The Financial Services and Markets Act 2022

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An omnibus statute

By the early 2020s, MAS's powers were scattered across many statutes. Prohibition orders, for example, existed under the SFA, the FAA and the Insurance Act, each with its own grounds and scope, while banking was covered differently. The Financial Services and Markets Act 2022 was conceived as a statute for the whole sector. MAS describes it as "an omnibus Act for the sector-wide regulation of financial services and markets". It was passed by Parliament on 5 April 2022, the day after the second reading speech.[1]

The FSMA does not replace the sectoral statutes. The Banking Act, the SFA, the FAA, the Insurance Act and the Payment Services Act continue to govern licensing and conduct in their sectors. The FSMA collects powers that apply across all of them and takes over provisions that previously sat in the MAS Act. It also creates one new class of regulated institution. In this respect it resembles the general parts of a civil code, which supply common rules for many special contracts.

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Phased commencement

The Act entered into force in four steps. Phase 1, on 28 April 2023, brought into force general powers over financial institutions, including inspection powers, offences and miscellaneous provisions, as well as the parts on anti-money laundering and countering the financing of terrorism and on financial dispute resolution schemes. Phase 2A, on 10 May 2024, introduced new provisions on technology risk management and migrated the control and resolution of financial institutions from the MAS Act. Phase 2B, on 31 July 2024, brought in the harmonised power to issue prohibition orders in Part 3. Phase 3, on 30 June 2025, brought the framework for digital token service providers in Part 9 into force.[2]

The migration of the anti-money laundering powers had immediate practical effects. When MAS imposed composition penalties in July 2025 on nine institutions connected with the money laundering case of 2023, it relied on section 176(1A) of the MAS Act and section 177(1) of the FSMA, depending on when the breaches had occurred.[3] The transition between the two statutes was thus visible in a single enforcement decision. Breaches before and after Phase 1 were sanctioned under different provisions with the same substance.

Technology risk management

Phase 2A gave MAS a consolidated power to impose requirements on technology risk management on any financial institution or class of institutions. The requirements concern the sound management of technology and cyber security risks and the safe use of technology to deliver services and protect data. The maximum penalty for each breach is one million dollars, so that several breaches can lead to penalties well above that sum. MAS may also require additional regulatory capital until deficiencies are remedied.[4]

Technology risk has since become a central concern of supervision. In July 2026 the managing director of MAS reported a consultation on amendments to the notices on technology risk management. He also reported a requirement for AI-assisted red teaming at key financial institutions, introduced on 1 July 2026, as a response to

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cyber threats enabled by frontier artificial intelligence models.[5] Chapter K.IV examines artificial intelligence and the financial centre in more detail. For the regulatory architecture, the point is that a technology failure can now amount to a regulatory breach with its own penalties.

Digital token service providers

Part 9 of the FSMA closed a gap that had become a reputational risk. Before 2025, firms could be set up in Singapore to provide services relating to crypto-assets exclusively to customers abroad without needing a Singapore licence. Section 137 now requires a licence for an individual or partnership that carries on a business of providing digital token services outside Singapore from a place of business in Singapore. It also requires one for a Singapore corporation that provides such services outside Singapore, whether it operates from Singapore or from elsewhere. Breaches are punishable with the same maximum penalties as unlicensed banking, namely 125,000 dollars or three years' imprisonment for individuals and 250,000 dollars for others.[6]

MAS made clear that it would use the licence sparingly. In its response to consultation of 30 May 2025 it stated that it had set the bar high for licensing and would generally not issue a licence. It also provided no transitional arrangement, so that existing providers serving only overseas customers had to cease those activities when the regime started on 30 June 2025.[7] The regime for crypto-assets as a whole, from the Payment Services Act to Project Guardian, belongs to Chapter K.I. Here it illustrates the function of the FSMA as the statute through which MAS closes gaps that the sectoral Acts leave open.

Notes

1. Monetary Authority of Singapore, "Financial Services and Markets Act 2022" (mas.gov.sg/regulation/acts, accessed November 2026); Allen & Gledhill, "Financial Services and Markets Bill passed to enhance MAS' regulatory and

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enforcement framework across the financial sector", 18 April 2022, on the second reading on 4 April and passage on 5 April 2022. ↩

2. Monetary Authority of Singapore, "Financial Services and Markets Act 2022" (accessed November 2026): Phase 1 (Parts 2, 4, 6, 10, 11 and 12) on 28 April 2023; Phase 2A (Parts 5, 7 and 8 and parts of s. 183) on 10 May 2024. Monetary Authority of Singapore, "Financial Services and Markets Act 2022" (accessed November 2026): Phase 2B (Part 3) on 31 July 2024; Phase 3 (Part 9 and parts of s. 183) on 30 June 2025. ↩
3. Monetary Authority of Singapore, "MAS Takes Regulatory Actions against 9 Financial Institutions for AML-Related Breaches", 4 July 2025. ↩
4. Allen & Gledhill, "Implementation of Financial Services and Markets Act 2022 in phases with new provisions on technology risk management in force", May 2024. Allen & Gledhill, "Financial Services and Markets Bill passed to enhance MAS' regulatory and enforcement framework across the financial sector", 18 April 2022. ↩
5. Chia Der Jiun, Managing Director, MAS, remarks at the MAS Annual Report 2025/2026 media conference, 28 July 2026 (mas.gov.sg), paras 40b, 50 and 52. ↩
6. Financial Services and Markets Act 2022, s. 137(1)–(5), as reproduced by LawPlayer (lawplayer.com/sg/act/FSMA2022/137, accessed November 2026), with exceptions for persons licensed or exempt under the SFA, the FAA or the Payment Services Act 2019. Financial Services and Markets Act 2022, s. 137(6), as reproduced by LawPlayer (accessed November 2026). ↩
7. Allen & Gledhill, "Regulatory framework for digital token service providers under Financial Services and Markets Act 2022 in operation on 30 June 2025", June 2025: MAS "has set the bar high for licensing and will generally not issue a licence" and "will not be providing a transitional arrangement". ↩

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