



# Incentive Snippets



## Issue 2 | Bolstering Singapore's Fintech capabilities with incentive support

Financial technology (Fintech) is a sunrise industry that Singapore has actively embraced in recent years.

Much has been done by the Singapore government. On the regulatory front, the Monetary Authority of Singapore (MAS) set up the regulatory sandbox framework for financial institutions (FIs) and other players to test their Fintech innovations in a more free, safe and controlled environment.

MAS organised the Singapore Fintech Festival, the world's first large-scale gathering of various Fintech players to portray the future of a financial industry transformed by innovation and technology. The Fintech Office, a one-stop shop to develop the sector was also launched.

The crucial element of funding is not forgotten as MAS is committing S\$225 million over the next five years to attract FIs to set up their innovation labs in Singapore. Various grants and schemes are now available for Fintech players to tap on.

In this issue, we highlight the incentive support for Fintech projects, such as the regulatory sandbox and Financial Sector Technology & Innovation (FSTI) scheme.

### Regulatory sandbox for Fintech experiments:

The sandbox will enable experiment of innovative Fintech solutions in a controlled environment. This approach prevents innovators from being deterred by regulatory compliance costs, which can be stifling and limits the consequences of failure.

### MAS sandbox approach

- ✓ FI/Start-up can offer innovative solution to a targeted group of customers for a period of time under certain MAS bounding conditions.
- ✓ If FI/Start-up & MAS are satisfied with test outcomes and legal/regulatory requirements, the solution can be mass deployed.
- ✓ Under certain conditions, FI/Start-up can request extension of the sandbox time period.



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## **FSTI scheme to support the creation of a vibrant ecosystem for innovation**

FSTI provides grant support of up to 50-70% of qualifying costs and is generally used for the following purposes:

- ✓ Innovation centres – to attract FIs to set up their R&D and innovation labs in Singapore.
- ✓ Institution-level projects – to catalyse the development by FIs of innovative solutions that have the potential to promote growth, efficiency, or competitiveness.
- ✓ Industry-wide projects – to support the building of industry-wide technology infrastructure that is required for the delivery of new, integrated services.
- ✓ Proof-of-concept (POC) projects – to support early stage development of novel solutions to financial industry problems. FSTI (POC scheme) provides support to both FIs and non-FIs (including FinTech startups).

### **MAS areas of interest in Fintech:**

- Mobile and digital payments
- Authentication and biometrics
- Blockchains and distributed ledgers
- Cloud computing
- Big data
- Learning machines

KPMG's Enterprise Incentives Advisory team is a multi-disciplinary team made up of specialists from various industry backgrounds who can help evaluate incentives applicable to your business and assist with the application process.

I hope you find the information useful. If you need any further clarification, please contact us.

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