# RESPONSE TO CONSULTATION PAPER

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| **Consultation topic:** | Payment Services Act 2019: Scope of E-money and Digital Payment Tokens |
| **Name1/Organisation:**  1if responding in a personal capacity |  |
| **Contact number for any clarification:** |  |
| **Email address for any clarification:** |  |
| **Confidentiality** | |
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**General Comments**

**Question 1.** **Defining characteristics**

* + 1. **Does it matter whether e-money is pegged to only one currency or more than one currency? Why or why not?**
    2. **Do you agree that a claim on the issuer is a necessary defining characteristic of e-money? If there is no claim on the issuer, then what other arrangements might be required to maintain confidence in the use of using e-money?**

<Please fill in your response to each question in the blank space below the question.>

**Question 2. Other defining characteristics**

**Are there any other characteristics that will effectively distinguish e-money and DPT which MAS should consider? Should such characteristics be in lieu of or in addition to a reference to fiat currency and claim on the issuer?**

**Question 3. Regulation of stablecoins**

**If stablecoins fulfil the functions of money in the way e-money does, then do holders of stablecoins deserve the same regulatory protections as e-money, (e.g. float protection)? What other regulations should be introduced to maintain the stability of the value of a stablecoin, (e.g. how that stable value is determined, whether stablecoin holders have any right to redeem such value, who is liable to make good on such value if the stablecoin were to be redeemed by the holder)?**

**Question 4. Appropriate user protection measures**

**MAS seeks views on whether the user protection framework for holders of e-money and holders DPTs are still appropriate. Should holders of certain types of DPTs be afforded protection of their assets or the value of their assets in the same way that e-money holders are protected?[[1]](#footnote-1)**

**Question 5. Thresholds for application of user protection requirements**

**Under the current PS Act, major payment institutions that issue e-money are required to safeguard customer money. Should DPT service providers that issue custody wallets be required to comply with user protection measures if the service providers hold DPTs above a certain threshold? What qualitative or quantitative thresholds would be appropriate?**

1. See section 23 of the PS Act that requires every major payment institution to safeguard e-money float and funds in transit, where they provide relevant payment services, against the institution’s insolvency. [↑](#footnote-ref-1)