

elven

Elven Global Crypto Compliance Research

Deep Dive into Singapore MPI License

Elven Research July 2024



Content

Global Crypto Compliance Landscape.....	3
Report Introduction.....	5
Singapore MPI license registration and eligibility criteria.....	6
Record Keeping / Compliance Documents.....	13
Client Asset Custody.....	24
Conclusion.....	25
About Elven.....	26
Case Study.....	27
Case Study - Regulated Exchange (Coinhako).....	27
Case Study - OTC (Hashkey OTC).....	28
Case Study - Payment (DTC Pay).....	29
Reference.....	30
Global Strategic Compliance for Crypto Market Series.....	33

Global Crypto Compliance Landscape

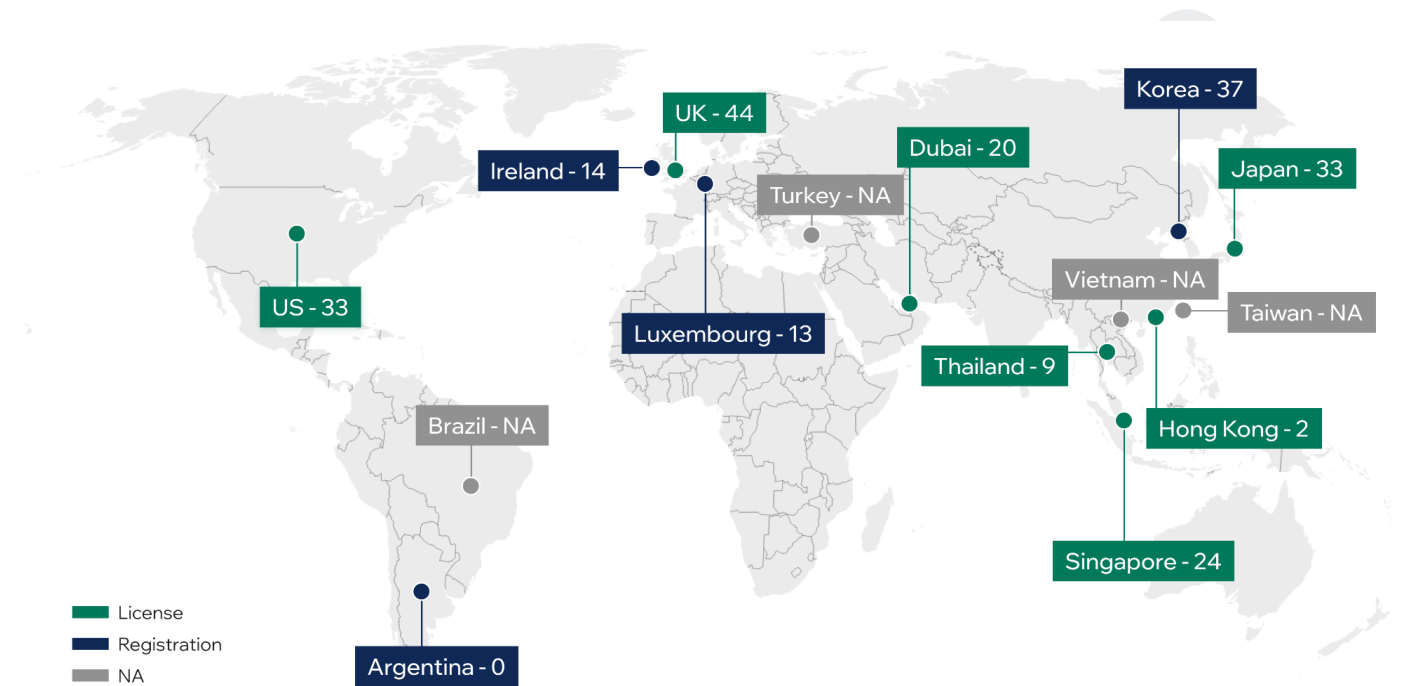


Figure 1: Licensed / Registered Virtual Asset Service Provider in Selected Jurisdiction

Source: Regulators (Retrieved 8 July), compiled by elven research

There is an increased emphasis on compliance of virtual asset service providers globally. Based on research done by the Financial Action Task Force (FATF),¹ 61 jurisdictions in 2024 require crypto licensing / registration.

¹ Financial Action Task Force (FATF) (June 2023) Targeted Update On Implementation Of The FATF Standards On Virtual Assets And Virtual Asset Service Providers

Jurisdiction - Regulator	Status	Number of VASP
Singapore - MAS	License	24
Hong Kong - SFC	License	2
US - NYSDFS	License	33
Japan - JVCEA	License	33
Thailand - SEC	License	9
Dubai - VARA	License	20
UK - FCA	License	44
Ireland - CBI	Registration	14
Luxembourg - CSSF	Registration	13
Argentina - CNV	Registration	0
Korea - FSC	Registration	37
Turkey	NA	
Brazil	NA	
Taiwan	NA	
Vietnam	NA	

Figure 2: Licensed / Registered Virtual Asset Service Provider in Selected Jurisdiction Source: Regulators (Retrieved 8 July), compiled by elven research

Report Introduction

MPI license

Singapore has strict and clear compliance regulations by the Monetary Authority of Singapore (MAS) in place for digital payment token service providers (DPTsp). The major payment institution (MPI) license is required by DPTsp. In April 2024, MAS expanded the MPI's coverage of DPT to include custody and many DPT payment service providers and market makers. Till date, there are a total of 24 MPI licensed entities with another 50 exempted entities.

