we can have a separate legal body to deal with complaints and conflicts. The NPC should be a public body to prevent any potential conflicts of interest associated with a profit-seeking private organization <p>Question 50</p> <ul style="list-style-type: none"> • If a hybrid model is in place, we believe compensation structure must be carefully considered in order to prevent wrongdoings.

S/N	Respondent	Responses from Respondent
		<p>Question 51</p> <ul style="list-style-type: none"> ACCESS believes NPC should not have enforcement powers but only a central point of contact for payment stakeholders. <p>Question 52</p> <ul style="list-style-type: none"> ACCESS would like to know the intent of having a payment intent run by the NPC. <p>Question 53</p> <ul style="list-style-type: none"> ACCESS believes it is not a reasonable expectation for NPC to be sustainable based on membership fees. <p>Question 54</p> <ul style="list-style-type: none"> ACCESS does not agree with the NPC having enforcement powers. <p>Any other comments:</p> <ul style="list-style-type: none"> From a governance point of view: - NPC should not have enforcement powers -NPC should not be supported (only) by memberships fees
6	AXS Pte Ltd	Requested for all comments to be kept confidential
7	Banking Computer Services Pte Ltd	Requested for all comments to be kept confidential
8	Bullionstar Pte Ltd	<p>Question 53</p> <ul style="list-style-type: none"> We encourage MAS to research and consider both the direct and indirect additional start-up and maintenance costs for SMEs that become subject to licensing and/or enhanced regulations and whether those increased costs are compatible with the overall Singaporean government's objective of productivity, competitiveness, consumer choice and business friendliness.
9	Consumers Association of Singapore (CASE)	No comments registered for the Payments Council

S/N	Respondent	Responses from Respondent
10	Competition Commission of Singapore (CCS)	Requested for all comments to be kept confidential
11	Deutsche Bank	<p>Question 36</p> <ul style="list-style-type: none"> • We support the MAS’s proposal on the NPC’s mandate to foster innovation, competition and collaboration in the payments industry. • We commend the proposal of having representatives from both the demand and the supply side as NPC Board members. As the demand and supply side representatives will have divergent interests and be represented at the same table, this should lead to greater collaboration which will in turn foster innovation and lower costs. • We disagree that publishing industry-wide rules and enforcing compliance, except beyond those linked to the by-laws of the payments systems overseen by NPC, should be an objective of the NPC. Compliance with industry-wide regulations should be responsibility of individual payment service provider under the supervision of and within the framework designed by the financial regulator, the MAS. We therefore request deletion of the second part of point (k) under 3.3 and suggest rewording the first part to make it clear that the NPC will only promote effective implementation of MAS policies, not play a policy-making or an enforcement role. • We agree with the remaining of the proposed objectives. Accordingly, we propose the following objectives for the NPC - <ul style="list-style-type: none"> ○ Governance and stakeholder engagement ○ Coordination and implementation ○ Research and surveillance and ○ Advisory and policy support <p>Question 37</p> <ul style="list-style-type: none"> • We support the proposal that existing Designated Payment Systems and other systemically important payment systems and schemes in Singapore should be governed by the NPC. However, as set out in Question 3, we seek clarification on whether MAS will consider publishing a framework for domestic

S/N	Respondent	Responses from Respondent
		<p>systemically important non-banks in the payment eco-system to sit in parallel to that for D-SIBs.</p> <p>Question 38</p> <ul style="list-style-type: none"> • We support in principle the proposal that payment systems should be governed by the NPC. In this regard, we support the proposal to link the scope of the NPC to Activity 6 of the PPF. However, as suggested in response to Question 1, the PPF should be based on a proportionality framework whereby a new payment service provider may be subject to a minimum level of regulatory requirements as compared to a payment service provider that has a material impact to the Singapore financial system and therefore will be subject to a higher level of regulatory requirements or included in scope of designation regime. • We also seek clarification that MAS as the regulator would still determine any such designation, not the NPC. As mentioned in our response to Question 37, we seek clarification on whether MAS will consider publishing a framework for identifying and supervising domestic systemically important non-banks in the payment eco-system to operate alongside that for D-SIBs which takes into account payments activity. <p>Question 39</p> <ul style="list-style-type: none"> • We support the MAS's proposal to include MAS Electronic Payment System (MEPS+) to be included as one of the payment systems governed by the NPC under the designation regime as we deem it to be a critical application for Singapore's financial system. • As suggested in response to Question 38 and in line with our proposal of a transparent proportionality framework as the basis of PPF, we suggest that the PPF contain guidelines on when a payment system will become a designated payment system and thereby be subject to the PPF, governed by the NPC.

S/N	Respondent	Responses from Respondent
		<p>Question 40</p> <ul style="list-style-type: none"> • We agree with the activities proposed in section 3.5 of the consultation. These are in line with our response to Question 36, where we support the NPC defining and enforcing the by-laws of payments systems it oversees, but disagree that it should be able to publish or enforce compliance with industry wide rules. • The activities listed in section 3.5 will help the NPC to achieve the proposed objectives in 3.3 (except point k as discussed above). We have classified the activities listed in section 3.5 in line with the objectives we support: <ul style="list-style-type: none"> • Governance and stakeholder engagement <ul style="list-style-type: none"> ○ Define and enforce by-laws, scheme rules and conditions governing the participants and operators of the systems ○ Determine membership fees, pricing policies, and access for the use of existing payment systems • Coordination and implementation <ul style="list-style-type: none"> ○ Appoint and manage contracts with service providers for the provision of central payment systems ○ Manage, coordinate, and execute projects to improve payments ecosystem ○ Drive electronic payments adoption ○ Conduct consumer awareness campaigns and road shows • Research and surveillance and <ul style="list-style-type: none"> ○ Assess, endorse, and enforce best practices and international payments industry standards. ○ Promote regional payments initiatives • Advisory and policy <ul style="list-style-type: none"> ○ Develop strategies and policies to address gaps in retail payment product ○ and service provision and drive migration away from paper based ○ payment instruments and processes • We are supportive of the proposed activities as listed above.

S/N	Respondent	Responses from Respondent
		<p>Question 41</p> <ul style="list-style-type: none"> • We support the proposal of the NPC to function as a single point of contact for public feedback and complaints related to payment in Singapore. There are multiple benefits for this: <ul style="list-style-type: none"> a) the NPC can perform the ombudsman role over the Singapore payments industry for the MAS; and b) It will enable the NPC to enforce best practices across the payments industry by setting up a mechanism or process by which firms may be benchmarked against and held accountable on ethical behaviour and professional conduct. • In line with this suggestion, the objectives of the NPC should include investigating and addressing complaints relating to payments in Singapore under the category of Governance and Stakeholder Engagement. In the first stage of the grievance process, the complaint should still be directed to the service provider in question. If the consumer is still unsatisfied with the resolution of the complaint, then the option should be made available for the consumer to contact the NPC as the final escalation point. There should be a high level of transparency to the service provider regarding the complaints made against it and resolutions between the consumer and the service provider should always be encouraged as the preferred method. <p>Question 42</p> <ul style="list-style-type: none"> • We support the proposal of the NPC Chairman being a representative from MAS and chairing the NPC board meetings. As mentioned in our response to Question 36, we support representatives from both the demand and the supply side as board members for the NPC. A wide range of activities will be governed by the NPC under the PPF and representations from both the demand and the supply side will ensure robust governance, promote innovation and reduce costs.

