

# SINGAPORE FINTECH REPORT 2021



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## FOREWORD

Christian König, Founder, Fintech News Network



Singapore has found itself at the epicentre of fintech in South East Asia thanks to a series of carefully executed strategic policies, enterprising founders and a thriving ecosystem.

Though it is much smaller in size compared to its neighbours, Singapore the fintech nation, has grown itself into a formidable powerhouse – with nearly half of the fintech firms in ASEAN calling Singapore its home.

We've recognized Singapore's strength and potential since 2015 which is why we have chosen the island nation our first Asian country to provide dedicated coverage to five years ago. While we have since expanded to Hong Kong, Malaysia and the Philippines, we will always be grateful to Singapore for providing us the launchpad we needed to spread our reach to the rest of Asia.

Fintech News Singapore was established with the mission of providing the local and international fintech community with relevant and timely updates to help them navigate Singapore's bustling scene.

In keeping with that spirit, the Fintech Report Singapore 2021 is published with the intention of providing our readers a comprehensive snapshot of the scene in Singapore.

We hope you find this report to be useful to you and we thank you for your continued support.

*Christian König,*

*Founder, Fintech News Network*

## Dr Derek Wang, Singapore General Manager, Alibaba Cloud Intelligence



### DIGITALLY RETHINKING OUR FUTURE

Adversities often reveal character.

The COVID-19 pandemic is one of the strongest challenges that businesses have had to confront. Proven operational and business models have been upended by the pandemic. Economies around the world have been impacted, with repercussions for years to come. With travel restrictions in place, international trade has also been seriously affected.

However, COVID-19 is also a testimony to our inventive spirit. While it used to take years to research, test and roll out a vaccine, these extraordinary times have compelled us to deliver a vaccine in a speed like never before. That says a lot of what we are capable of, if we put our minds to accomplishing great things.

On the business front, COVID-19 has accelerated a digital transformation that was already underway before the pandemic. Businesses have responded to the pandemic with urgency, by seizing upon digital as the way to communicate, internally and with clients; to transact; and to create new value propositions to customers. These new efficiencies are not only streamlining operations but also creating cost savings that will ultimately have a demonstrable impact on the bottom line.

It helped that Singapore was already a strong believer in digital going into this pandemic. Singapore has been acknowledged as the No.1 nation in terms of digital readiness, having invested to develop the city state as a paragon for technological innovation and initiatives and as a hub for technology companies to set up operations for years.

Singapore has also been nimble in adapting its regulatory environment to foster innovation and initiatives. Such a progressive attitude has delivered dividends in terms of benefits to not only its own citizens but beyond our shores. Some of our homegrown companies are today venturing overseas to transplant their know-how and expertise in a way that will benefit societies.

As one of the world's leading cloud service providers, Alibaba Cloud stands with Singapore in being an enabler to businesses in their digital transformation journey. As the digital technology and intelligence backbone of Alibaba Group, our mission is to equip businesses with the latest digital tools and knowledge – which are proven to be successful through our support of Alibaba Group's various business units including e-commerce, fintech, logistics, digital marketing, and media and entertainment.

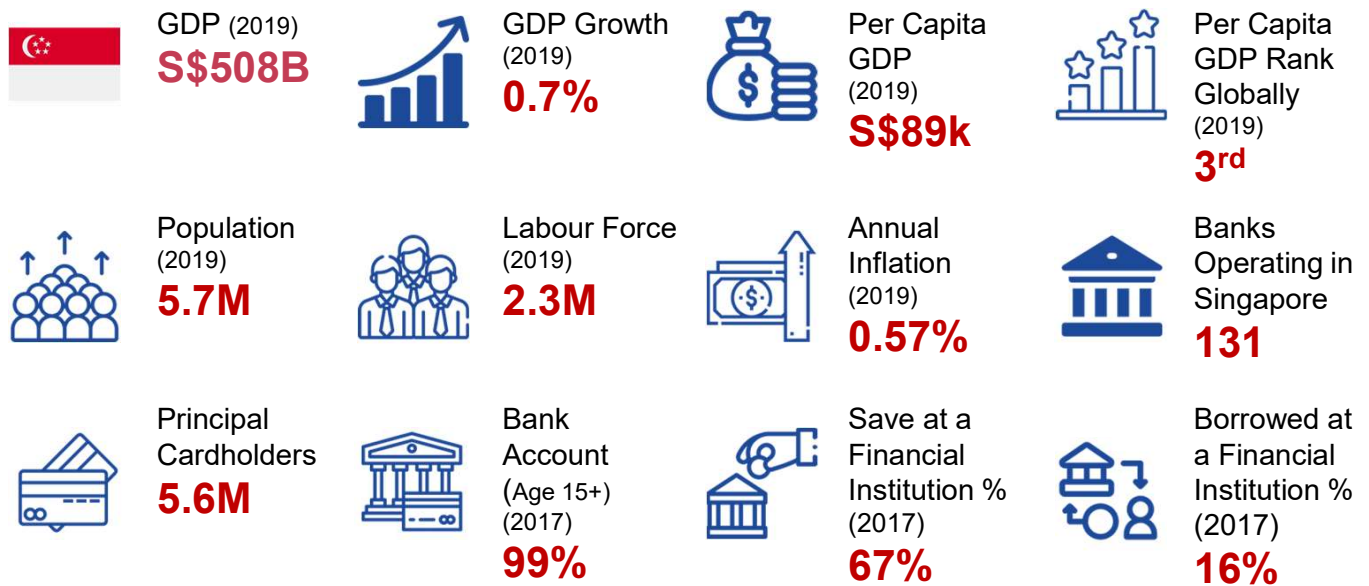
Alibaba Cloud's global infrastructure today includes an extensive network of almost 3000 content delivery network (CDN) nodes across 67 availability zones in 22 regions. We also have a very wide range of products in a range of technological fields – databases, artificial intelligence, security, analytics, enterprise applications, internet of things and developer services – and with specialised solutions for companies in a wide range of sectors.