Disclosure

In terms of record keeping and compliance documents, the top 3 regulatory disclosure requirements for the MPI license are daily reconciliation of customer assets required, monthly and semi-annual MAS submissions to MAS and annual audit.

Safeguarding

Customer asset's safeguarding is key and they are to be segregated in a trust account. There should be separate blockchain addresses for customer's asset and at least two parties to authorize any transaction with at least 90% of customers asset in cold wallet

Under Payment Services Act (PSA), entities can also apply for the standard payment institution (SPI) license. However, this research focused on the MPI license as it has a higher threshold and is more popular among DPTsp in Singapore.

Singapore MPI license registration and eligibility criteria

Registration/licensing

MPI License issued by MAS is required for DPTsp.

DPT service

- Buying or selling DPTs (commonly known as cryptocurrencies)
- Providing a platform to allow persons to exchange DPTs
- Transmitting or arranging for the transmission of DPTs
- Provision of custodian wallet services for DPTs
- Actively facilitating the buying or selling of DPTs without possession of monies or DPTs

Eligibility Criteria

If you are applying for an MPI license, you must meet all of the following criteria:

- Be a Singapore-incorporated company or a Singapore branch of a foreign corporation.
- Have a permanent place of business or a registered office where the books and records can be securely held.
- At least one person must be appointed to be present at the place of business or a registered office to address any queries or complaints from consumers.
- Have a minimum base capital of S\$250,000.

You must have a sufficient capital buffer in excess of the base capital requirement, bearing in mind the scale and scope of its operations and the potential for profit and losses.

- Should have either 1 executive director who is a Singapore Citizen or Singapore Permanent Resident (PR), or 1 executive director who is a Singapore Employment Pass (EP) holder and at least 1 other director who is a Singapore citizen or Singapore PR.

These [guidelines](#)² set out the eligibility criteria and application procedures for payment service providers under the PSA.

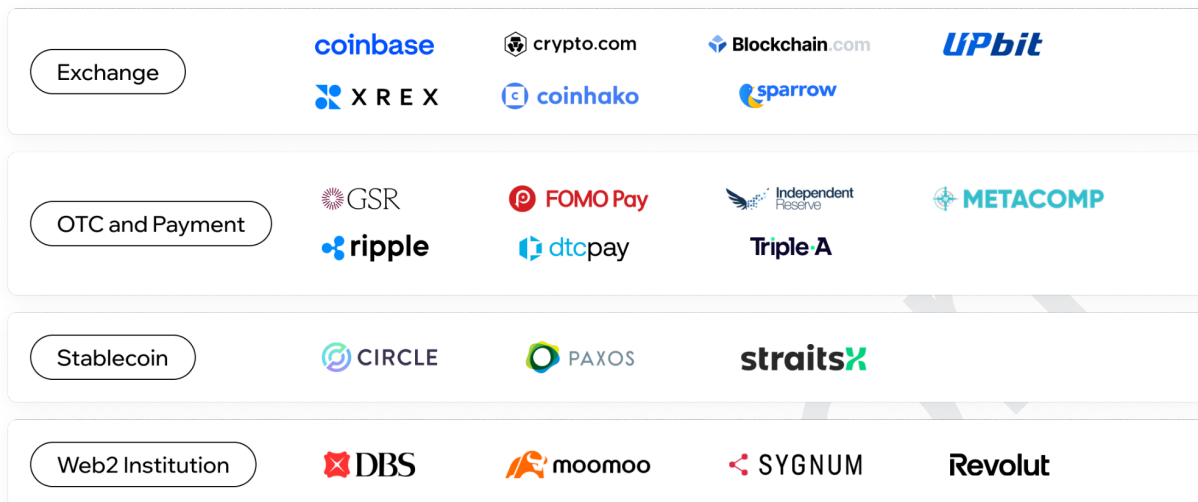









Figure 3: MPI licensed entities placed into categories
 Source: MAS (Retrieved 8 July), compiled by elven research

As of 8 July, there are 24 MPI license holder on the [MAS register](#)³. We have placed them into categories (7 Exchange, 8 OTC and Payment, 4 Web2 Financial Institution, 5 Stablecoins). For entities with similar logos, we only insert one logo.









² Monetary Authority of Singapore (2019, Dec 18). Guidelines on Licensing for Payment Service Providers [PS-G01]

³ Monetary Authority of Singapore (Accessed 9 July). Financial Institutions List





Exchange

 Blockchain.com <u>Blockchain</u>	 UPbit <u>UPbit</u>	 sparrow <u>Sparrow</u>
 coinbase <u>Coinbase</u>	 X R E X <u>XREX</u>	 crypto.com <u>Crypto</u>
 coinhako <u>Coinhako</u>		

OTC and Payment

 FOMO Pay <u>FOMO Pay</u>	 GSR <u>GSR</u>	 Independent Reserve <u>Independent Reserve</u>
 METACOMP <u>METACOMP</u>	 ripple <u>Ripple</u>	 Triple A <u>Triple A</u>
 FAZZ <u>FAZZ</u>	 dtcpay <u>Dtcpay</u>	

Web2 Financial Institution

 Revolut <u>Revolut</u>	 SYGNUM <u>Sygnum</u>	 DBS <u>DBS</u>
 moomoo <u>MooMoo</u>		