S/N	Respondent	Responses from Respondent
		<p>Question 43</p> <ul style="list-style-type: none"> • Careful consideration should be undertaken regarding the benefits of expanding the participation in the clearing and payment systems. Banks have a strong AML and CTF control mechanism, which the other non-bank participants may not have which may result in increased risks. Cost and efficiency benefits would be key factors when considering expanding the participation in the clearing and payment systems. • However, the benefits have to be measured against the money laundering and terrorism funding risk before a decision should be made. • The PPF should help address these risks, once fully implemented, as it would cover a wide range of currently non-regulated firms. Thought should be given to sequencing of reforms and the conditions under which participation could be expanded. MAS may wish to consult the industry on this in subsequent consultations. <p>Question 44</p> <ul style="list-style-type: none"> • We support MAS’s proposal on the active role it will play in the NPC as the chair of the NPC Board with the casting vote and the powers to veto any decision. <p>Question 45</p> <ul style="list-style-type: none"> • As noted in our response to Question 36, we support MAS’s proposal on equal representation from both the demand and supply side to the NPC board. This will ensure a balanced view from both the customers and service providers which will foster innovation and competition, while raising the minimum standards across all players in Singapore’s payment industry. <p>Question 46</p> <ul style="list-style-type: none"> • We support the proposal that the NPC Board members should hold a position of CEO or equivalent. The board members could be supported by activity-based working groups which will bring in

S/N	Respondent	Responses from Respondent
		<p>the relevant technical expertise to support the strategic decision making by the Board.</p> <ul style="list-style-type: none"> • We propose that the number of the NPC Board members in each term be kept at a size adequate to facilitate decision making, but suitably represented by the wide spectrum of industry players. <p>Question 47</p> <ul style="list-style-type: none"> • We support MAS's proposal that the NPC Board members should be appointed based on their competency, good public standing, skill-sets and experience in their respective industry. Feedback should be taken from industry bodies when selecting the board members representing the banking community or trade and consumer associations. The criteria for being a NPC board member should be published to ensure transparency in the selection process. • We propose a fixed term of 3 years, with a third of the board members be rotated at the end of the year to ensure change and continuity. <p>Question 48</p> <ul style="list-style-type: none"> • We support the MAS proposal on the voting process for resolution of the NPC Board matters and decisions. <p>Question 49</p> <ul style="list-style-type: none"> • The overriding objective of NPC must be to act in the interest of the public. While a publicly owned model may explicitly serve this objective, a privately owned model may still be designed in such a way that the public interest is still the overriding objective, while under private sector structures. • In line with the Singapore Ministry of Finance's (MOF) goal to collaborate with industry experts to make Singapore a world-class financial and business hub with a focus on development, we encourage them to look at innovative solutions to create a mixed model. One of the options is that NPC could be set-up as a not for profit company, wholly owned by the MOF.

S/N	Respondent	Responses from Respondent
		<p>Question 50</p> <ul style="list-style-type: none"> As per our response to Question 49, we propose that the overriding objective of the NPC should be to serve the interests of the consumers. We suggest that whatever the ownership model of the NPC, the set-up should reflect this, e.g. as a not for profit company. An option is that it can be wholly owned by MOF. The operating expenses of the council should be funded through the membership fees and the activity fees that should be charged to the members. <p>Question 51</p> <ul style="list-style-type: none"> We broadly agree with the powers of the NPC suggested in 3.12-3.15, subject to the caveat that enforcement powers should be limited to the by-laws of the payment systems overseen by the NPC, in line with the proposed mandate and objective as stated in our response to Question 36. <p>Question 52</p> <ul style="list-style-type: none"> We propose that the NPC should have the option to appoint service providers to operate the clearing and payment systems with appropriate governance structures to oversee the service providers. <p>Question 53</p> <ul style="list-style-type: none"> We support the proposal of the NPC charging membership fees to cover its operational expenses. However we propose that the NPC should not be profit motivated, i.e., it should be set up as a not for profit company, with the intent to foster innovation and improve the standards in the payment industry in Singapore. <p>Question 54</p> <ul style="list-style-type: none"> We broadly agree with the powers of the NPC suggested in 3.12-3.15, subject to the caveat that enforcement powers should be limited to the by-laws of the payment systems overseen by the NPC, in line with the proposed mandate and objective as stated in our response to Question 36.

S/N	Respondent	Responses from Respondent
12	Diners Club (Singapore) Pte Ltd	<p>Question 36</p> <ul style="list-style-type: none"> • Agree <p>Question 37</p> <ul style="list-style-type: none"> • The term of reference and scope of objective of the NPC is sufficiently wide to enable policy adjustments to be flexible enough to respond quickly to innovative developments in the Singapore market place. <p>Question 38</p> <ul style="list-style-type: none"> • The current use of store value card for public transport involve a substantial amount of cash top up and is not consistent with the national drive towards a cashless society. There is substantial scope for the international card scheme to be involved in driving the top up process to be done electronically to the card or through electronic bill presentment and payment system. This same process could cater not only to public transport system but also to electronic parking system (both private managed car parks and HDB) and even to domestic gas and electricity usage. <p>Question 39</p> <ul style="list-style-type: none"> • Agree <p>Question 40</p> <ul style="list-style-type: none"> • NPC should shape the Payment System Policy. Review it annually due to the fast changing landscape of payment channels/models. • Promote efficiency of the payment system such as common ownership of the UPOS • Moving the paper based instruments (i.e. cash and cheque) to an electronic based instruments (debit card, credit card etc.) • To consult widely relevant industry participants and subject matter experts <p>Question 41</p> <ul style="list-style-type: none"> • It is reasonable for NPC to function as a single point of contact.

