The MAS notices: PSN01, PSN02 and the DTSP notice

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The operational AML/CFT duties of a DPT business are set out in MAS notices issued under the PSA. MAS Notice PSN01 (Prevention of Money Laundering and Countering the Financing of Terrorism – Specified Payment Services) applies to account issuance, domestic and cross-border money transfer, merchant acquisition and e-money issuance. MAS Notice PSN02 (Prevention of Money Laundering and Countering the Financing of Terrorism – Digital Payment Token Service) applies to every holder of a payment services licence that carries on a DPT service and to the exempt providers in their transitional periods.[1] Both notices were issued on 5 December 2019 and took effect on 28 January 2020, the date on which the PSA commenced. Both have been revised since. The PSN02 revisions have tracked the widening of the DPT perimeter described in Part K, Chapter I.

Digital token service providers licensed under Part 9 of the FSMA, the regime that commenced on 30 June 2025 for providers serving only customers outside Singapore, are subject to a parallel notice issued under the FSMA with substantially identical content.[2] The practical point is that MAS has applied one AML/CFT standard across the DPT perimeter regardless of which Act supplies the licence. A reader who knows PSN02 knows the DTSP notice.

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The legal force of a notice

A MAS notice is subsidiary legislation in substance even though it is not gazetted as regulations. Section 102 of the PSA empowers MAS to issue written directions and notices to licensees, and non-compliance is an offence that attracts a fine and, in the case of continuing breach, a daily fine.[3] MAS does not usually prosecute a notice breach. It composes the offence (accepts a sum in lieu of prosecution), reprimands, imposes licence conditions, or in the worst cases revokes. Chapter VII of this Part sets out the enforcement record.

The structure that confuses foreign readers is the relationship between a notice and its guidelines. Each AML/CFT notice is accompanied by MAS Guidelines (for PSN02, the Guidelines to Notice PSN02 on Prevention of Money Laundering and Countering the Financing of Terrorism – Digital Payment Token Service).[4] The guidelines say expressly that they do not have the force of law. MAS inspectors nevertheless use them as the standard against which controls are measured. A firm that departs from them must be able to articulate why its own approach achieves the same outcome. The Swiss reader will recognise the method from FINMA circulars, with one difference: FINMA circulars are formally binding on the supervised institution as FINMA's interpretation of law, whereas MAS guidelines are formally persuasive only. In practice the two operate the same way.

Instrument	Issuer and basis	Legal force	Typical content
CDSA 1992, TSOFA 2002	Parliament	Criminal statute, binds everyone in Singapore	Offences, reporting duties, confiscation
Regulations under the United Nations Act 2001	Minister	Subsidiary legislation, binds everyone	Sanctions and asset freezes
MAS Notice (PSN01, PSN02, FSMA DTSP notice)	MAS under PSA s. 102 / FSMA	Binding on licensees, breach is an offence	CDD, record-keeping, STR procedures, group policy

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Instrument	Issuer and basis	Legal force	Typical content
MAS Guidelines to a Notice	MAS	Not binding, but the inspection benchmark	How to apply the notice, examples, red flags
MAS Circulars and Information Papers	MAS	Not binding	Thematic findings, expectations, good practice
MAS FAQs	MAS	Not binding	Interpretation of specific questions

Notes

1. MAS Notice PSN01 and MAS Notice PSN02, both issued 5 December 2019 with effect from 28 January 2020, the commencement date of the Payment Services Act 2019; both have been amended several times, including to reflect the 2021 PSA amendments and the 2024 extension of the DPT definition. ↩
2. MAS Notice on Prevention of Money Laundering and Countering the Financing of Terrorism – Digital Token Service Providers, issued under Part 9 FSMA with effect from 30 June 2025; see Part K, Chapter V on the DTSP regime. Notice identifier: FSM-N27. ↩
3. PSA 2019, s. 102 (directions and notices) read with the penalty provisions in the same Part; MAS additionally has power to compound offences under the PSA. ↩
4. MAS Guidelines to Notice PSN02, first issued 16 March 2020 and revised since; the Guidelines state that they are not legally binding but that MAS will take compliance with them into account in assessing the licensee's conduct. ↩

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