Stablecoin

 CIRCLE <u>Circle</u>	 StraitsX <u>Straitsx</u>	 PAXOS <u>Paxos</u>
--	--	--

Figure 4: MPI Licensed entities list

Source: MAS (Retrieved 8 July), compiled by elven research

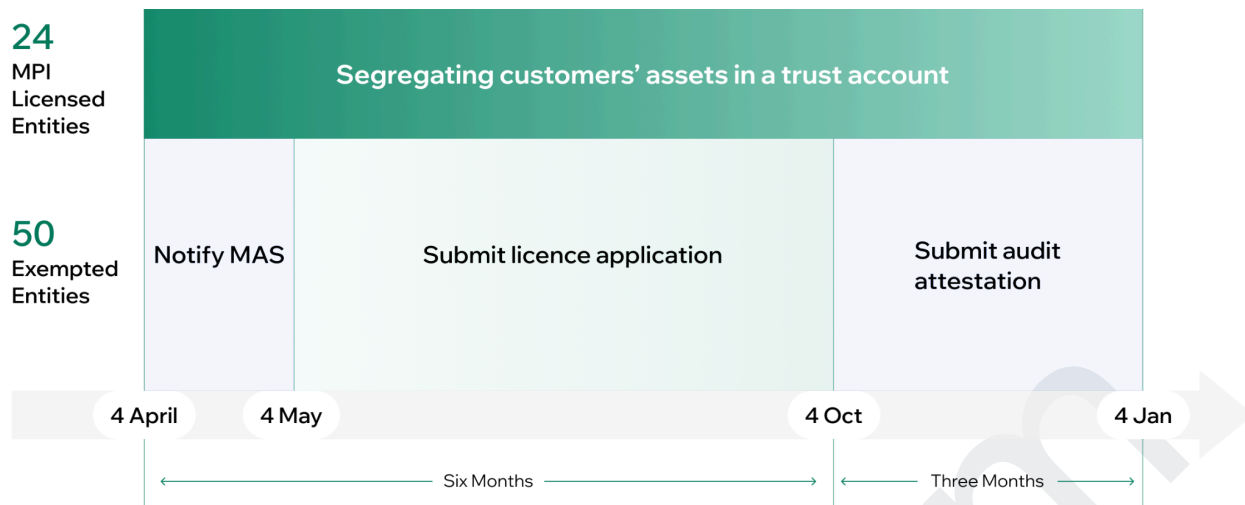


Figure 5: Key Timeline of April Announcement
 Source: MAS (2 April), compiled by elven research

In April, the MAS amended the PSA to expand the scope of regulated payment services and impose user protection and financial stability requirements on DPTsp.

Effective from 4 April 2024, these amendments will include custodial services for DPTs, transmission and exchange of DPTs, and cross-border money transfers within MAS's regulatory scope. MAS will enforce anti-money laundering, user protection, and financial stability requirements on DPTsp.

Transitional arrangements require current service providers to notify MAS within 30 days and submit a license application within six months, along with a compliance attestation report by an external auditor within nine months. Entities failing to meet these requirements must cease operations when the amendments take effect.

The 50 exempt entities refer to the entities who have notified MAS within 30 days.

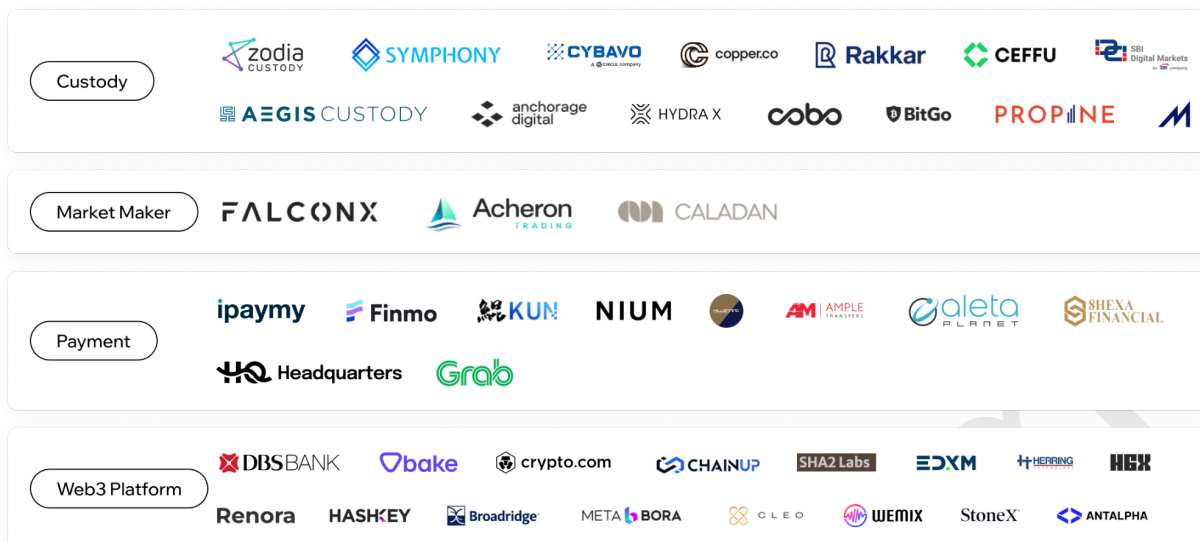





Figure 6: 50 Exempted Entities placed into categories
 Source: MAS (Retrieved 9 July), compiled by elven research

As of 9 July, there are 49 DPT service license holder on [MAS website](#)⁴. We have rounded the number to 50 and only included most of the entities.