S/N	Respondent	Responses from Respondent
		<p>Question 42</p> <ul style="list-style-type: none"> Proposed structure is agreeable. <p>Question 43</p> <ul style="list-style-type: none"> Yes this will facilitate the objective of making Singapore from a predominately cash based society to a cashless society. The current 60% cash payment for consumer and the 30% cheque payment for business is way too high. In particular participation by non-bank institution in the FAST system should be encouraged for wider participation. At the present moment for participant as a customer FAST is too expensive and the cost should be made reasonable to these participants and non-bank institutions. <p>Question 44</p> <ul style="list-style-type: none"> NPC should be advising MAS on Singapore Payment System Policies <p>Question 45</p> <ul style="list-style-type: none"> The proposed composition of members seem adequate <p>Question 46</p> <ul style="list-style-type: none"> There should be more weightage given to institutions that are issuing and acquiring the transactions as they are ultimately responsible for the source of fund and payment of fund. <p>Question 47</p> <ul style="list-style-type: none"> Yes we find it reasonable. <p>Question 48</p> <ul style="list-style-type: none"> Yes we find it reasonable. <p>Question 49</p> <ul style="list-style-type: none"> Ownership should be public and non-profit oriented so that all levels of players have voice to vote. <p>Question 50</p> <ul style="list-style-type: none"> We don't agree for private ownership since the objective of the NPF is multifaceted and does have a public policy objective, a public ownership structure

S/N	Respondent	Responses from Respondent
		<p>will prevent conflict of interest which is possible in the case of private ownership interest.</p> <p>Question 51</p> <ul style="list-style-type: none"> • The proposed extent and nature of the NPC’s power over participants and schemes is reasonable and perhaps some suggestion for a periodic review of its role and effectiveness. <p>Question 52</p> <ul style="list-style-type: none"> • Yes they can appoint based on merit <p>Question 53</p> <ul style="list-style-type: none"> • NPC should be publically funded <p>Question 54</p> <ul style="list-style-type: none"> • Adequate
13	Docomo Digital (NTT Docomo Group)	Requested for all comments to be kept confidential
14	Dr Sandra Booyesen	<p>Question 36</p> <ul style="list-style-type: none"> • I support the establishment of a National Payments Council to foster development in this area. • A body with a bird’s eye view of the payments landscape and the goal of keeping Singapore’s payment capabilities at the cutting edge, will benefit the financial sector. • As the consultation paper points out, other jurisdictions such as Australia and the UK, have seen the merit in such a move. • The payments domain is inextricably linked to technological capability and technology advancements are so rapid that it is important to have one’s finger on the pulse, failing which developments are less likely to be detected. A dedicated body offers a way to achieve this. One small suggestion of how a payments council might stay in touch is to have an online blog/portal that harnesses the views of the tech savvy public (often the youth) who can alert the council to new developments.

S/N	Respondent	Responses from Respondent
		<p>Question 40</p> <ul style="list-style-type: none"> • Studies have shown that one impediment to wider public adoption of electronic payment mechanisms, is a concern about the safety of such mechanisms. This issue links in with the KPMG August 2016 report at p 7 that an increased focus on, inter alia, consumer protection is needed. Based on my past analysis, banks in Singapore have numerous clauses in their Terms and Conditions that allocate the risk of fraud and errors to customers. This can be contrasted with the position, for example, in the UK where such clauses are less tolerated. I suggest that this is an issue that needs to be addressed to encourage more customers to embrace electronic platforms. I do believe that a more satisfactory balance of the respective interests can be achieved. <ul style="list-style-type: none"> ○ The UK’s Payment Systems Regulator is currently investigating a ‘super-complaint’ that credit or ‘push’ payments pose greater risks for customers than debit or ‘pull’ payments and that banks can do more to protect customers from scams involving push payments. This is an issue that undoubtedly is of relevance also in the Singapore context. ○ It is worth considering how the new regulator can work with SPRING in its new role under the Consumer Protection (Fair Trading) Act in order to enhance consumer protection in financial contracts and promote confidence. • I believe that there is/will be academic interest in conducting empirical research about the payments sector, and that the findings of such research can benefit the NPC. The MAS/NPC can assist potential researchers by providing more payment statistics on their website. For example, I have struggled to find retail payment statistics going back further than the last three years in Singapore. I suggest that the MAS/NPC establish a ‘Statistics’ link on their website where researchers can access a wider

S/N	Respondent	Responses from Respondent
		<p>and more comprehensive range of information to facilitate greater academic research in this area.</p> <p>Question 45</p> <ul style="list-style-type: none"> • I agree that all stakeholders should be represented. <p>Any other comments:</p> <ul style="list-style-type: none"> • Having regard to the recent KPMG report, it does seem that Singapore has been passive about phasing out cheques although they have identified a shift to electronic payments as its goal. The UK experience has also shown that financial inclusion is important and cheque users should not feel marginalised. Within that paradigm, I believe that more can be done to encourage the transition away from cheques and to phase them out relatively painlessly. Obviously, viable alternatives that have similar features as cheque payments are important, and the proposed NPC will no doubt assist in this objective. There is a lot of research showing what influences customers when they select their payment instrument. Cost is just one example of a tool that can be used (incentives and disincentives) to change payment behaviour.
15	East Springs Investments (Singapore) Ltd	<p>Question 51</p> <ul style="list-style-type: none"> • We refer to MAS' proposal for the National Payments Council ("NPC") to govern payment systems that fall within the scope of Activity 6 under the PPF, and for the NPC to have powers to issue advisories and letters of reminders to payment system operators and participants, which do not adhere with the by-laws, scheme rules and conditions governing the participants and operators of the systems. Given that certain users of financial institutions' services are not subject to any form of oversight by any regulatory body or agency, we are of the view that participants of payment systems (which utilise the payment systems) should similarly not be subject to NPC's oversight. In this regard,

S/N	Respondent	Responses from Respondent
		only operators of payment systems should be governed by NPC.
16	EZ-link Pte Ltd	Requested for all comments to be kept confidential
17	Fintech Alliance	<p>Question 36</p> <ul style="list-style-type: none"> • Fintech Alliance supports the establishment of a national payments council that can take the lead in driving payments efficiency, adoption and harmonisation in Singapore and agrees with the proposed mandate and objectives. <p>Question 37</p> <ul style="list-style-type: none"> • Fintech Alliance agrees that payment systems should be governed by the NPC. However, given the broad mandate and objectives of the NPC, the NPC should make sure that its focus is not just on the payment systems and their related activities but on the entire payments ecosystem as a whole. <p>Question 38</p> <ul style="list-style-type: none"> • If the mandate of the NPC is to foster innovation, competition and collaboration in the payments industry, its scope cannot and should not be focussed solely on Activity 6. <p>Question 40</p> <ul style="list-style-type: none"> • Fintech Alliance suggests that enforcement responsibilities and supervision of payment service providers should NOT be part of NPC’s activities. Such responsibilities should remain with the MAS. There will always be inherent conflicts in allowing a profitmaking body that is responsible for industry development and policy/rules making to also have supervisory and enforcement powers at the same time. Case in point the SGX and the constant criticisms on its dual role as operator and regulator.

S/N	Respondent	Responses from Respondent
		<p>Question 42</p> <ul style="list-style-type: none"> Fintech Alliance strongly feels that the membership of NPC should not be limited to the stated categories (a) to (e) in paragraph 3.6. Fintech companies engaged in the payments industry (that are not financial institutions or related to financial institutions), in particular, should expressly be listed as being able to participate as a member of the NPC, regardless of whether they directly utilise the clearing and payment systems governed by NPC. Reason being that the NPC’s objectives, as stated in the consultation paper, extend beyond just engaging in matters relating to Activity 6 and include taking the lead in driving innovation, competition and collaboration in the payments industry. <p>Question 43</p> <ul style="list-style-type: none"> Fintech Alliance supports the intention. Nonfinancial institutions are as important to the payments ecosystem as the financial institutions. If the mandate of the NPC is to foster collaboration, it is important that the membership structure of the NPC be inclusive and not limited only to financial institutions. Membership fees should also be tiered and made affordable to nonfinancial institutions. <p>Question 45</p> <ul style="list-style-type: none"> We agree with the proposed categories from which the NPC Board would be selected. The composition of the board should not only be equal in terms of representation on the supply side and demand side but should also comprise representatives from most, if not all the categories, and with service providers that are involved in different activities within the payments ecosystem. Also, it would be important to ensure that the NPC Board does not allow for any overall bias towards representation from Government agencies.

