

Memorandum of Understanding on the Australia-Singapore FinTech Bridge

Australia

Singapore



**Australian Government**  

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**The Treasury**



**Monetary Authority  
of Singapore**

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# **MEMORANDUM OF UNDERSTANDING ON THE AUSTRALIA-SINGAPORE FINTECH BRIDGE**

**Between:**

**The Commonwealth of Australia, as represented by the Department of the Treasury**

**and**

**The Monetary Authority of Singapore**

**(each a "Party" and collectively, "the Parties")**

## **Background and Preamble**

**The Department of Treasury ("AU Treasury") and the Monetary Authority of Singapore ("MAS"):**

- Recognise the Australia-Singapore Digital Economy Agreement ("DEA"), which was signed on 6 August 2020 and entered into force on 9 December 2020, as a key pillar in the Singapore-Australia trade relationship and an over-arching framework for deeper cooperation in the digital economy;
- Recognise that Australia and Singapore are world leaders in the FinTech industry – in global FinTech rankings, Australia and Singapore both consistently rank in the top 10 in the world. Both offer a stable regulatory environment, with policies that encourage innovation, whilst maintaining market stability;
- Recognise that Australia is a strong global player in FinTech with over 700 FinTech companies based in all Australian State and Territory capitals, and has one of the world's most exciting and dynamic FinTech industries. The Australian FinTech industry is estimated to grow from an AU\$250 million industry in 2015 to an AU\$4 billion industry in 2021;
- Recognise that Australia's supportive regulatory settings, including a whole of economy legal framework to support data portability through the Consumer Data Right, and high rate of FinTech adoption present an attractive market for the launch and expansion of FinTech products;
- Recognise that since 2015, the Singapore FinTech ecosystem has grown exponentially in a short span of time, is now home to about 1,400 FinTech firms offering a wide range of solutions as well as over 40 innovation labs, and has seen equity funding for Singapore FinTech firms grow to a 5-year high of US\$3.9 billion in 2021;
- Recognise the significant growth opportunities offered by FinTech for both economies, to improve outcomes for consumers and businesses, promote financial inclusion by increasing access to financial services, and strengthen the competitiveness of financial services; and
- Recognise that as issues surrounding financial services and technology become more complex, a formal framework offered by an Australia-Singapore FinTech

Bridge can allow the Parties to collaborate more comprehensively on FinTech, and coordinate wider participation of domestic stakeholders such as policy officials, regulators, trade promotion agencies and industry groups to unlock new opportunities.

## **Section 1**

### **Purpose**

1.1 In order to strengthen cooperation between them, Singapore and Australia have decided to establish an Australia-Singapore FinTech Bridge ("the FinTech Bridge") on the terms set out in this Memorandum of Understanding ("MoU"). The FinTech Bridge builds on the existing cooperation between Australia and Singapore under the Co-operation Agreement between MAS and Australian Securities and Investments Commission ("ASIC") signed on 16 June 2016 ("MAS-ASIC CA").

1.2 This FinTech Bridge will:

- 1.2.1 Enable closer and stronger collaboration on FinTech between governments, financial regulators and the FinTech industry in Australia and Singapore; and
- 1.2.2 Encourage FinTech firms in Australia and Singapore to use the facilities and assistance available in the other jurisdiction to explore new business opportunities and reduce barriers to entry.

1.3 This FinTech Bridge represents and embodies the framework for the ongoing cooperation between Singapore and Australia on FinTech issues, covering three inter-related pillars:

- 1.3.1 Bilateral and Multilateral Cooperation
- 1.3.2 Trade, Investment and Ecosystem
- 1.3.3 Supporting Mutual Establishment of FinTech Firms

## **Section 2**

### **Bilateral and Multilateral Cooperation**

#### Information Sharing

2.1 The Parties undertake, subject to applicable domestic laws and regulations, to participate in working-level discussions on topics of mutual interest. These topics may include:

- 2.1.1 An exchange of views on emerging market trends and developments in FinTech;
- 2.1.2 Regulatory issues pertaining to financial services innovation;
- 2.1.3 Relevant FinTech-related announcements;
- 2.1.4 Challenges faced by FinTech firms in Australia and Singapore looking to scale up in each other's jurisdictions, if any; and
- 2.1.5 Sharing of relevant data, as appropriate.