⁴ Monetary Authority of Singapore (Retrieved on 9 July 2024). Entities that have notified MAS pursuant to the Payment Services (Amendment) Act 2021 (Saving and Transitional Provisions) Regulations 2024 (“Transitional Regulations 2024”)















Payment Service Provider

 8Hexa <u>8Hexa</u>	 Aleta <u>Aleta</u>	 Ample <u>Ample</u>
 Finmo <u>Finmo</u>	 Grab <u>Grab</u>	 Headquarters <u>HQ</u>
 ipaymy <u>ipaymy</u>	 Kun <u>Kun</u>	 Millenning <u>Millenning</u>
 Nium <u>Nium</u>		

Market Maker

 Acheron <u>Acheron</u>	 Caladan <u>Caladan</u>	 FalconX <u>FalconX</u>
--	--	--

Custody

 Aegis <u>Aegis</u>	 Bitgo <u>Bitgo</u>	 Ceffu <u>Ceffu</u>
 Cobo <u>Cobo</u>	 Copper <u>Copper</u>	 Cybavo <u>Cybavo</u>
 SBI <u>SBI</u>	 Zodia <u>Zodia</u>	 HydraX <u>HydraX</u>
 Mainnet <u>Mainnet</u>	 Rakkar <u>Rakkar</u>	 Anchorage <u>Anchorage</u>
 Propine <u>Propine</u>	 Symphony <u>Symphony</u>	

Web3 Platform

















 <u>Bake</u>	 <u>Chainup</u>	 <u>Antalpha</u>
 <u>DBS</u>	 <u>EDXM</u>	 <u>Crypto</u>
 <u>Cleo</u>	 <u>Hashkey</u>	 <u>Herring</u>
 <u>Hex</u>	 <u>Broadridge</u>	 <u>Metabora</u>
 <u>Renora</u>	 <u>Sha2 Labs</u>	 <u>StoneX</u>
 <u>Wemix</u>		

Figure 7: 50 Exempted Entities List,

Source: MAS (Retrieved 9 July), compiled by elven research

Record Keeping / Compliance Documents

To ensure compliance with MAS PSA, we have summarized the top 3 regulatory disclosure requirements for the MPI license.

- Daily Reconciliation of customer assets
- Monthly and semi-annual submissions to MAS
- Annual Audit

- Daily Reconciliation of customer assets

MAS will require daily reconciliation of customers' assets, including moneys, and for the reconciliation to be performed at the entity-level, instead of on a group-level or on a consolidated basis. MAS will also require DPTSPs to keep transaction records, and maintain separate books and records for each customer with details of the customer's assets at all times. These details include the amount and description of the customer's assets deposited with the DPTSP, the movement of assets to and from the customer's custody account, and the names of the safeguarding institutions with whom the customer's assets are deposited or held.

- Monthly and semi-annual submissions to MAS

MPI license holder needs to submit monthly and semi-annual submissions⁵ to MAS.

Form 6A – Digital Payment Token service (monthly submission)

1 Total value of transactions and total number of transactions executed where digital payment token services were provided and —	Total value of transactions for the reporting period	Total number of transactions for the reporting period
(a) digital payment tokens were bought in exchange for money		
(b) digital payment tokens were sold in exchange for money		

⁵ Monetary Authority of Singapore (2019, Dec 5). MAS Notice No.: PSN04 Notice to holders of a licence Payment Services Act 2019 (Act 2 of 2019) "Notice On Submission Of Regulatory Returns"

(c) digital payment tokens were exchanged for another digital payment token		
---	--	--

Figure 8: Form 6A from psn04, Source: MAS (Dec 2019), compiled by elven research

Form 6B – Digital Payment Token service (semi-annual submission)

1 Total value of transactions and total number of transactions executed where digital payment token services were provided for the purpose of —	Total value of transactions for the reporting period	Total number of transactions for the reporting period
(a) Dealing in digital payment tokens		
(i) digital payment tokens were bought in exchange for money		
(ii) digital payment tokens were sold in exchange for money		
(iii) digital payment tokens were exchanged for other digital payment tokens		
(b) Facilitating the exchange of digital payment tokens		
(i) digital payment tokens were bought in exchange for money		
(ii) digital payment tokens were sold in exchange for money		

(iii) digital payment tokens were exchanged for other digital payment token		
---	--	--

2 Total value of transactions and total number of transactions on behalf of customers where digital payment token services were provided for the purpose of —	Total value of transactions for the reporting period	Total number of transactions for the reporting period
(a) Transfers of digital payment tokens from one digital payment token address to another, within the same DPT service provider		
(b) Transfers of digital payment tokens from one digital payment token address to another digital payment token address that are:		
(i) controlled by another digital payment token service provider that is subject to or supervised by a regulatory authority for compliance with AML/CFT requirements consistent with standards set by the FATF;		
(ii) controlled by another digital payment token service provider that is neither subject to nor supervised by an authority for compliance with AML/CFT requirements consistent with standards set by the FATF;		
(iii) not controlled by any digital payment token service provider.		