S/N	Respondent	Responses from Respondent
18	Lufthansa AirPlus Servicekarten GmbH	<p>Question 41</p> <ul style="list-style-type: none"> It is proposed that the governance role of by NPC will be limited to designated payments systems. There will be systems that operate in the Singapore market that will not be designated. It will not be appropriate for the NPC to be the single point of contact for the operation of these schemes, however, for 'consumer' complaints about the conduct of scheme participants and in relation to schemes that are not designated, this may not be appropriate. <p>Question 42</p> <ul style="list-style-type: none"> AirPlus considers that the proposed company membership structure is appropriate. In particular, it welcomes broad stakeholder representation on the NPC board. <p>Question 45</p> <ul style="list-style-type: none"> AirPlus considers that the proposed composition of the NPC board is broadly appropriate. For a 'representative body', having an independent chair, rather than an MAS representative appointed as chair, may be a more appropriate governance model. Further, a casting vote being held by the MAS may also be an inappropriate way of resolving a 'stalemate' <p>Question 46</p> <ul style="list-style-type: none"> Subject to the above answer, AirPlus broadly supports the proposed level of representation on the NPC board. Membership should not be limited to 'local' representatives, thus allowing for the board to benefit from the experience of international supply and demand side members

S/N	Respondent	Responses from Respondent
		<p>Question 48</p> <ul style="list-style-type: none"> • See answer to question 45.
19	M1 Ltd	No comments registered for the Payments Council
20	Mastercard Asia/Pacific	Requested for all comments to be kept confidential
21	MoneyGram International	Requested for all comments to be kept confidential
22	Network for Electronic Transfers (S) Pte Ltd	<p>(Requested for all comments to be kept confidential, except for Question 1. Comments on the Payments Council within have been extracted below.)</p> <p>A National Payments Council that brings together a variety of voices in the payment sector is a positive idea. NETS wants to make sure that the mandate of the NPC does not duplicate existing powers currently sitting with MAS. Additionally it should not assume responsibilities that are currently being performed by commercial entities. There is no pressing need for the NPC to provide operational oversight for activities already well serviced by NETS such as customer support.</p> <p>From a commercial perspective NETS is concerned that the NPC, in its current suggested configuration, will create a situation that makes it difficult for NETS to control its revenue generation. NETS has worked to ensure a balance between commercial viability and continual improvement to its products and services. Legislated direction from NPC in this area could create challenging situations for NETS as we try to maximize investments in future growth and innovation.</p>
23	OKLink Technology Company Ltd	No comments registered for the Payments Council
24	PayPal Pte Ltd (3PL)	Requested for all comments to be kept confidential
25	Rajah & Tann Singapore LLP	No comments registered for the Payments Council

S/N	Respondent	Responses from Respondent
26	Red Dot Payment Pte Ltd	Requested for all comments to be kept confidential
27	RHTLaw Taylor Wessing LLP	<p>Question 36</p> <ul style="list-style-type: none"> • We are in favour of having in place a NPC to oversee the efficiency and stability of the payments ecosystem in Singapore. It envisages as an organisation that sets the strategy for payments system in Singapore and ensure that it meet the needs of payment service providers, users and the wider economy. This would help Singapore align itself with international best practices, such as those seen in Australia and United Kingdom, where payment councils have taken on the role of driving payments efficiency, adoption and harmonization. • We respectfully suggest that the NPC share similar objectives to those outlined by the UK’s Payments Council³, namely to develop a strategic vision for payments, to ensure that payments systems are open, accountable and transparent, and to ensure the operational efficiency and integrity of payment services. <p>Question 37</p> <ul style="list-style-type: none"> • We agree that NPC serves as another layer by MAS that would govern and monitor the proposed payment systems. It would be placed as a key representative body that would be able to bridge the gap between the regulator and the market players. We are of the opinion that the interests of the payments industry players would be protected and NPC would be able to offer relevant expertise. It is envisaged that the NPC would bring the industry players to jointly review the current state and future trends, set strategies to continually drive innovation to meet the ever changing demand and needs of consumers. • Nevertheless, we would request for further clarification as in general, the role of NPC is vague. It is unclear whether NPC should have more powers and how rigorous it would be playing its role as a quasi-regulator. We also respectfully suggest that

S/N	Respondent	Responses from Respondent
		<p>the role should be transparent to members and the market participants.</p> <p>Question 42</p> <ul style="list-style-type: none"> • We would request for clarification on the structure of membership and whether membership is mandatory. It is important to note that members and market participants should be allowed to focus on proprietary innovations using NPC as a platform in order to maximise its benefits. <p>Question 44</p> <ul style="list-style-type: none"> • We agree that NPC should be an industry-led body. With MAS' major role in the NPC, the structure of the NPC would be unprecedented. • We would like to highlight that the NPC must continuously strike a balance across a variety of characteristics to achieve optimal outcomes from user, systems and economic perspectives. In addition, the NPC should provide appropriate transparency to members regarding their procedures and policies in relation to payment systems. • We respectfully suggest that the role of similar councils or bodies of other countries such as Australia's Payments Council would be the best referral model for NPC. <p>Question 45</p> <ul style="list-style-type: none"> • We are of the view that such composition would reflect diverse and experienced members on the Board. Nevertheless, the governance structure would be of the main concern. While we agree that the proposed establishment aims to include solution providers' from the supply side, the NPC should also ensure that there is sufficient representation from the demand-side.