As we emerge from this pandemic, it is worth noting that adversities not only reveal character. They also build it.

*Dr Derek Wang,*

*Singapore General Manager, Alibaba Cloud Intelligence*

## Competitive Economy



## Ultra Connected Population



DIGITAL READINESS

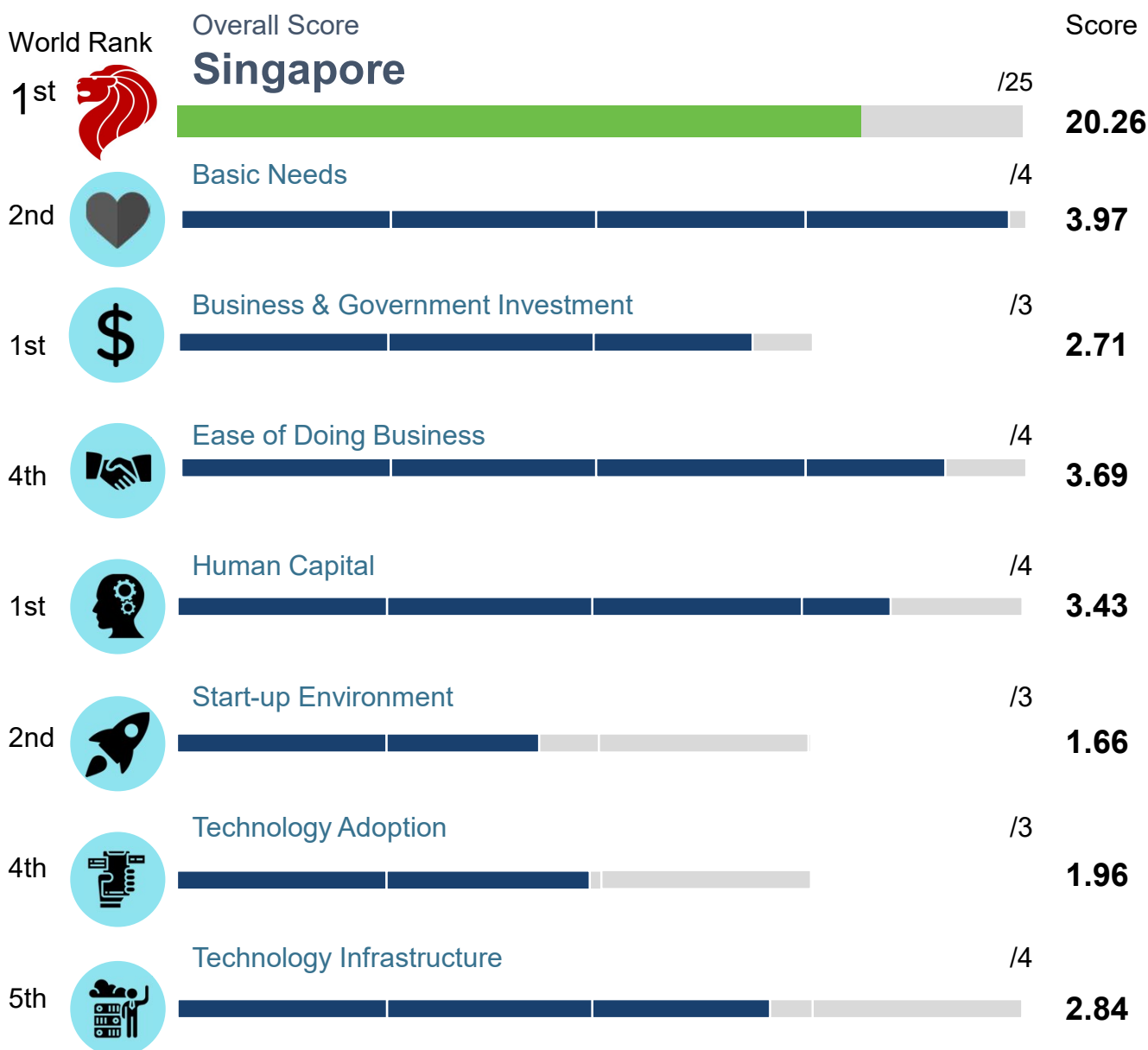
# Singapore Ranks First In the World in Digital Readiness

Singapore’s top position is partly thanks to the government’s effort to turn the country into the technology hub of Asia, and its investments into digital capabilities and initiatives.

The government focused on attracting global technology companies into locating their regional headquarters in Singapore, supported by low taxation and heavy investment in technology infrastructure.

Besides, the government has also been introducing cashless payments on a large scale, and launched the National Artificial Intelligence Strategy, which seeks to deploy AI to deliver social and economic benefits.

Singapore was named the Smart City of 2018 at the Smart City Expo World Congress, which recognized the most outstanding initiatives and projects in the urban innovation and transformation industry.

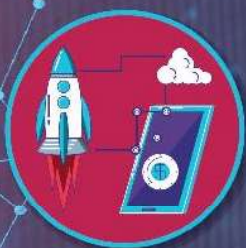


# The Holistic Proposition for FinTech Companies



## Meeting and Surpassing Customer Expectations

Alibaba Cloud's FinTech solution is scalable and assures speed of transaction processing, low-latency, and a dependable infrastructure that has always met customer expectations. Just ask our thousands of FinTech customers across the globe.