3 Types of accounts maintained for the purposes of	Total number of
--	-----------------

providing digital payment token services as at the end of the half-year period	accounts at the end of the reporting period
(a) Number of accounts issued to persons resident in Singapore, for the purposes of providing digital payment token services	
(b) Number of accounts issued to persons resident outside Singapore, for the purposes of providing digital payment token services	
(c) Number of accounts that are issued where there is no face to face contact with the customer, for the purposes of providing digital payment token services	

4 If you maintain accounts for persons resident in Singapore which hold digital payment tokens, please indicate the average, over the half-year period, in one month, of the value of such tokens held in any one account, after subtracting the bottom 10% and top 10% of accounts by value	Average balance for the reporting period

5 Types of Digital Payment Tokens		Name of digital payment token	Total value of transactions for the reporting period	Total number of transactions for the reporting period
(a) List of top 5 digital payment tokens transacted (whether bought, sold or exchanged) by: (i) Value	1			
	...			
	5			
(ii) Number of transactions	1			
	...			
	5			
(b) List of top 5 digital	1			

Payment tokens purchased in SGD by: (i) Value	...			
	5			
(ii) Number of transactions	1			
	...			
	5			
(c) List of top 5 digital payment tokens purchased in non-SGD (foreign currency or other digital payment token) by: (i) Value	1			
	...			
	5			
(ii) Number of transactions	1			
	...			
	5			
(d) List of all transacted digital payment tokens assessed to be of higher risk of money laundering and terrorist financing	1			
	2			
	...			
Account statistics		Name of digital payment token	Total value as at the end of the reporting period	
(e) List of top 5 digital payment tokens held in all accounts issued by the licensee for the purpose of providing digital payment token services by total value as at the end of the	1			
	...			
	5			

reporting period				
(f) Total value of DPTs held in all accounts issued by the licensee for the purpose of providing digital payment token services as at the end of the reporting period				
(g) List of all digital payment tokens assessed to be of higher risk of money laundering and terrorist financing held in all accounts issued by the licensee for the purpose of providing digital payment token services	1			
	2			
	...			

6 Transactions assessed to be of higher risk for money laundering and terrorist financing	Total value of transactions for the reporting period	Total number of transactions for the reporting period
(a) Transactions where DPTs are sent to high risk countries / jurisdictions		
(b) Transactions where DPTs are received from high risk countries / jurisdictions		

7	Total number of accounts as at the end of the reporting period	Total value of transactions for the reporting period	Total number of transactions for the reporting period
---	--	--	---

(a) Customers who are politically exposed persons, or family members or close associates of politically exposed persons			
(b) Other higher risk customers			

Figure 9: Form 6B from psn04, Source: MAS (Dec 2019), compiled by elven research

- Annual Audit
 - Form 4 - Auditor’s Report For A Licensed Payment Service Provider

Form for appointed auditors of licensed payment service providers to express their audit opinions and to submit a copy of the financial statements under the Payment Services Act 2019.

PAYMENT SERVICES ACT 2019 (ACT 2 OF 2019)	FORM 4
AUDITOR'S REPORT FOR A LICENSED PAYMENT SERVICE PROVIDER UNDER SECTION 37 OF THE PAYMENT SERVICES ACT 2019 READ WITH REGULATION 20 OF THE PAYMENT SERVICES REGULATIONS 2019	
Explanatory Notes	
<ol style="list-style-type: none"> 1. This document is not intended for submission. All submissions must be made by the appointed auditors of the licensees, via the online form. 2. The total file size for all submissions is limited to 7MB. 	

SECTION 1: INFORMATION ON THE LICENSEE

1.1 Provide the following information on the licensee.

Full name of the Licensee as per ACRA's record	
---	--

1.2 Is the Licensee a Major Payment Institution?

- Yes
 No

SECTION 2: INFORMATION ON THE AUDITOR

Provide the following information on the auditor.

Full name of audit partner as per ACRA's record	
Name of audit firm	

SECTION 3: INDEPENDENT ASSURANCE REPORT UNDER THE PAYMENT SERVICES ACT (2019)

3.1 Provide the following details on the independent assurance report.

Date of independent assurance report issued by the auditor	Period covered by the independent assurance report (DD/MM/YYYY)	
	From [date]	To [date]

SPECIMEN – NOT FOR SUBMISSION

3.2 Please indicate if the annual balance sheet and profit and loss account, the financial statements or the consolidated financial statements (as the case may be) of the licensee is attached together with the signed independent assurance report.

Yes
 No

3.3 Attach a copy of the signed independent assurance report under the Payment Services Act (2019) that has been prepared using the guidance in Audit Guidance Statement (AGS) 1, Appendix 3B, issued by the Institute of Singapore Chartered Accountants and a copy of the audited annual balance sheet and profit and loss account, the financial statements or the consolidated financial statements (as the case may be) of the licensee.

3.4 Please indicate if the report provided in 3.3 above contains a qualified conclusion, adverse conclusion or a disclaimer of conclusion.

Yes
 No

3.5 If the report provided in 3.3 above contains a qualified conclusion, adverse conclusion or a disclaimer of conclusion, please indicate which of the following the qualified conclusion, adverse conclusion or a disclaimer of conclusion relates to.

- Information submitted by the Licensee to the MAS in MAS Notices PS-N04 and PS-N04A on Data Collection (where applicable) contains a material misstatement, error, or omission
- Records of transactions have not been properly maintained by the Licensee in the manner specified in MAS Notice PS-N07 on Conduct
- Where the Licensee is a Major Payment Institution, the requirement to safeguard customers' money, as set out in section 23 of the PS Act, has not been met
- One or more contraventions by the Licensee of any conditions, restrictions, obligations or other requirements provided under any of the following:
 - i. PS Act;
 - ii. Payment Services Regulations 2019;
 - iii. MAS Notices PS-N01, PS-N01A and/or PS-N02 (where applicable) to Holders of Payment Services Licence on Prevention of Money Laundering and Countering the Financing of Terrorism;
 - iv. Any other applicable Notices issued by MAS; and
 - v. Any conditions, restrictions or requirements which imposed on the Licensee by MAS.