S/N	Respondent	Responses from Respondent
		<p>Question 47</p> <ul style="list-style-type: none"> We would seek further clarity to what extent the members are given prerogative to vote for the composition of the Board and the representation on the NPC in its entirety. <p>Question 50</p> <ul style="list-style-type: none"> We respectfully submit that the ownership model of NPC should be publicly owned. The main area of concern is the potential for conflict of interests arising from competing priorities amongst NPC members. The NPC's members and its board should always be able to articulate governance practices and frameworks. <p>Question 53</p> <ul style="list-style-type: none"> We encourage MAS to research and consider both the direct and indirect additional start-up and maintenance costs for SMEs that become subject to licensing and/or enhanced regulations and whether those increased costs are compatible with the overall Singaporean government's objective of productivity, competitiveness, consumer choice and business friendliness. <p>Question 54</p> <ul style="list-style-type: none"> With the relevant and sound expertise of the NPC, we agree it should undertake a specialised enforcement role. It is envisaged that the NPC could facilitate payment service providers, financial institutions and consumers by providing them the information they need to make informed decisions in an increasingly complex market.
28	Ripple	<p>Question 51</p> <ul style="list-style-type: none"> The Consultation Paper identifies a "lack of interoperability and limited formal participation" by stakeholders as challenges to governance, resulting in a fragmented payments landscape. The proposed

S/N	Respondent	Responses from Respondent
		<p>National Payments Council would govern scheme rules, standards for access, and membership fees and pricing policies. Some of the payment systems that would be covered are privately owned, operated, and governed.</p> <ul style="list-style-type: none"> • The PPF could trigger a large transfer of control from the diverse private sector entities to the NPC. This may be challenging for some private systems, particularly those that are cross-border in nature. The NPC's broad reach and control may hinder some schemes from either being based in or simply operating in Singapore. Given the growing importance of cross-border services, especially in financial centers like Singapore, MAS should consider how NPC's power may negatively impact the availability of services. • To minimize these negative impacts, MAS can ensure NPC's authorities balance private and public interests in some of the following ways: <ul style="list-style-type: none"> - Limit the covered payment systems to those that operate only in Singapore - Establish default rules that parties can freely contract around or out of - Establish minimum floors that allow parties to maintain some discretion - Limiting applicability to only widely-used payment systems (e.g., those that process some minimum dollar amount of transactions) to allow innovation and emerging payments technologies to freely develop. • Considering some of these measures can ensure the NPC can be effective in representing views and driving interoperability, without negatively impacting market offerings and Singapore's role as a financial capital.
29	Singapore Post Ltd	No comments registered for the Payments Council
30	SingCash Pte Ltd ; Telecom Equipment Pte Ltd; Singtel Mobile	<p>Question 36</p> <ul style="list-style-type: none"> • Singtel notes and welcomes the MAS intention to ensure the various stakeholders in the industry will be engaged in the new NPC.

S/N	Respondent	Responses from Respondent
	Singapore Pte Ltd (Singtel)	<ul style="list-style-type: none"> • Singtel cautions that the set-up of the NPC should not result in additional regulation that may burden the various players in the industry. Rather, the focus of an NPC should be to provide guidelines and facilitate engagement within the industry. <p>Question 37</p> <ul style="list-style-type: none"> • Singtel seeks clarification over the intention to regulate proposed payment systems. This far, the MAS has chosen not to regulate payment systems except payment systems designated under the PSOA on grounds that the latter have a wide spread impact (if and when there are issues or disruptions affecting these systems). Hence, it is not clear to us what is intended by having the NPC governing the payment systems that fall within the scope of Activity 6 including designated payment systems and other payment systems • The MAS itself has pointed out that payment systems could include intra bank systems but in addition to these, licensees could install their own systems to facilitate their own payments and settlements to partners where such systems are simply used by their own companies. If the MAS considers these as payment systems under Activity 6, these have largely been left Page 16 of 23 out of the ambit of the PSOA. There should be no reason to include these under the ambit of the PSOA. • Singtel notes however there are payment systems that are in turn used by licensees to facilitate payments and settlements with outside parties, e.g. banks and remittance houses or money changing houses may use these systems which may have headquartered overseas. Singtel seeks clarification as to whether the MAS for the NPC to also govern these and how it intends for the Singapore legislation to be extended to these parties. <p>Question 38</p> <ul style="list-style-type: none"> • Please see our response to Q37.

S/N	Respondent	Responses from Respondent
		<p>Question 40</p> <ul style="list-style-type: none"> • We note that the activities involved would depend on the powers that the NPC would have, e.g. would they be set up pursuant to legislation and whether they have enforcement powers. • Notwithstanding this, some of the activities that the NPC can take up would include seeking and facilitating consultation, investigation of complaints and feedback, policy review and setting. <p>Question 41</p> <ul style="list-style-type: none"> • Please see response to Q41. We also ask that the NPC should be staffed with representatives and personnel from all sectors of the overall payment industry and with some working experience arising from their links to the industry. <p>Question 42</p> <ul style="list-style-type: none"> • We are agreeable as long as the proposed structure is well-balanced with representatives from different industries especially banks vs non-banks institutions. <p>Question 43</p> <ul style="list-style-type: none"> • As we had indicated in the responses above, the NPC should be staffed and led by representatives from all sectors within the payment industry, including credible non-financial companies as it is important for such parties to be able to raise their views. <p>Question 45</p> <ul style="list-style-type: none"> • Again, we have asked that the NPC be staffed with personnel from all sectors of the payment industry and members should include the remittance and payment service providers like the management of

S/N	Respondent	Responses from Respondent
		<p>SingCash and TEPL, as well as representatives from payment processor companies e.g. WireCard or FirstData.</p> <p>Question 47</p> <ul style="list-style-type: none"> • Representatives should be of good public standing with experience that will lend diversity to NPC. • A 2-year term rotation is reasonable.
31	StarHub Mobile Pte Ltd (StarHub)	<p>Question 36</p> <ul style="list-style-type: none"> • We agree with the NPC’s proposed mandate of fostering innovation, competition and collaboration in the payments industry. We also support the fact that the NPC will be a forum under which various parties can identify and discuss pertinent issues facing the payments industry in Singapore. • However, it is important that the NPC should not have the separate right to impose and enforce additional regulatory obligations (on-top of what MAS already imposes). Otherwise, this could create potential confusion amongst the industry and stifle (rather than foster) innovation. • We are also concerned by the proposal that the NPC may manage and execute projects to improve the payments ecosystem. Given its advisory role, the NPC would not be in the best position to execute projects of national significance. <p>Question 37</p> <ul style="list-style-type: none"> • As highlighted above, we support having the NPC play the role as a forum to identify and discuss issues, and to foster competition and innovation in the payments industry. However, we do not believe that NPC should be allowed to have a governance-type role, and be allowed to impose additional requirements on the industry. • StarHub also proposes that SVF should be outside of the scope of payment systems that the NPC monitors.

S/N	Respondent	Responses from Respondent
		<p>Question 38</p> <ul style="list-style-type: none"> • Please see our response to Question 37 above. We are concerned by the proposal that the NPC may enforce rules as well as execute projects. <p>Question 40</p> <ul style="list-style-type: none"> • We believe that the NPC could: (1) be a useful platform for industry discussions; (2) act in an advisory role to the MAS; and (3) develop and drive strategic objectives in the payments industry. However, we disagree with the suggestion that the NPC should have any regulatory or enforcement powers, or the ability to execute individual projects. <p>Question 41</p> <ul style="list-style-type: none"> • As the industry regulator, we believe that MAS would be in the better position to act as the point of contact for public feedback on payments services. <p>Question 42</p> <ul style="list-style-type: none"> • StarHub is agreeable to the proposed membership structure of the NPC. <p>Question 43</p> <ul style="list-style-type: none"> • We see merits in having non-financial institutions participate in discussions on this issue, to ensure that a wide variety of perspectives can feed into the NPC. <p>Question 50</p> <ul style="list-style-type: none"> • We would suggest that the NPC operate in a manner similar to other Government councils, such as the National Wage Council. As the NPC will not be generating revenue or owning assets, we strongly believe that the NPC should simply act as an

