

Case Comment

**UNLICENSED PAYMENT SERVICES: WHEN DOES IT
CROSS THE LINE?**

Chang Jiunn Jye v Public Prosecutor [2025] 5 SLR 402

[2026] SAL Prac 4

This case comment examines the recent clarification by the General Division of the High Court of the tests for determining whether a person has “carried on a business” of providing payment services under the Payment Services Act 2019. It also outlines the court’s reasoning and observes that several aspects of the analysis remain unsettled. It briefly considers these open points against the broader development of local jurisprudence relating to payment services regulation in Singapore.

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I. Introduction

1 Through its licensing regime, the Payment Services Act 2019² (“PSA”) seeks to provide regulatory certainty and consumer safeguards in the context of payment services in Singapore.³ Consistent with the PSA’s regulatory architecture, the statute criminalises the carrying on of unlicensed payment services.

1 While the author is an employee of Mana Payment (Singapore) Pte Ltd, all views expressed here are his own.

2 2020 Rev Ed.

3 Singapore Parl Debates; Vol 94, Sitting No 87; [14 January 2019] (Ong Ye Kung, Minister for Education).

2 In *Chang Jiunn Jye v Public Prosecutor*⁴ (“*Chang Jiunn Jye GDHC*”), the General Division of the High Court (“General Division”) upheld the Magistrate’s Court’s decision to convict the appellant (“Appellant”) of the offence of carrying on a business of providing an unlicensed cross-border payment service in Singapore.⁵

3 The decision marks the first occasion on which the General Division had the opportunity to clarify the relevant test for determining whether a person had carried on a business of providing payment services under the PSA.⁶

II. Legislative framework

4 As alluded to above, s 5(1) of the PSA provides that a person must not carry on a business of providing any type of payment service in Singapore unless the person (a) holds a payment services licence issued by the Monetary Authority of Singapore; or (b) is an exempt payment service provider.⁷ Payment services are further defined in the First Schedule to the PSA to include, among others, a cross-border money transfer service.⁸

4 [2025] 5 SLR 402.

5 *Chang Jiunn Jye v Public Prosecutor* [2025] 5 SLR 402 at [44].

6 *Chang Jiunn Jye v Public Prosecutor* [2025] 5 SLR 402 at [3].

7 Payment Services Act 2019 (2020 Rev Ed) s 5(1). Section 5(3) of the Payment Services Act 2019 (2020 Rev Ed) (“PSA”) provides that a person that contravenes s 5(1) shall be guilty of an offence and shall be liable on conviction:

(a) in the case of an individual, to a fine not exceeding \$125,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$12,500 for every day or part of a day during which the offence continues after conviction; or

(b) in any other case, to a fine not exceeding \$250,000 and, in the case of a continuing offence, to a further fine not exceeding \$25,000 for every day or part of a day during which the offence continues after conviction.

8 Payment Services Act 2019 (2020 Rev Ed), First Schedule. “Cross-border money transfer service” is further defined in the First Schedule to the PSA to include arranging for the receipt of any money from outside Singapore by any person in Singapore. The appellant in *Chang Jiunn Jye v Public Prosecutor* [2025] 5 SLR 402 was convicted for providing an unlicensed “cross-border money transfer service” falling within this limb.

5 Section 5(2) of the PSA provides that a person is presumed to carry on a business of providing a payment service even where the payment service is only incidental to the person’s primary business.⁹ This represents the partial statutory overruling of the High Court’s decision in *Chinpo Shipping Co (Pte) Ltd v Public Prosecutor*¹⁰ (“*Chinpo*”).¹¹ In *Chinpo*, the High Court had held that a person would not be regarded as carrying on a business of undertaking certain transactions, if such transactions are undertaken only incidentally to the provision of other services.¹² Section 5(2) of the PSA now makes clear that the position in *Chinpo* would no longer apply under Singapore law.

III. Factual and procedural background

6 The Appellant in *Chang Jiunn Jye GDHC* had claimed trial to two charges under the PSA (“Charges”). These Charges related to carrying on a business of providing unlicensed cross-border money transfer services in Singapore on two separate occasions, in January 2021 (“First Charge”) and March 2021 (“Second Charge”). On both occasions, the Appellant had arranged for the receipt of US dollars by one Li Xiaona (“Li”) in Singapore, from outside Singapore.¹³

7 The Appellant’s interactions with Li arose indirectly through Coeus International Holdings Pte Ltd (“Coeus”), an administrative services provider for international students in Singapore.¹⁴ Both Li and the Appellant’s girlfriend were clients of Coeus,¹⁵ and the Appellant was acquainted with Coeus’ directors, including one Feng Shukun (“Feng”).¹⁶

9 Payment Services Act 2019 (2020 Rev Ed) s 5(2).

10 [2017] 4 SLR 983.

11 Singapore Parl Debates; Vol 94, Sitting No 87; [14 January 2019] (Ong Ye Kung, Minister for Education).

12 *Chinpo Shipping Co (Pte) Ltd v Public Prosecutor* [2017] 4 SLR 983 at [102].

13 *Public Prosecutor v Chang Jiunn Jye* [2025] SGMC 32 at [1]–[4].

14 *Public Prosecutor v Chang Jiunn Jye* [2025] SGMC 32 at [9].

15 *Public Prosecutor v Chang Jiunn Jye* [2025] SGMC 32 at [9].

16 *Public Prosecutor v Chang Jiunn Jye* [2025] SGMC 32 at [9].