This Form 4 is prepared solely for the auditor's submission to the MAS and in meeting the requirements of the PS Act and the Regulations. As a result, Form 4 may not be suitable for another purpose. Form 4 should not be distributed to or used by parties other than the Licensee, Licensee's auditor, or the MAS.

Figure 10: Form 4 Source: MAS (Jan 2020), compiled by elven research

-

- Payment Services Act 2019 External Auditor Attestation Form⁶

For the 50 exempt entities, attestation report on the entity’s business activities and compliance with AML/CFT and user protection requirements that is duly completed by an external auditor **before 4 January 2025 (9 months from the appointed day)**.

The external auditor must meet the minimum qualifications as set out in the Transitional Regulations 2024⁷.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3.1.56 [For DPT service only] The applicant has a travel rule compliance system in place to transmit and receive the value transfer information.	-
<input type="checkbox"/>	<input type="checkbox"/>		<p>4.1.17 Based on a review of the applicant’s policies and procedures, the documents meet the following requirement.</p> <p>The applicant will, by the end of every business day, complete a computation of —</p> <ul style="list-style-type: none"> a) the total amount of assets belonging to its customers deposited in trust accounts, as at the end of the previous business day; and b) the total amount of assets belonging to its customers required under PS Amendment Regs 18B(1)(a) to be deposited in custody trust accounts, as at the end of the previous business day. 	PS Amendment Regs 18(H)(1) and Guidelines Para 4.4.4
<input type="checkbox"/>	<input type="checkbox"/>		4.1.20 Based on a review of the applicant’s policies and procedures, the documents meet the following requirement.	PS Amendment

⁶ Monetary Authority of Singapore (Retrieved on 9 July 2024). Payment Services Act 2019 (Act 2 Of 2019) Payment Services Regulations Attestation (Agreed-Upon-Procedure) By An External Auditor For Entities That Have Notified Mas Pursuant To The Payment Services (Amendment) Act 2021 (Saving And Transitional Provisions) Regulations 2024

⁷ Monetary Authority of Singapore (2024, April). Consultation Paper on Proposed Amendments to Payment Services Regulations 2019, Notices issued under the Payment Services Act 2019 or MAS Act, and Proposed New Regulations on Exemptions for a Specified Period

			<p>The applicant will record and maintain a separate book entry for each customer in relation to any assets belonging to the customer that are received from, or on account of, the customer.</p> <p>The applicant will keep books in the English language which contain —</p> <p>a) particulars of every transaction carried out on behalf of a customer, including —</p> <ul style="list-style-type: none"> i. a description and the quantity of assets that are the subject of the transaction; ii. the price and fee arising from the transaction; iii. the name of the customer on whose behalf the transaction is entered into; iv. the name of the counterparty to the transaction; and v. the transaction date and settlement or delivery date; 	<p>Regs 18(H)(1) and Guidelines Para 4.4.4</p>
--	--	--	--	--

Figure 11: Record-Keeping Related Terms from the auditor attestation report, Source: MAS (April 2024), compiled by elven research

Client Asset Custody

Segregating customers' assets in a trust account

- **Separate blockchain addresses for customers' assets**
- **At least two parties** to authorize transactions
- **At least 90%** of customers' assets in cold wallets

In April 2024⁸, the MAS expanded the scope of regulated payment services and introduced user protection requirements for DPTsp. The new guidelines⁹ mandate that providers must safeguard customers' assets by maintaining trust accounts, either themselves or through a third party.

1. Providers must use separate blockchain addresses for customers' assets and their own, implement controls to secure the storage and transmission of customers' assets, and ensure devices storing access to assets are secured.
2. For multi-party computation, key shares must be distributed among different parties, requiring at least two out of three parties to authorize transactions, ensuring no single party can independently move customers' assets.
3. A DPTsp should ensure that the digital payment token instruments relating to at least 90% of customers' assets (which have been deposited in trust account(s)) are stored at all times in systems that are not connected to the Internet or any other form of wireless communication ("cold wallets")

⁸ Monetary Authority of Singapore (2024, April 2). MAS Expands Scope of Regulated Payment Services; Introduces User Protection Requirements for Digital Payment Token Service Providers

⁹ Monetary Authority of Singapore (2024, April 2). Guidelines On Consumer Protection Measures By Digital Payment Token Service Providers

Conclusion

Singapore's FinTech hub status attracts DPTSPs. Since the PSA began on 28 January 2020, about 240 firms¹⁰ have applied to the MAS for a DPTsp license. However, only 24 have obtained an MPI license, and 50 operate as exempt entities. MAS's stringent licensing process ensures alignment with FATF Standards, reinforcing Singapore's position as a leading crypto hub.

¹⁰ Monetary Authority of Singapore (2024, June 20). Money Laundering Risk Assessment Report Singapore 2024.

About Elven

Professional crypto accounting software

Elven is a professional crypto accounting software designed for OTC, payment, exchanges, and Web3 projects, facilitating regulatory compliance, audit readiness, and accounting automation. Elven has received SOC 2 Type 1 & Type 2 and SOC 1 Type 2 audit reports from Insight Assurance, we are firmly committed and invested in data security and information privacy with our clients.

Trusted by more than 800 industry-leading enterprises in the Web3 sphere, including Hashkey and Coinhako, Elven provides comprehensive solutions such as integrated fiat and crypto accounting, streamlined technical support, 24/7 advisory assistance, and SOC2 audited security.