S/N	Respondent	Responses from Respondent
		<p>advisory arm to MAS. As such the issue of its private vs. public ownership is effectively moot.</p> <p>Question 51</p> <ul style="list-style-type: none"> We would suggest a light-touch approach on this matter. Again, we propose that the NPC should not have any enforcement powers. Rather, the NPC should act as advisory arm to MAS, bring together the views of the wider payments industry. <p>Question 52</p> <ul style="list-style-type: none"> We suggest that the NPC not be allowed to operate clearing and payment systems. This should be left to the free market and driven by competitive market forces. If the NPC was given quasi-commercial responsibilities for operating clearing and payment systems, this would lead to potential conflicts of interest between the NPC and its members, to the ultimate detriment of the NPC. <p>Question 53</p> <ul style="list-style-type: none"> We do not believe that the NPC should be run as an organisation that depends on membership fees to be financially sustainable. This could drive-up membership fees, reducing the incentive for parties to participate in the NPC (which would have a lead-on effect of potentially reducing discussions at the NPC). In addition, if the NPC's role is focused on that of providing advice to MAS, its activities should not generate costs requiring the establishment of fees. <p>Question 54</p> <ul style="list-style-type: none"> As highlighted above, the NPC should not be able to impose and enforce regulations. Such matters should remain the purview of MAS.
32	The Hongkong and Shanghai Banking Corporation	Requested for all comments to be kept confidential

S/N	Respondent	Responses from Respondent
	<p>Limited, Singapore Branch (“HSBC Singapore Branch”); HSBC Bank (Singapore) Limited (“HSBC Singapore”); and HSBC Insurance (Singapore) Pte Limited</p>	
33	TransferWise	<p>Question 37</p> <ul style="list-style-type: none"> • International card schemes ought to be considered as competing alternatives to payment systems such as FAST, and therefore it is appropriate to bring international card schemes within scope. <p>Question 39</p> <ul style="list-style-type: none"> • It is appropriate for MEPS to be included alongside other payment systems in a common governance framework. <p>Question 44</p> <ul style="list-style-type: none"> • As well as a veto, MAS should have the ability to require the implementation of certain initiatives as overseen by the NPC, if these are deemed to be in the public interest and subject to usual requirements of consultation. <p>Question 46</p> <ul style="list-style-type: none"> • To ensure NPC does not become ‘captured’ by incumbent views, and to help it achieve its aims of encouraging innovation, a genuinely diverse set of views must be represented. It should be recognised that smaller firms will have fewer resources than banks to be represented at the NPC, and the ratio in the membership should take this into account.

S/N	Respondent	Responses from Respondent
		<p>Question 47</p> <ul style="list-style-type: none"> Given resource constraints of start-ups and smaller firms, there should be an option for rotation / substitution between representatives of the challengers and innovators. Selection should be based on merit and ability to contribute to achieving NPC's objectives.
34	UnionPay International (UPI)	Requested for all comments to be kept confidential
35	United Overseas Bank Ltd	<p>Question 36</p> <ul style="list-style-type: none"> The mandate focuses on innovation, competition and collaboration. Greater clarity needed on its role and end objectives as some inadvertently opposing goals. Also, what about risk management considering the emergence of many alternate payment instruments? <p>Question 37</p> <ul style="list-style-type: none"> To be consistent, all payment systems under the scope of Activity 6 should be governed by NPC, including offline SVFs. <p>Question 38</p> <ul style="list-style-type: none"> Agree. Public transport card scheme refers to offline SVFs. Hence, these should be in scope for Activity 7. <p>Question 39</p> <ul style="list-style-type: none"> MEPS+ is a key the payment system in Singapore. To take Singapore payment landscape to the next level, MAS should take the lead and include MEPS+ as one of the payment systems governed by NPC, to ensure competition and collaboration in the payment industry.

S/N	Respondent	Responses from Respondent
		<p>Question 40</p> <ul style="list-style-type: none"> The suggested activities are fairly comprehensive. <p>Question 41</p> <ul style="list-style-type: none"> There are all kinds of feedbacks & complaints and may not be categorically a result of payments. Consumers can continue to reach out to the most convenient parties such as the banks, MAS or association such as ABS to provide their feedback. Whilst NPC can keep track of general trends etc. MAS could also consider for NPC to function as a neutral party for dispute resolution for non-banks that provide payment solutions. <p>Question 42</p> <ul style="list-style-type: none"> The proposed structure should take into consideration the proportion of supply (providers) vs demand (users, associations, business etc.) to the extent that it is effective in achieving the end outcome. Hence, the role and objectives of NPC has to be clarified. The major supply players should be part of NPC. <p>Question 43</p> <ul style="list-style-type: none"> We are supportive of the inclusion of non-FIs. In the landscape today, payment services are no longer provided by FIs only. <p>Question 44</p> <ul style="list-style-type: none"> Agree with the proposed role; and Chairman for NPC be a representative from MAS. However, we need more clarification with regards to the responsibility of MAS in NPC as the chairman vs CEO of NPC.

S/N	Respondent	Responses from Respondent
		<p>Question 45</p> <ul style="list-style-type: none"> • The supply side, there should be a fair representation of the relevant players in the industry that reflects their significance in contribution and value terms to the system. This will ensure meaningful participation and consistency to move the payment landscape in Spore as well as for connectivity globally. • On the demand side, care has to be taken to ensure representation by “problem categories” that will bring forward constructive solutions by the supply side for the better good of the country. For e.g. Solving cash i.e. becoming cashless in our schools, hawkers etc. – may be one group; retailers another, large corporates, national corporates, multi-national corporates, e-gov, etc. • Respectfully suggesting that the demand side may be by invitation such that as issues evolves, that NPC does not become a “complaints” ground to the detriment of the supply side. • On both, it has to be defined otherwise it will be too large a group to meaningfully operate. <p>Question 46</p> <ul style="list-style-type: none"> • See Q45 <p>Question 47</p> <ul style="list-style-type: none"> • Agree with the proposed; though there should be some that are permanent members due to size, dominance from the supply side. • The rest should be on a term basis. 2 to 3 years term is a reasonable duration for participants to drive strategic objectives and initiatives; and for new members to be appointed on rotation basis - this will help focus solving demand issues.

S/N	Respondent	Responses from Respondent
		<p>Question 48</p> <ul style="list-style-type: none"> • We are supportive of the proposed process. In case where consensus cannot be reached, the board members should be given an opportunity to revote. Suggest NPC set a threshold on the number of times where consensus is not reached before getting MAS to cast a vote. <p>Question 49</p> <ul style="list-style-type: none"> • Publicly owned model <p>Question 50</p> <ul style="list-style-type: none"> • While we support ownership of NPC to be under MAS, we would request for MAS to remain relevant and effective in the face of fast emerging digital technology. <p>Question 51</p> <ul style="list-style-type: none"> • NPC should have the power to oversee the following: <ul style="list-style-type: none"> ○ operational standards of the payment systems – schemes and participants ○ fairness and transparency of its fares and charges (but not on pricing) ○ efficiency of the payments landscape in general <p>Question 52</p> <ul style="list-style-type: none"> • It is not necessary for NPC to operate the clearing and payment systems itself. Appointing the service providers to operate the clearing and payment system will provide the balance between efficiency and getting the right expertise to manage the systems.