## Fast Go-to-Market and Expansion

We lay the infrastructure for Fintech companies to frequently release new products, quickly upgrade applications, and launch marketing campaigns. With 67 zones across 22 regions worldwide, FinTech companies can rapidly expand in any part of the world.

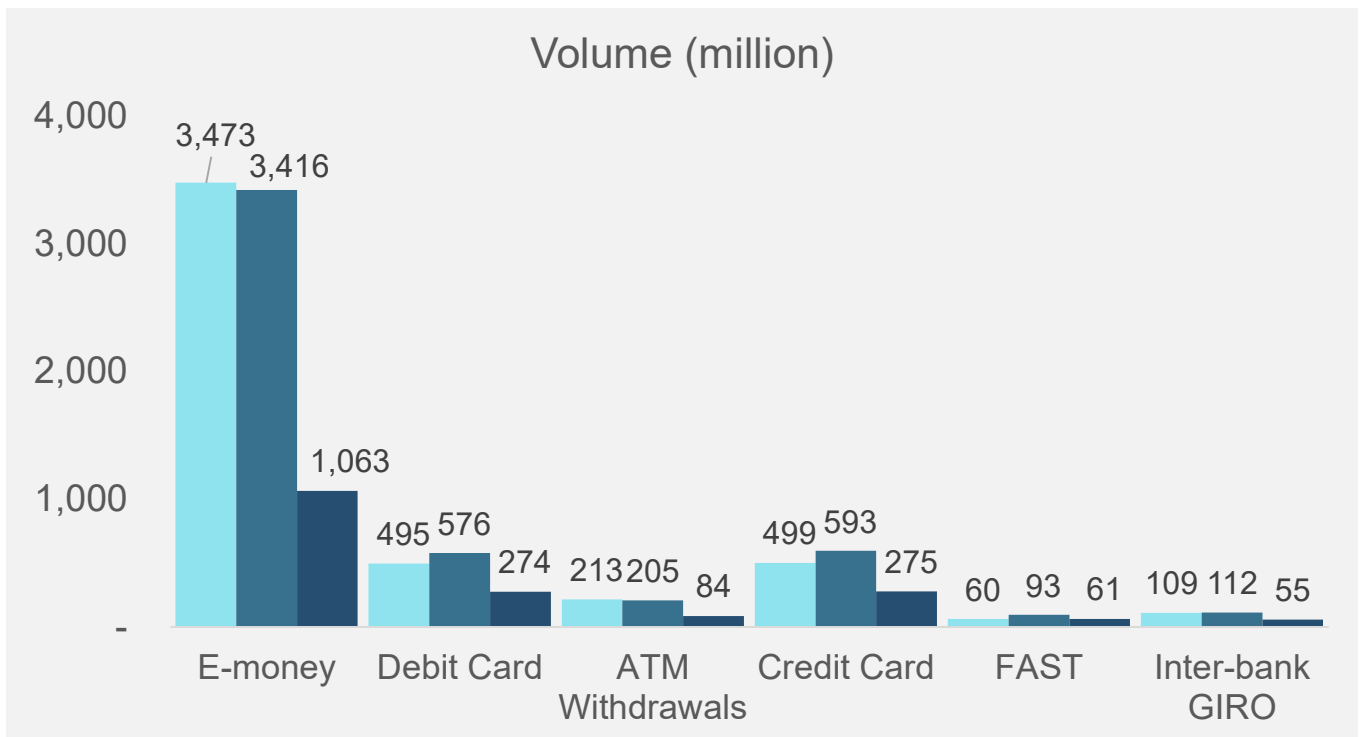
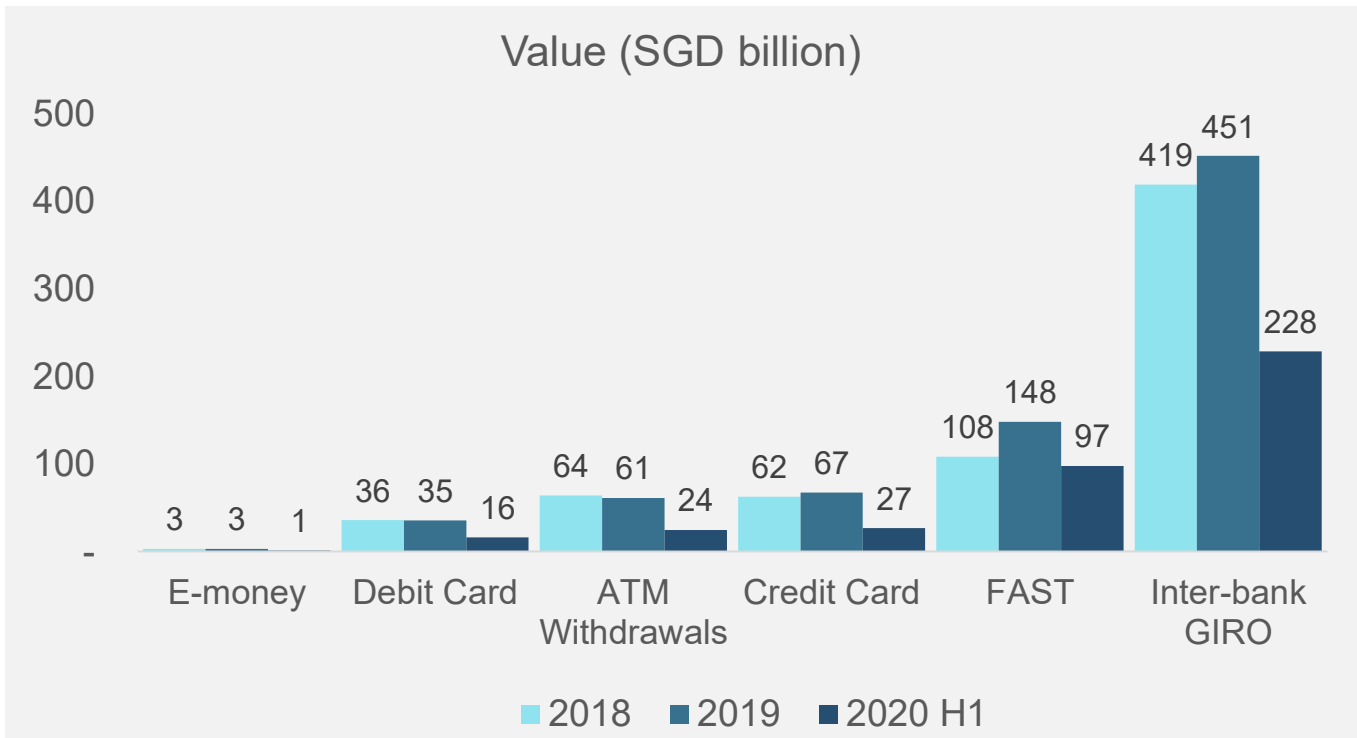