Customers



Case Study

Case Study - Regulated Exchange (Coinhako)



Brief intro

Coinhako is a regulated Major Payment Institution (MPI), licensed by the Monetary Authority of Singapore (MAS), to conduct Digital Payment Token (DPT) services and other payment services under the Payment Services Act (PSA). As a leading Singapore-based cryptocurrency exchange, it enables users to trade various cryptocurrencies like Bitcoin, Ethereum, and Ripple. The platform focuses on making cryptocurrency trading easy for Asian users, offering a user-friendly interface and multiple payment options such as bank transfers and credit/debit cards.

Official Website: <https://www.coinhako.com>

Customers' pain points

- Automated daily regulatory required reconciliation report
- Managing numerous financial data sources and handling large volumes of data in the hundreds of millions
- Manual reconciliation and accounting tasks present significant challenges for the finance team

We Provide

- Regulatory Compliance: Daily asset reconciliation for MAS reporting
- Client Segregation: Individual ledgers for each client's assets
- Deep Integration: Custom access to 20 chain balances and transactions, integrated with internal and custody systems
- Large Data Handling: Import billions of transactions, update millions of addresses automatically

Case Study - OTC (Hashkey OTC)



Brief intro

Hashkey OTC is a regulated Major Payment Institution (MPI), licensed by the Monetary Authority of Singapore (MAS) in-principle, to conduct Digital Payment Token (DPT) services and other payment services under the Payment Services Act (PSA). HashKey OTC is a service by HashKey Group which is a leading global fintech company that specializes in blockchain and digital asset management. HashKey OTC got approval from the Monetary Authority of Singapore for its payment service license, allowing it to operate legally in Singapore while offering these trading services.

Official website: <https://www.hashkey.com>

Customers' pain points

- Exhaustive manual reconciliation process
- Time-consuming financial report preparation for auditing purposes
- Segregation of client funds

We Provide

- Seamless integration with Hashkey's self-developed business system
- Providing clear audit evidence, streamlining transaction flow
- Segregating and accounting for client funds

Another leading OTC firm is also our client



Case Study - Payment (DTC Pay)



Brief intro

DTC Pay is a regulated Major Payment Institution (MPI), licensed by the Monetary Authority of Singapore (MAS), to conduct Digital Payment Token (DPT) services and other payment services under the Payment Services Act (PSA). DTC Pay provides digital payment solutions such as multi-currency swaps, online payments, in-store payments and crypto payments to help individuals and businesses worldwide conduct value transfers in a seamless and efficient way.

<https://dtcpay.com/about-us-dtcpay/>

Customers' pain points

- Difficulty meeting requirements for internal management analysis which require business reports to cover multiple dimensions
- Difficulty in effectively tracking profits and costs per transaction
- Concerned about general ledger which cover crypto and fiat currency can meet external reporting and auditing requirements.

We Provide

- Supports customised business auxiliary accounting fields, enabling business reports across multiple dimensions such as region, business line, customer, channel, etc. This meets the requirements for internal management analysis.
- Integrates with the DTC core business system to achieve P&L accounting at the granularity of each client order, calculating accounting metrics such as revenue, costs, expenses, net profit, etc., required for management reporting, meeting the needs for order profit analysis.
- Exports the results of business accounting to Oracle NetSuite general ledger module to meet external reporting and auditing requirements.

Another leading payment firm is also our client



Reference

Global Crypto Compliance Landscape

1. Financial Action Task Force (FATF) (June 2023) Targeted Update On Implementation Of The FATF Standards On Virtual Assets And Virtual Asset Service Providers

<https://www.fatf-gafi.org/content/dam/fatf-gafi/guidance/June2023-Targeted-Update-VA-VASP.pdf.coredownload.inline.pdf>

2. Monetary Authority of Singapore (Accessed 9 July). Financial Institutions List

<https://eservices.mas.gov.sg/fid/institution?term=major%20licence§or=Payments&category=Major%20Payment%20Institution&activity=Digital%20Payment%20Token%20Service>

3. Securities and Futures Commission (SFC) (Accessed 9 July). List of Virtual Assets Trading Platform

<https://www.sfc.hk/en/Welcome-to-the-Fintech-Contact-Point/Virtual-assets/Virtual-asset-trading-platforms-operators/Lists-of-virtual-asset-trading-platforms>

4. New York State Department of Financial Services (Accessed 9 July). Regulated Entities List

https://www.dfs.ny.gov/virtual_currency_businesses

5. Japan Virtual and Crypto Assets Exchange Association JVCEA (Accessed 9 July). Member List

<https://jvcea.or.jp/member/>

6. Office of the Securities and Exchange Commissioner (Accessed 9 July). Digital Asset Exchange List

<https://market.sec.or.th/LicenseCheck/views/DABusiness?exchange/en>

7. Virtual Assets Regulatory Authority (VARA, Dubai) (Retrieved on 9 Jul 2024). Public record of Licensed Virtual Asset Service Providers

<https://www.vara.ae/en/licenses-and-register/public-register/>

8. Financial Conduct Authority (UK) (Retrieved on 9 Jul 2024) Registered Crypto Asset firms

<https://register.fca.org.uk/s/search?predefined=CA>

9. Central Bank of Ireland (Retrieved on 9 Jul 2024) Registers

<https://registers.centralbank.ie/DownloadsPage.aspx>

10. CSSF Commission de Surveillance du Secteur Financier (Luxumborg) (Retrieved on 9 Jul 2024) Entities with PSAV

<https://edesk.apps.cssf.lu/search-entities/search?&st=advanced&entType=VAP>

11. Comisión Nacional de Valores (Argentina) (Retrieved on 9 Jul 2024). Virtual Asset Service Provider Registry (PSAV)

<https://www.cnv.gov.ar/SitioWeb/ProveedoresServiciosActivosVirtuales/RegistrosPSAV>