S/N	Respondent	Responses from Respondent
		<p>Question 53</p> <ul style="list-style-type: none"> • If the participants are from the same industry i.e. banking e.g. SCHA etc. may be viable. However, the model for innovation may need further review for such financials to be considered. • With demand, not from the traditional banking industry players, the question would be to what value would such memberships fees benefit them, and detracts from NPC its real objectives? • Besides memberships, should MAS consider a regular contribution to NPC for its development? <p>Question 54</p> <ul style="list-style-type: none"> • MAS currently already conducts audit/enforcement on banks. MAS should consider for NPC to extend such enforcement to the non-banks. However, we seek clarification on how enforcement is carried out by NPC on all participants. <p>Any other comments:</p> <ul style="list-style-type: none"> • We should tackle the big areas that still use a lot of cash and cheques rather than setup another council to tackle it as it will be too high level. • Per the KPMG study, perhaps the NPC first task is to focus on cash and cheques to improve general productivity; as the other businesses areas are generally well served today • If we want to promote cashless use, perhaps making ATMs work more efficiently is not in line with this.
36	Visa Worldwide Pte Ltd	Requested for all comments to be kept confidential
37	Western Union	<p>Question 38</p> <ul style="list-style-type: none"> • In our response to Q 26 we have indicated that we do not believe that money transmission services do not fall within Activity 6. In consequence, we do not

S/N	Respondent	Responses from Respondent
		believe that Activity 3 should fall within the scope of the NPC.
38	Wex Asia Pte Ltd	Requested for all comments to be kept confidential
39	Wirecard Singapore Pte Ltd	No comments registered for the Payments Council
40	WongPartnership LLP	No comments registered for the Payments Council
41	Respondent A who requested for confidentiality of identity	<p>Question 44</p> <ul style="list-style-type: none"> Provide guideline on the SG scene and regulatory experiences. <p>Question 53</p> <ul style="list-style-type: none"> Should be funded by MAS
42	Respondent B who requested for confidentiality of identity	<p>Question 36</p> <ul style="list-style-type: none"> The NPC will only be effective and useful if it representative of both the old and the new services and technologies, and combines with it a fully active participation from the board and representatives of the operators and providers. <p>Question 37</p> <ul style="list-style-type: none"> If the NPC is going to govern any payment systems, then it should govern all payment systems. See Response 39 below. <p>Question 38</p> <ul style="list-style-type: none"> The operation of stored value for a specific purpose, such as public transport, should be included in the scope. If stored value functionality relies on international card systems, then the underlying provider should be included. See Response 4 earlier.

S/N	Respondent	Responses from Respondent
		<p>Question 39</p> <ul style="list-style-type: none"> Forming a council that is going to be effective must include every payment system. Once one is excluded, then it would not be possible to develop and incentivise longer term migration from one particular platform to another. MEPS+ should therefore be included. <p>Question 40</p> <ul style="list-style-type: none"> There needs to be a mechanism to include NETS within the NPC infrastructure. The NRA recommendation to reduce reliance on cash in Singapore needs to be viewed as a strategic national objective. This objective runs against the current structure and governance of the NETS system. There need to be clear consumer incentives to encourage electronic rather than cash payments and the costs charged by NETS preclude this happening. Any payments activity which could possibly present a systemic risk to the country needs to be included. <p>Question 41</p> <ul style="list-style-type: none"> Whilst helpful to the public, this should not be a core part of the function of the NPC. There are existing channels for consumer complaints, e.g. CASE, and NPC should receive, collated and summarised from these channels, rather than directly from the public. <p>Question 42</p> <ul style="list-style-type: none"> The proposed structure does not elude to the number of participants at each level. A larger council does not necessarily mean a more effective one. The most important point is that the council should have ultimate influence in the creation and adoption of MAS policies, not merely exist to ratify the MAS.

S/N	Respondent	Responses from Respondent
		<p>Question 43</p> <ul style="list-style-type: none"> • Generally, they should not be included, only on a case by case basis, if required by particular projects that the NPC may manage. <p>Question 44</p> <ul style="list-style-type: none"> • Providing that the chair to the NPC would be able to exert sufficient independent due control and direction, then MAS chairing the NPC is appropriate. The NPC should not just pay lip service to the MAS. Interaction between the NPC staff and the relevant MAS decision makers will be key in managing a good working relationship. <p>Question 45</p> <ul style="list-style-type: none"> • Whilst input from the demand side is essential, it cannot have greater representation than the supply side. The supply to demand representation ratio should be 4 to 1. <p>Question 46</p> <ul style="list-style-type: none"> • The composition and effectiveness depends entirely on those making up the board. A relatively light structure with direct contribution from all involved would be ideal. • Working committees who report to the board could then involve additional representatives from the industry. SBF operates its consultative and contribution process with Singapore businesses in a model that is effective, and could be emulated. <p>Question 47</p> <ul style="list-style-type: none"> • Certainly a fixed term appointment of two years is better than one. However, most initiatives and projects that the NPC will undertake may well have lifecycles in excess of two years.

S/N	Respondent	Responses from Respondent
		<ul style="list-style-type: none"> • Some board members should therefore have a mechanism for extension, if they provide a continuing and unique contribution or perspective to the payments industry. <p>Question 48</p> <ul style="list-style-type: none"> • Yes, this is reasonable. <p>Question 49</p> <ul style="list-style-type: none"> • Whether private or public, the issue is whether the NPC will have sufficient influence with the MAS in order to affect policy changes and regulate the payment mechanisms. <p>Question 50</p> <ul style="list-style-type: none"> • A public private partnership may work best. There is a danger of creating another layer of bureaucracy in a system where the overall cost of compliance is inevitably passed on to the end consumer in some shape or form. <p>Question 51</p> <ul style="list-style-type: none"> • For the NPC to be effective, it has to be granted sufficient power to influence and provide input to all aspects of the regulation of payment systems, including pricing, service quality level, response, research and development and strategic migration from one platform to another. See Responses 44 & 49. <p>Question 52</p> <ul style="list-style-type: none"> • The NPC should not operate any of the systems itself, but regulate the service providers who do so. Otherwise there could be a conflict of interest between NPC operated systems and potential alternatives or replacements.