## Resources Redelegated to Core Business

Leave infrastructure maintenance and management to us, freeing your resources to focus on your core business. And our Fintech customers only pay for what they use.

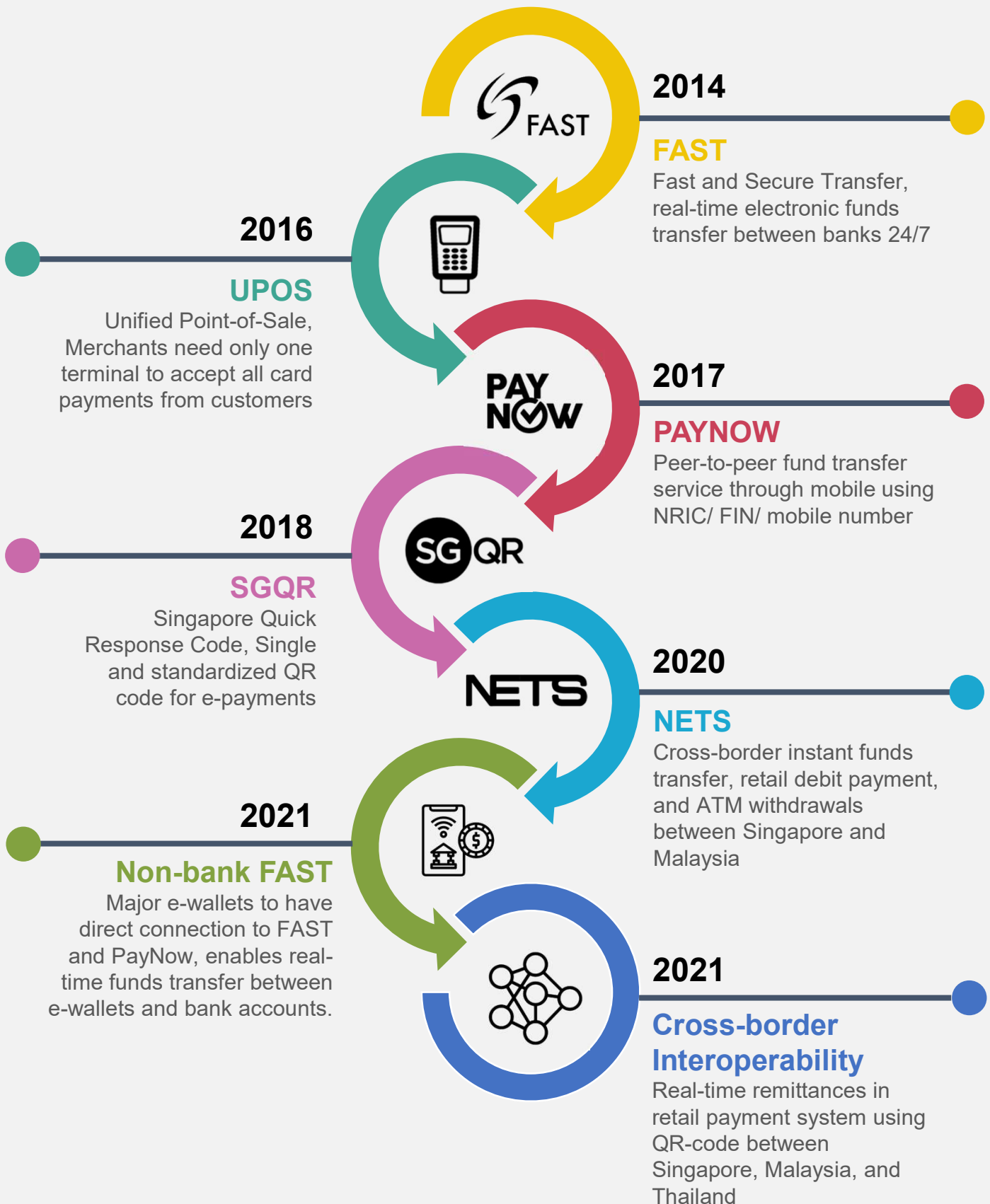
To find out more about Alibaba Cloud's FinTech solutions, contact: [claudine.ang@alibaba-inc.com](mailto:claudine.ang@alibaba-inc.com)

