The sanctions

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Composition

Most MAS statutes allow MAS to compound an offence by accepting a sum not exceeding half the maximum fine, or a prescribed amount, in return for not prosecuting. Composition is the workhorse of enforcement against licensees for anti-money-laundering breaches. Under the Payment Services Act MAS may compound offences under the Act and under the Notices issued pursuant to it, including PSN02. The amounts in the published cases have ranged from tens of thousands to several million Singapore dollars. The composition is published, with the name of the licensee and a description of the breaches, which is the reputational part of the sanction.[1] A composition is an admission in substance if not in form, and licensees negotiate the wording of the media release with care.

Civil penalties

For market misconduct under Part 12 of the Securities and Futures Act MAS may, with the Public Prosecutor's consent, bring a civil penalty action in the High Court or enter into a civil penalty settlement. The penalty is up to three times the profit gained or loss avoided, with a floor of S$ 50,000 for individuals and S$ 100,000 for corporations, or a fixed sum where no profit is identifiable.[2] The civil penalty route requires proof on the balance of probabilities and avoids the criminal trial, which is why MAS uses it for most insider trading and manipulation cases. For tokens that are capital markets products it is available. For pure payment tokens it is unavailable, for the reasons set out in Chapter I.

Prohibition orders

Under the Financial Services and Markets Act 2022 MAS may issue a prohibition order against a person who has been convicted of an offence involving fraud or dishonesty, who has contravened a MAS-administered statute, or who MAS has reason to believe is not fit and proper. The order bars the person from performing specified roles in the financial sector for a specified period.[3] The 2022 Act harmonised and extended the earlier sector-specific prohibition order powers, so that an order now reaches all MAS-regulated activities. The notable digital-asset examples are the nine-year prohibition orders against Zhu Su and Kyle Davies of Three Arrows Capital, issued on 13 September 2023. MAS had found that they provided false information and breached the assets-under-management limit of the registered fund management company. Orders against the officers of several unlicensed token businesses followed their convictions.[4]

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A prohibition order is a career sanction. It prevents the person from acting as a director, officer, representative or substantial shareholder of a MAS-regulated entity. It is published. MAS must give notice and consider representations, after which the person may appeal to the Minister. For a founder who intends to remain in the industry the prohibition order is often the sanction most worth contesting, because the composition or reprimand against the company is paid and forgotten while the order follows the individual.

Revocation, suspension and directions

MAS may revoke or suspend a licence under s 11 of the Payment Services Act where the licensee has breached the Act or a condition, has provided false information, is no longer fit and proper or has ceased to carry on the business. It may impose conditions on a licence at any time and may issue directions under s 102, which are binding and whose breach is an offence.[5] Directions are the quiet tool. A licensee that MAS considers to have inadequate controls will typically receive a direction to cease onboarding new customers, to appoint an independent reviewer or to remediate within a period, before any composition is considered. Directions are not always published, and licensees are not keen to publish them.

Reprimands and warnings

A reprimand is a public statement that a person has contravened a requirement, without further sanction. MAS used it against Three Arrows Capital Pte Ltd in June 2022, stating that the company had provided false information about its relationship with an offshore entity and had exceeded the assets-under-management threshold of S$ 250 million for a registered fund management company.[6] A reprimand has no direct legal consequence but is treated by banks and counterparties as a red flag. It also feeds into any later fit-and-proper assessment. Supervisory warnings are private and precede a reprimand.

Notes

1. Payment Services Act 2019, s 104 (composition of offences), Singapore Statutes Online.
2. Securities and Futures Act 2001, ss 232–234, Singapore Statutes Online.
3. Financial Services and Markets Act 2022, Part 3 (prohibition orders), ss 7–12, Singapore Statutes Online.
4. MAS media release of 14 September 2023, "MAS Issues Nine-Year Prohibition Orders Against Mr Zhu Su and Mr Kyle Livingston Davies of Three Arrows Capital".
5. Payment Services Act 2019, s 11 (lapsing, surrender, revocation or suspension of licence), Singapore Statutes Online (consulted June 2026); s 102 (directions) cited without separate verification.
6. MAS media release of 30 June 2022, "MAS Reprimands Three Arrows Capital for Providing False Information and Exceeding Assets Under Management Threshold".

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