S/N	Respondent	Responses from Respondent
		<p>Question 53</p> <ul style="list-style-type: none"> • The cost of creating and managing the NPC should initially be borne by the government. Once proven operational and effective, then after a period of three to five years, a transition to independent fiscal management should be considered. <p>Question 54</p> <ul style="list-style-type: none"> • In this respect, the NPC becomes simply an extension of the MAS, and enforcement would remain with the MAS. • As has been raised on many occasions, sufficient resources need to be allocated for enforcement, otherwise the compliant participants will be unnecessarily penalised by the commercial competition of non-compliant participants. <p>Any other comments:</p> <ul style="list-style-type: none"> • As with previous changes and updates to the regulatory environment in Singapore, there is a learning curve for all involved, and a transition phase as the new rules need to be understood and operational processes changed accordingly to comply. • An incremental approach to regulation can only go so far, and this is a relatively short time after the 3001 updates. Thus the implementation of the control and governance of the operators by the NPC and the licensing by the MAS should be implemented 2018 at the earliest so as not to cause more disruption to the various financial institutions involved. • Individual responses to consultation processes are only the start of the process. A detailed and comprehensive dialogue is required with representatives of all parties, to agree a common ground with respect to the scope, objectives and structure of the PPS & NPC.

S/N	Respondent	Responses from Respondent
		<ul style="list-style-type: none"> • Lastly, the formation of the PPS and NPC should not create an excuse for any delay in progressing the existing legislation and regulatory environment. Continued development of the existing infrastructure needs to dovetail with a planned handover to the NPC at the end of the inception period. A migration timetable for taking over the responsibilities of each activity is required, and not everything need be assimilated in one step.
43	Respondent C who requested for confidentiality of identity	<p>Question 36</p> <ul style="list-style-type: none"> • Respondent C is supportive of the proposed NPC and its proposed mandate. • We also support generally the proposed objectives of the NPC but seek clarification on whether there are overlaps with MAS where it comes to oversight, research, surveillance, policy and enforcement. • Research and surveillance can become a costly and challenging endeavour. While the NPC can drive certain industry research (e.g. stakeholder interviews, customer insights, in domestic context), there may be other areas which are better driven by MAS (e.g. data-driven research, country case studies, emerging payment trends) • Advisory, policy, enforcement objectives may overlap with MAS's oversight objectives and enforcement powers. We submit that it may run counter to the NPC's goals to drive efficiency, innovation, and collaboration when the approach rests largely on regulatory powers and enforcement of compliance. We suggest that the APCA model rather than the UK Payments Council model be adopted instead – by encouraging collective action, coordination and harmonisation, the industry may be able to move faster, agree on common ground, while working hand in hand with MAS as the overall Payments Regulator – who will ultimately have regulatory powers over all issues including payment system efficiency, promotion, and interoperability. The NPC could recommend to the MAS areas which require enforcement rather than be responsible for enforcing of the compliance. This may also have the

S/N	Respondent	Responses from Respondent
		<p>benefit of better allocation of resources between the MAS and the NPC.</p> <p>Question 37</p> <ul style="list-style-type: none"> • We agree with the proposed approach but seek clarity on whether there is a “significance” test before the NPC governs emerging payment systems that may be too small or emerging. <p>Question 38</p> <ul style="list-style-type: none"> • We agree to MAS’ proposal. <p>Question 39</p> <ul style="list-style-type: none"> • MAS may wish to reconsider as this may not be necessary. <p>Question 40</p> <ul style="list-style-type: none"> • Propose to clarify 3.5(b) – what are central payment systems? • Role of SCHA – agree with the scope but propose that for all payment systems, enforcement of by-laws, scheme rules, membership fees, pricing, and access be subject to relevant benchmarking studies, commercial, legislative, or otherwise in nature. Specifically, with respect to payment systems that today are not widely subscribed to, there may be issues that should be considered such as prior membership fees levied, participation at shareholder vs. participant level, direct vs. indirect membership, as well as security and standards. For the international card schemes and domestic card schemes, there are also competitive aspects to issues around interchange, pricing, and scheme rules. Many of the recommendations may also take time to implement. The NPC should balance its goals of driving efficiency, competition, innovation and collaboration by setting out a long term roadmap and vision so as to encourage collective action and

S/N	Respondent	Responses from Respondent
		<p>collaboration while fostering competition among providers, without disrupting service level, operational efficiency, and security in the meantime.</p> <p>Question 41</p> <ul style="list-style-type: none"> • We agree that NPC should function as a single point of contact for the public. <p>Question 42</p> <ul style="list-style-type: none"> • We agree with the membership structure. There may also be scope to include non-voting members or expert advisors from the FinTech community, VCs investor, or non-Singapore entities looking to enter into Singapore to create more robust discussions and diversity. <p>Question 43</p> <ul style="list-style-type: none"> • We submit that this is a larger question that NPC may take up as one of the items to explore. The NPC is not tied in its mandate to financial institutions, so it can decide either way. However, this requires thoughtful consideration on whether there are benefits to innovation vs. costs to efficiency, safety and security. <p>Question 44</p> <ul style="list-style-type: none"> • We agree that the chairman for the NPC should be from MAS. <p>Question 45</p> <ul style="list-style-type: none"> • Agree. The challenge will be to ensure broad representation while keeping the board to a manageable size.

S/N	Respondent	Responses from Respondent
		<p>Question 46</p> <ul style="list-style-type: none"> • Please refer to our response to question 42. <p>Question 47</p> <ul style="list-style-type: none"> • We agree with the proposal; but suggest to establish a system of appointments such that certain “permanent council members” that constitute a disproportionate share of payments in Singapore (e.g. 3 local banks, top 2 telcos, key government agencies and billing providers), while rotating other members to provide representation (e.g. rotation among QFBs, innovation agencies, etc.). <p>Question 48</p> <ul style="list-style-type: none"> • We agree with the proposed voting process. <p>Question 49</p> <ul style="list-style-type: none"> • Suggest the NPC be set up as an association that runs on membership fees with financial support from the MAS, based on the responsibilities that NPC will take on. <p>Question 50</p> <ul style="list-style-type: none"> • Ownership by initial membership <p>Question 51</p> <ul style="list-style-type: none"> • Please refer to our response to question 36. <p>Question 52</p> <ul style="list-style-type: none"> • We propose that NPC should not take over the operators’ roles in payment systems (e.g. BCS or NETS). We suggest this should be under emergency powers under the PS(O)A for important designated systems, but NPC should not need to have direct

S/N	Respondent	Responses from Respondent
		<p>operating control over payment systems. The NPC is not set up to be an operator, and may create more risks than benefits to the system.</p> <p>Question 53</p> <ul style="list-style-type: none"> • We suggest MAS provide funding in lieu of the fact that the NPC may take on operational functions that support MAS's objectives for the payment system (i.e. central POC, driving innovation, recommending enforcement situations, some research, etc.) <p>Question 54</p> <ul style="list-style-type: none"> • Please also refer to our response to question 36. We agree broadly with the suggested powers. We further suggest the NPC have powers to issue self-regulating notices and guidelines, standards (technical or functional), and may make decisions supported by collective action. In cases where there is non-compliance or non-adherence, the NPC could use the above tools and may ultimately recommend to the MAS for enforcement if needed, on the basis of driving safety and efficiency objectives.