12. Korean Financial Intelligence Unit (KOFIU) (2024, Jun 24). Information disclosure status regarding reports of virtual asset business operators (as of June 24, 2024)

<https://www.kofiu.go.kr/cmnm/file/downloadBoard.do?seCd=0007&ordrNo=194&fileOrdrNo=18>

Singapore Licensing

13. Monetary Authority of Singapore (2019, Dec 18). Guidelines on Licensing for Payment Service Providers [PS-G01]

<https://www.mas.gov.sg/regulation/guidelines/ps-g01-guidelines-on-licensing-for-payment-service-providers>

14. Monetary Authority of Singapore (Accessed 9 July). Financial Institutions List

<https://eservices.mas.gov.sg/fid/institution?term=major%20licence§or=Payments&category=Major%20Payment%20Institution&activity=Digital%20Payment%20Token%20Service>

15. Monetary Authority of Singapore (Retrieved on 9 Jul 2024). Entities that have notified MAS pursuant to the Payment Services (Amendment) Act 2021 (Saving and Transitional Provisions) Regulations 2024 (“Transitional Regulations 2024”)

<https://www.mas.gov.sg/regulation/payments/entities-that-have-notified-mas-pursuant-to-ps-amend-act-2021-stpr>

Record Keeping

16. Monetary Authority of Singapore (2023, Jul 3). Response to Public Consultation on Proposed Regulatory Measures for Digital Payment Token Services (Part 1)

<https://www.mas.gov.sg/-/media/mas/news-and-publications/consultation-papers/2022-proposed-regulatory-measures-for-dpt-services/response-to-public-consultation-on-proposed-regulatory-measures-for-dpt-services-part-1.pdf>

17. Monetary Authority of Singapore (2019, Dec 5). MAS Notice No.: PSN04 Notice to holders of a license Payment Services Act 2019 (Act 2 of 2019) "Notice On Submission Of Regulatory Returns"

<https://www.mas.gov.sg/-/media/mas/regulations-and-financial-stability/regulations-guidance-and-licensing/money-changing-and-remittance-businesses/notices/payment-services-act-notices/psn04-notice-on-submission-of-regulatory-returns.pdf>

18. Monetary Authority of Singapore (2020, Jan 28). Form 4 - Auditor's Report For A Licensed Payment Service Provider

<https://www.mas.gov.sg/regulation/forms-and-templates/form-4>

19. Monetary Authority of Singapore (Retrieved on 9 Jul 2024). Payment Services Act 2019 (Act 2 Of 2019) Payment Services Regulations Attestation (Agreed-Upon-Procedure) By An External Auditor For Entities That Have Notified Mas Pursuant To The Payment Services (Amendment) Act 2021 (Saving And Transitional Provisions) Regulations 2024

<https://www.mas.gov.sg/-/media/mas-media-library/regulation/notifications/pd/payment-services-act-2019-external-auditor-attestation-form-1.pdf>

20. Monetary Authority of Singapore (2024, April). Consultation Paper on Proposed Amendments to Payment Services Regulations 2019, Notices issued under the Payment Services Act 2019 or MAS Act, and Proposed New Regulations on Exemptions for a Specified Period

<https://www.mas.gov.sg/publications/consultations/2023/proposed-amendments-to-regulations-and-notices>

Client Asset Custody

21. Monetary Authority of Singapore (2024, April 2). MAS Expands Scope of Regulated Payment Services; Introduces User Protection Requirements for Digital Payment Token Service Providers

<https://www.mas.gov.sg/news/media-releases/2024/mas-expands-scope-of-regulated-payment-services>

22. Monetary Authority of Singapore (2024, April 2). Guidelines On Consumer Protection Measures By Digital Payment Token Service Providers

https://www.mas.gov.sg/-/media/mas-media-library/regulation/guidelines/ps0/ps-g03-guidelines-on-consumer-protection-measures-by-digital-payment-token-service-providers/ps-g03_guidelines-on-consumer-protection-safeguards-by-dpt-service-providers_vf.pdf

Conclusion

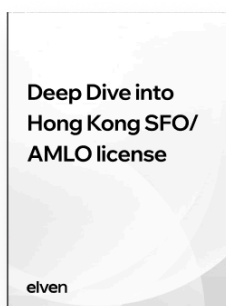
23. Monetary Authority of Singapore (2024, June 20). Money Laundering Risk Assessment Report Singapore 2024.

<https://www.mas.gov.sg/-/media/mas-media-library/publications/monographs-or-information-paper/amld/2024/money-laundering-national-risk-assessment.pdf>

Global Strategic Compliance for Crypto Market Series

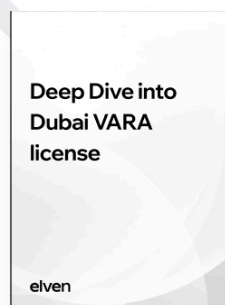
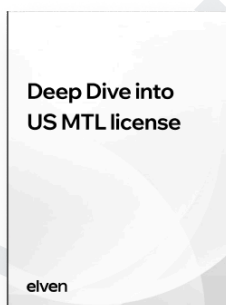
Elven understand the key issues that CFOs and CCOs are concerned about and focused our research on:

- Licensing/Registration
- Record Keeping/Compliance Documents
- Client Asset Custody Requirements



 Hong Kong

 Japan



 US

 Dubai

Coming in 2024 Q3 at elven.com

elven

Professional Crypto Accounting Software

Email: hi@elven.com