The sunrise problem

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The FATF borrowed the "sunrise" image to describe the period during which the travel rule has dawned in some jurisdictions and not in others. A Singapore licensee transmitting information to a counterparty in a jurisdiction without the rule finds that the counterparty has no obligation to receive it, no system to read it and often no willingness to reciprocate. A Singapore licensee receiving a transfer from such a counterparty finds that the required information is missing and must apply its policy on incomplete transfers. The FATF's targeted updates have reported each year since 2022 that most jurisdictions had still not implemented the rule, with the share improving slowly.[1]

For the Switzerland–Singapore corridor the sunrise problem is largely solved, because both rules have been in force since 2019 and 2020 respectively and most licensed firms on both sides are on compatible networks. The residual friction between the two hubs is one of content and standard, as the following table shows.

Feature	**Singapore (PSN02)**	**Switzerland (Art. 10 AMLO-FINMA, FINMA Guidance 02/2019)**
Threshold for applying the rule	None, every DPT transfer	None, every transfer
Threshold for full information set	S$ 1,500 (reduced set below)	None, full set always
Originator identifiers	Name, account/reference, plus address or ID number or date and place of birth	Name, account/reference, address or date of birth and place of birth or ID number
Transfers to unhosted wallets	Permitted, risk-based measures, verification of ownership encouraged	Permitted only if ownership by own customer is proven by technical means
Transfers from third-party unhosted wallets	Permitted with enhanced monitoring	Treated as third-party transfer, identification required
Counterparty VASP due diligence	Expected under Guidelines	Expected under FINMA practice and SRO rules
Retention of travel-rule data	5 years	10 years
Industry protocol origin	Adopters of TRP, Notabene, Sumsub	TRP/OpenVASP originated in Switzerland

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The divergence on unhosted wallets is the one that bites. A group with a Swiss entity and a Singapore entity will find that a customer who may withdraw to a third party's wallet from the Singapore account cannot do so from the Swiss account. Customers notice and ask why. The answer is a regulatory one, which the group should give plainly in the terms of service for each entity. Routing the Swiss customer's withdrawal through the Singapore entity to escape the Swiss rule is circumvention that both regulators would treat as such.

Notes

1. FATF, Targeted Update on Implementation of the FATF Standards on Virtual Assets and VASPs, June 2023, June 2024 and June 2025, sections on travel-rule implementation.

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