2.2 Other relevant domestic stakeholders from each jurisdiction may be invited to participate in discussions when particular value may be added, with the Parties' agreement.



2.3 The Parties share the view that dialogue between governments, financial regulators and the FinTech industry in Australia and Singapore will help to identify emerging FinTech trends and policy issues, such as in blockchain, data security and exchange, RegTech and WealthTech, and enable effective collaboration on policy responses.

#### Potential Joint Innovation Projects

2.4 To further promote bilateral and multilateral cooperation, the Parties will explore participating in or facilitating joint innovation projects in areas of mutual interest, such as:

- 2.4.1 Blockchain and distributed ledger technology;
- 2.4.2 Digital identities;
- 2.4.3 Cross-border data connectivity; and
- 2.4.4 The application of FinTech to promote sustainable finance.

2.5 Where necessary, the Parties can play a coordinating role to establish ad hoc working groups that involve other domestic stakeholders for these joint innovation projects.

#### Promoting Cross-border Data Connectivity

2.6 The Parties will work with FinTech firms in Australia and Singapore on an ongoing basis to remediate any challenges faced when transferring data to, or storing data in, the other jurisdiction, in line with the commitments made under the DEA.

2.7 The Parties will, as appropriate, encourage other countries to adopt policies consistent with the commitments made under the DEA.

#### Bilateral and Multilateral Cooperation

2.8 The Parties will explore greater collaboration at multilateral platforms and fora in areas of global interest, such as cross-border payments, blockchain and distributed ledger technology, digital identities, cross-border data connectivity, as well as the application of FinTech to promote sustainable finance.

2.9 The Parties will explore facilitating bilateral and multilateral collaboration on the greater use of data by the FinTech industry in Australia and Singapore to promote innovation in financial services, such as through consumer data portability initiatives.

### **Section 3**

#### **Trade, Investment and Ecosystem**

3.1 The Parties will work to raise the profile of the FinTech Bridge, as well as its benefits to FinTech firms in Australia and Singapore.

3.2 The Parties intend to support the success of the FinTech Bridge through:

- 3.2.1 Providing a point of contact for FinTech firms in each jurisdiction, to offer assistance on queries and support the identification of opportunities;

- 3.2.2 Coordinating interactions and dialogue between the Parties and other relevant domestic stakeholders, to promote trade and investment flows between the FinTech markets in Australia and Singapore; and
- 3.2.3 Facilitating the participation of FinTech firms in Australia and Singapore in relevant matchmaking events, meetings and networking opportunities organised in each other's jurisdictions.

3.3 The Parties will keep each other apprised of opportunities for the the Parties and other relevant domestic stakeholders to participate in relevant FinTech-related events and platforms organised in each other's jurisdictions, such as the Intersekt in Australia and the Singapore FinTech Festival in Singapore. Where appropriate, the Parties will promote these FinTech-related events and platforms in both Australia and Singapore.

## **Section 4**

### **Supporting Mutual Establishment of FinTech Firms**

4.1 The Parties will inform FinTech firms in their respective jurisdictions that would like to operate in the other's jurisdiction of the formal and informal support programmes available in Australia and Singapore, that seek to assist the establishment and growth of FinTech firms in the respective jurisdictions. These support programmes may include, but are not limited to:

- 4.1.1 The referral mechanism under the MAS-ASIC CA, pursuant to which MAS and ASIC will refer to each other innovative financial businesses which have been offered support or would qualify for support by MAS or ASIC and which would like to operate in the other's jurisdiction;
- 4.1.2 The regulatory sandboxes offered by ASIC and MAS;
- 4.1.3 Support programmes offered by other domestic stakeholders that FinTech firms can qualify for; and
- 4.1.4 Support provided through trade promotion, including events and in-country staff.

4.2 To support FinTech firms in Australia and Singapore in accessing opportunities for partnership and collaboration, the Parties will facilitate connections between FinTech firms in their respective jurisdictions and the relevant industry associations in Australia and Singapore, such as those for FinTech firms and payments service providers.