# Payment Transactions in Singapore



DEVELOPMENTS OF E-PAYMENTS IN SINGAPORE

E-payments are gaining traction, supported by various initiatives





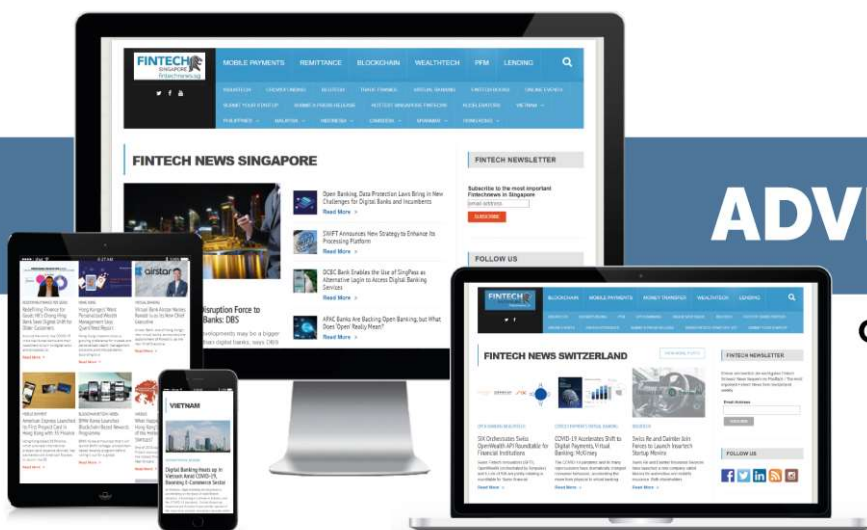


# SWITZERLAND – WHERE FINTECH MEETS INNOVATION AND QUALITY.

Its rich heritage of financial security, strong privacy laws and a pragmatic regulatory approach have made Switzerland a vibrating hub for new business ideas in the field of fintech, ranging from blockchain to cybersecurity. The country fosters innovation while offering a secure regulatory framework.

Locate in Switzerland and grow your business.  
Learn more about the Blockchain Hub Switzerland: [s-ge.com/blockchain](http://s-ge.com/blockchain)

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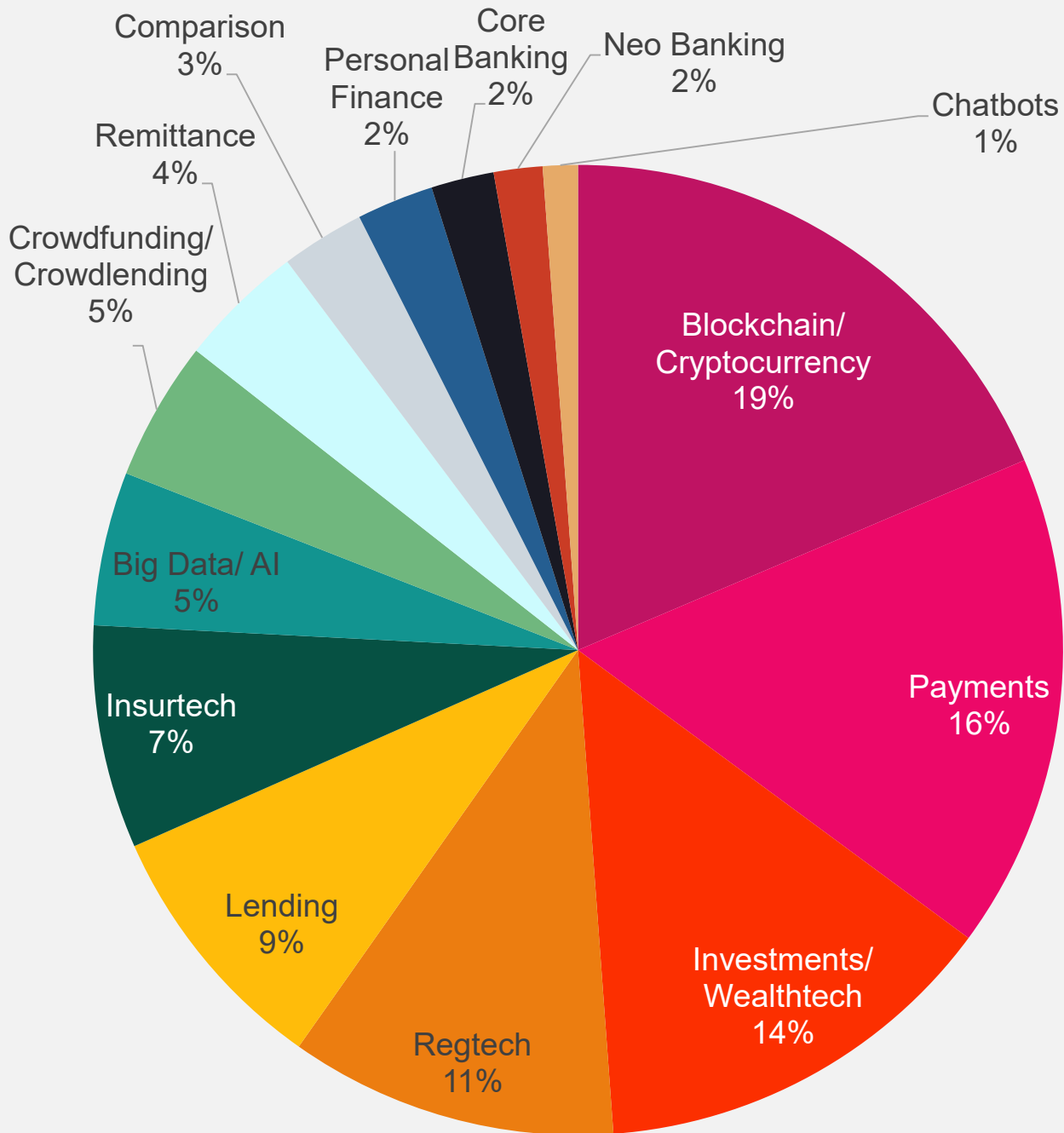
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## SINGAPORE FINTECH BREAKDOWN

# Blockchain/ Cryptocurrency leads in Singapore's fintech scene



## SINGAPORE MONETARY AUTHORITY

# Fintech Initiatives by MAS

### PROJECT UBIN

- In 2016, MAS partnered with R3, a leading blockchain consortium, to launch Project Ubin for developing a proof-of-concept to conduct inter-bank payments using blockchain. Project Ubin, spearheaded by the MAS, is a project exploring the use of blockchain and distributed ledger technology (DLT) for clearing and settlement of payments and securities.
- The aim of Project Ubin is to evaluate the implications of having a tokenized form of the SGD on a DL, and its potential benefits to Singapore's financial ecosystem.



### FINTECH & INNOVATION GROUP (FTIG)

- FTIG regulates policies and develops strategies to facilitate the use of technology and innovation to better manage risks, enhance efficiency, and strengthen competitiveness in the financial sector.
- FTIG's various initiatives includes the Singapore FinTech Festival (world's largest), the Global FinTech Hackcelerator, AFIN, and FinTech Directory.

**SINGAPORE**  
**FINTECH**  
**FESTIVAL**

### DIGITAL BANK LICENSING

- MAS has issued two digital full bank (DFB) licenses and two digital wholesale bank (DWB) licenses on 04 Dec 2020. The central bank announced on 18 Jun 2020 that 14 of the 21 digital bank applications have met the eligibility criteria required and will progress to the next stage of assessment.
- Undeterred by tightening scrutiny in China's recent fintech crackdown, MAS reaffirmed its plans to award digital banking licenses by the end of 2020.



### FUNDING SCHEMES

- On 23 August 2020, MAS announced the new three-year plan (FSTI 2.0) to invest SG\$250 million that aimed to boost fintech innovation with added focus on AI, to support large-scale innovation projects and scale up fintech skillsets.
- This initiative follows the success of a previous five-year roadmap that saw the emergence of 1,000 fintech companies and 40 innovation labs, which facilitated 500 projects.



### ASEAN Financial Innovation Network (AFIN)

- Established in May 2017, AFIN is a scalable sandbox to allow collaboration to facilitate hundreds of experiments at a fraction of the normal cost and target an outcome of digital transformation.
- The Network has developed the API Exchange, an online marketplace and sandbox for fintech-related APIs - the world's first cross-border, open architecture platform to enhance financial inclusion. The platform contains 517 APIs (as of November 2019) in various functional categories such as transactions, sales and marketing.



## Known Applications in Singapore's Digital Banking Race

The Monetary Authority of Singapore (MAS) had previously announced that it would award banking licenses for up to two DFBs and up to three DWBs. There were a total of 14 eligible applications.

Applicants	License	Industries	Competitive Characteristics
	DFB	Ride-sharing, Telco, Financial Services	<ul style="list-style-type: none"> <li>Rich consumer data</li> <li>Access to digital-first consumers</li> <li>Local tech giants</li> </ul>
    	DFB	Retail, Gaming Mobile Internet, Financial Services, Automotive Marketplace	<ul style="list-style-type: none"> <li>Rich data on consumer lifestyles</li> <li>Access to digital-first consumers</li> <li>Strong brand loyalty among Razer users</li> </ul>
   	DFB	Blockchain, Digital Security, Financial Services, App Development	<ul style="list-style-type: none"> <li>UK-linked Enigma Group</li> <li>Targeting SMEs and digital workforce</li> </ul>
	DFB	E-commerce, Gaming, Financial Services	<ul style="list-style-type: none"> <li>Shopee, the largest e-commerce in Southeast Asia</li> <li>Rich consumer data</li> <li>Access to digital-first consumers</li> </ul>
    	DFB	Lifestyles, Transport, Real Estate, Financial Services	<ul style="list-style-type: none"> <li>Combined strengths of established Singaporean companies</li> <li>Access to SMEs and underserved consumers</li> </ul>
 	DFB	Financial Services	<ul style="list-style-type: none"> <li>Rich consumer data on digital payments</li> <li>Established financial institution since 1950</li> </ul>
  	DWB	Financial Services	<ul style="list-style-type: none"> <li>Access to underserved SMEs</li> <li>Backed by Temasek's Pavilion Capital</li> <li>Lending experience in China</li> </ul>
   	DWB	Consumer Tech, Utilities, Financial Services	<ul style="list-style-type: none"> <li>Holds digital bank license in Hong Kong</li> <li>Rich consumer data</li> <li>AMTD's strong partnerships with fintech</li> </ul>
	DWB	Financial Services	<ul style="list-style-type: none"> <li>Focus on underbanked SMEs</li> <li>Back by Life.SREDA</li> </ul>
 	DWB	Financial Services	<ul style="list-style-type: none"> <li>Chinese-dominated consortium</li> <li>Uses technologies including blockchain and AI</li> </ul>
  	DWB	Real Estate, Financial Services	<ul style="list-style-type: none"> <li>Investment arm of Chinese real-estate giant</li> <li>Leverage its Chinese financing experience</li> </ul>
  	DWB	E-Commerce Trade	<ul style="list-style-type: none"> <li>Leverage Zall's digital bank, Z-Bank in China</li> <li>Comprise of Chinese, Japanese and Singaporean B2B trade capabilities</li> </ul>
	DWB	Financial Services	<ul style="list-style-type: none"> <li>Major stake in popular e-commerce, Lazada</li> <li>Digital bank licensee in Hong Kong</li> <li>Experience operating digital bank in China, MyBank</li> </ul>
 	DWB	Financial Services	<ul style="list-style-type: none"> <li>Singapore's premier financial advisor platform partners with Chinese digital bank</li> <li>Rich financial resources and experience in the Chinese market</li> </ul>
 	DWB	Social Video Sharing	<ul style="list-style-type: none"> <li>Reportedly tie-up with the Lee business family</li> <li>Known for its strength in AI</li> </ul>