## **Section 5**

### **Principles**

5.1 The Parties intend to provide the fullest possible mutual assistance to one another within the terms of this MoU. This MoU operates subject to the domestic laws and regulations of each Party and does not modify or supersede any laws or regulatory requirements in force in, or applying to, Australia or Singapore.

5.2 For the avoidance of doubt, this MoU is not legally binding and does not create any enforceable rights under domestic or international law. This MoU is intended to provide a formal expression of the current understanding of the Parties. This MoU also does not



affect any arrangements in respect of any Party under the MAS-ASIC CA or under any other agreements or memoranda of understanding.

5.3 The Parties will act in good faith and cooperate with each other in the performance of this MoU, and will use their best endeavours to resolve issues as they arise.

## **Section 6**

### **Confidentiality and Permissible Uses**

6.1 Any information disclosed by one Party to the other Party should be treated as confidential information.

6.2 A Party should use information disclosed to it by the other Party under this MoU only for the purposes for which the information was disclosed, unless the other Party has given prior written consent to the use of the information for other purposes.

6.3 A Party should not disclose information provided to it by the other Party under this MoU to third parties without the prior written consent of the other Party. If either Party is required to disclose any information provided to it by the other Party pursuant to a requirement of law, regulation, court order or similar process, such Party should notify the other Party prior to complying with such a requirement and should assert all appropriate legal exemptions or privileges with respect to such information as may be available.

6.4 If either Party reasonably suspects or is aware of the disclosure of confidential information that has not been permitted by the other Party, such Party should notify the other Party about the actual or suspected disclosure as soon as possible.

6.5 This MoU does not oblige either Party to disclose supervisory information or information relating to the financial affairs or accounts of individual customers of a financial institution.

## **Section 7**

### **Term**

7.1 This MoU takes effect from the date of execution by the Parties, or where this MoU is executed by the respective Parties on different dates, on the latest date stated below a Party's signature. This MoU will continue to have effect until terminated by either of the Parties by the giving of at least 30 days' written notice of termination to the other Party.

7.2 In the event of the termination of this MoU, information obtained under this MoU will continue to be treated in the manner set out under Section 6.

7.3 The termination of this MoU will not affect the implementation of any activities established under this MoU prior to termination unless the Parties agree in writing otherwise.

## **Section 8**

### **Amendment**

8.1 The Parties will review the operation of this MoU and update its terms as required.

8.2 This MoU may be amended at any time if both Parties agree in writing to do so.

## **Section 9**

### **Notices and Contact Details**

9.1 All notices and communications to a Party under this MoU will be in writing and sent via mail or electronic mail to that Party's contact details as set out in **Annex 1** or as changed from time to time by written notice to the other Party.


## **Section 10**

### **Counterparts**

10.1 This MoU may be executed by the duly authorised representatives of the Parties in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

### **Executed by the Parties:**

**For MAS**

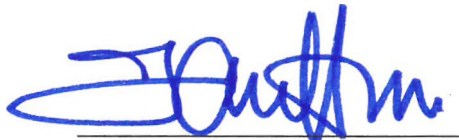


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Ravi Menon,  
Managing Director

Date: 11 Apr 2022

**For AU Treasury**



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Senator the Hon. Jane Hume  
Minister for Superannuation, Financial  
Services and the Digital Economy,  
Minister for Women's Economic  
Security

Date: 28<sup>th</sup> March 2022



### Annex 1 – List of Contact Details

<b>AU Treasury</b>	<p>Financial System Division Australian Treasury Langton Crescent, Parkes ACT Australia 2600</p> <p>Alternatively, referrals and associated materials may be sent by email to: <a href="mailto:fintechbridge@treasury.gov.au">fintechbridge@treasury.gov.au</a></p>
<b>MAS</b>	<p>Financial Technology &amp; Innovation Group Monetary Authority of Singapore 10 Shenton Way MAS Building Singapore 079117</p> <p>Alternatively, referrals and associated materials may be sent by email to: <a href="mailto:fintech_office@mas.gov.sg">fintech_office@mas.gov.sg</a></p>