## DIGITAL BANKING

## Four Successful Fully-digital Banks To Be Launched

The four licensed fully-digital banks are expected to meet the needs of under-served segments in Singapore such as small and medium-sized enterprises (SMEs), startups, gig workers and millennials.

MAS expects the new digital banks to commence operations from early 2022. It added that “the successful applicants must meet all relevant prudential requirements and licensing pre-conditions before MAS grants them their respective banking licenses.”



License: Digital Full Bank



License: Digital Full Bank



License: Digital Wholesale Bank



Beijing Co-operative Equity  
Investment Fund Management

License: Digital Wholesale Bank

## Key Regulation Updates in 2020



### Payment Service Act 2019

Enforced in Jan 2020, PSA streamlines the previous legislative regime for payment services and expands the scope of regulated payments to seven types of payment services. The PSA regulates seven types of payment services: account issuance services, domestic money transfer services, cross-border money transfer services, merchant acquisition service, e-money issuance service, digital payment token services, and money-changing services.

There are three classes of licence under the PSA, namely: money-changing license, standard payment institution license, and major payment institution licence.



### Cryptocurrencies/ digital assets

Singapore operates cryptocurrency exchanges and the offering of digital tokens (also known as initial coin offerings). In Nov 2020, the nation state tightened AML rules around crypto assets.

MAS introduced legislative amendments to the PS Act to implement the enhanced international standards adopted by the Financial Action Task Force (FATF) that are aimed at addressing the ML/TF risks posed by virtual asset service providers (VASPs) that are not already regulated as financial institutions.

MAS proposes to introduce powers to impose measures on digital payment token (DPT) service providers and make other miscellaneous amendments to the PS Act.



### Real-time payments

The ASEAN Payments Policy Framework is being developed to guide cross-border real-time retail payments across the ASEAN Member States (AMS).

The Working Committee on Payment and Settlement Systems (WC-PSS) is working on the regional framework to facilitate the integration of real-time payment systems in ASEAN. It facilitates real-time remittances in retail payment system using QR-code between Singapore, Malaysia, and Thailand, to be live in 2021.

## DEVELOPMENTS OF BLOCKCHAIN & CRYPTOCURRENCY IN 2020

# Singapore is leading the global standards in blockchain

Singapore's blockchain ecosystem has seen a substantial growth, with a total of 234 blockchain companies operating in the country. Singapore is one of the global leading hubs for Initial Coin Offerings and has grown to be the blockchain hub for Asia. Blockchain is being used in securities trading, domestic payments, international remittances and more.



Notes: 1: AML/CFT refers to Anti Money Laundering and Countering the Financing of Terrorism. 2: FATA refers to Financial Action Task Force, an international, intergovernmental body dedicated to combating money laundering and the financing of terrorism. Officially adopted on June 21, 2019, the FATF Travel Rule is an update to the existing FATF Recommendation 16, which concerns cross-border and domestic wire transfers.



# Localized Solutions Powered by AntChain Technology



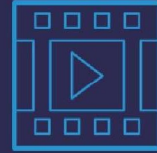
**Supply Chain  
Finance**



**Healthcare &  
Medical Insurance**



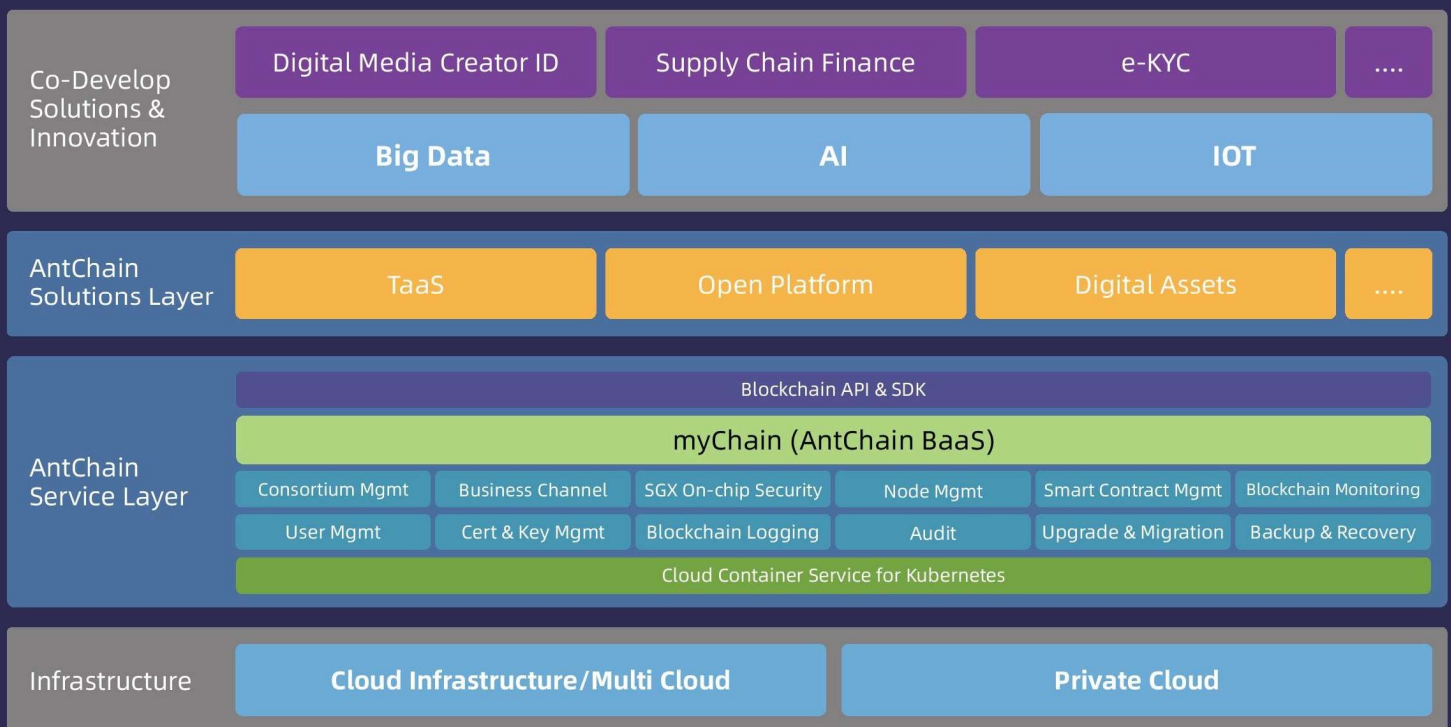
**E-Government**



**Digital Media/  
Content**



**Smart  
Manufacturing**



## Customized to Your Needs

Working with our local partners, we co-develop solutions suited for local technology companies, SIs and ISVs, helping them to move up the value chain.

## Benefit from Evolutions in our AntChain Technology

As we continue to enhance our technology, we will share them with our customers and partners, specifically our expertise in blockchain.

## A Robust Cloud Infrastructure

We support a range of cloud infrastructures, including multi-cloud and private cloud.

Contact [antchain@antgroup.com](mailto:antchain@antgroup.com) to learn more about how our AntChain Technology localized solutions can help your business rise to the next level.



## KEY FINTECH DEVELOPMENTS 2019/2020

# Review of Singapore's Key Developments in 2020



**CBDC** – MAS completes the fifth and final phase of Project Ubin, the Central Bank Digital Currencies (CBDC) Project. The prototype, developed in collaboration with J.P. Morgan and Temasek, can serve as a test network to facilitate collaboration with other central banks and the financial industry for developing next generation cross-border payments infrastructure. MAS will join forces with China in exploring **CBDC** and launch the Singapore-Shanghai Comprehensive Cooperation Council Financial Working Group. Project Ubin proves that a blockchain-enabled CBDC supports a more efficient complex payment ecosystem.

**WealthTech** – Grab acquired Bento, a robo-advisory fintech and rebranded it as GrabInvest with products launched on the Grab app. GrabInvest, a new core business vertical under Grab Financial Group, which currently offers financial services across Southeast Asia in payments (GrabPay), rewards (GrabRewards), lending (GrabFinance), and insurance (GrabInsure) to micro-entrepreneurs, small business owners, driver-partners and users across Southeast Asia. GrabInvest aims to offer cash management and portfolio-based financial solutions to its users, driver-partners and merchant-partners, with Singapore as the first market to roll-out. (Feb 2020, Image Credit: Grab)



**Insurtech** – SingLife, a homegrown insurer to merge with Aviva Singapore, at the combined value at S\$3.2 billion. The deal marks one of the largest in the insurance sector in Southeast Asia and in Singapore. The deal intends to bring Singlife's mobile-first savings and protection solutions to Aviva's 1.5 million strong customer base while being able to offer deeper product range and advisory capabilities. (Sep 2020, Image Credit: SingLife)

**Remittance** – Thunes, a B2B cross-border payment network, raises US\$60 million in Series B funding round. Thunes network connects mobile wallet providers, banks, technology companies and money transfer operators, enabling cross-border payments to and from emerging economies. Thunes connects payment players in more than 100 countries. The capital raised will be used to accelerate its product offerings and expansion in Africa, Asia and Latin America. (Sep 2020)

**thunes**  
 smart. transfer. solutions.

**sgfindex**

**Personal Finance** – The Monetary Authority of Singapore (MAS) and the Smart Nation and Digital Government Group (SNDGG) launched the Singapore Financial Data Exchange (SGFinDex). SGFinDex claims to be the world's first public digital infrastructure to use a national digital identity and centrally managed online consent system to enable individuals to access, through applications, their financial information held across different government agencies and financial institutions.



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If we've missed you out in our fintech map or if you'd like to speak to us for media enquiries/ advertising kindly reach out to: [chris@fintechnews.sg](mailto:chris@fintechnews.sg)