A. Basis of the charges

8 Sometime in January 2021, Feng had received a request from Li for assistance in exchanging US\$1m worth of Renminbi (“RMB”) to US dollars. Subsequently, Li agreed to use the Appellant’s currency exchange services. In a series of messages relayed through Feng, the Appellant had provided Li with detailed and specific instructions on how the transaction would be effected.¹⁷

9 Essentially, the Appellant would first arrange for US\$1m (less any applicable charges) to be transferred from Indonesia to Li’s bank account in Singapore.¹⁸ Li, through her husband in China, would then arrange for the transfer of RMB to various bank accounts in China (“Chinese Bank Accounts”), in accordance with the Appellant’s instructions.¹⁹ This formed the basis of the First Charge.

10 Less than two months later, Li requested currency exchange services from Feng and agreed to use the Appellant’s currency exchange services again. In this instance, Li first had to transfer the RMB equivalent of US\$1m to the various Chinese Bank Accounts. It was intended that the Appellant would arrange for the transfer of US\$1m to Li from Indonesia, once Li had completed the transfers to the Chinese Bank Accounts.²⁰

11 Li transferred a total of RMB2.19m to various Chinese Bank Accounts but did not make the remaining transfers as she had not received the corresponding amount of US dollars in her Singapore bank account.²¹ This formed the basis of the Second Charge.

17 *Public Prosecutor v Chang Jiunn Jye* [2025] SGMC 32 at [13].

18 *Public Prosecutor v Chang Jiunn Jye* [2025] SGMC 32 at [14].

19 *Public Prosecutor v Chang Jiunn Jye* [2025] SGMC 32 at [15].

20 *Public Prosecutor v Chang Jiunn Jye* [2025] SGMC 32 at [17].

21 *Public Prosecutor v Chang Jiunn Jye* [2025] SGMC 32 at [17].

B. Magistrate's Court's decision on conviction and sentence

12 The Magistrate's Court held that the transactions in the First Charge and Second Charge constituted cross-border payment services.²² The question which followed was whether the Appellant could be regarded as carrying on a business of providing payment services.²³

13 The legal test applied by the district judge was whether there was the requisite degree of system, continuity, and repetition in the provision of payment services by the Appellant ("System and Continuity Test").²⁴ The System and Continuity Test was satisfied based on the following key facts:²⁵

(a) The methodologies employed in the transactions relating to the First Charge and Second Charge were similar.

(b) The Appellant had represented to Feng and another director of Coeus that he was in the currency exchange business and that the business was licensed.

(c) The Appellant had held himself out as a small businessman in the currency exchange business in one of his messages to Feng.

(d) The Appellant had made a profit off the transactions.

14 The Appellant was sentenced to six weeks' imprisonment for each Charge, which were ordered by the district judge to run concurrently.²⁶

22 At [29] to [31] of *Public Prosecutor v Chang Jiunn Jye* [2025] SGMC 32, the concepts of Hawala and reverse Hawala transactions are discussed.

23 *Public Prosecutor v Chang Jiunn Jye* [2025] SGMC 32 at [37]–[40].

24 *Public Prosecutor v Chang Jiunn Jye* [2025] SGMC 32 at [37].

25 *Public Prosecutor v Chang Jiunn Jye* [2025] SGMC 32 at [37]–[40].

26 *Public Prosecutor v Chang Jiunn Jye* [2025] SGMC 32 at [56].

C. Appeal against conviction and sentence

15 The General Division dismissed the Appellant’s appeal against his conviction and sentence.²⁷

16 On the issue of whether the Appellant was carrying on a business of providing payment services, the General Division affirmed that the following *alternative tests* would apply:²⁸

- (a) whether the System and Continuity Test was satisfied; and
- (b) whether the person was willing and ready to provide payment services to all and sundry provided they were, from his point of view, eligible (“All and Sundry Test”).

17 The General Division distilled these tests from judicial precedents relating to the Moneylenders Act 2008²⁹ (“MLA”) as such cases were related to the same fundamental inquiry of whether a person had carried on a business of providing a certain service.³⁰

18 The General Division affirmed the Magistrate’s Court’s finding that the Appellant was indeed carrying on a business of providing payment services. Two observations were central to the General Division’s conclusion:

- (a) First, the System and Continuity Test is heavily fact specific. The element of continuity refers to an ongoing and routine series of transactions, as opposed to occasional transactions.³¹ The General Division considered the fact that the two transactions were arranged by the Appellant barely a month apart from each other, and found that these were not services provided on an occasional basis.³²

27 *Chang Jiunn Jye v Public Prosecutor* [2025] 5 SLR 402 at [44].

28 *Chang Jiunn Jye v Public Prosecutor* [2025] 5 SLR 402 at [18]–[19].

29 2020 Rev Ed.

30 *Chang Jiunn Jye v Public Prosecutor* [2025] 5 SLR 402 at [19].

31 *Chang Jiunn Jye v Public Prosecutor* [2025] 5 SLR 402 at [26].

32 *Chang Jiunn Jye v Public Prosecutor* [2025] 5 SLR 402 at [27].

(b) Second, in addressing the Appellant's submission that he shared a close friendship with Feng, the General Division observed that such an argument was flawed. Referring to a past decision relating to the MLA, the General Division reiterated that the giving of loans to friends can constitute a business of moneylending, if there is a system and continuity about the transactions.³³

IV. Brief observations

19 It is the author's view that the decisions in *Public Prosecutor v Chang Jiunn Jye*³⁴ ("Chang Jiunn Jye SGMC") and *Chang Jiunn Jye GDHC* assist in delineating the boundaries of payment services regulation in Singapore, on at least two fronts:

(a) First, it is noteworthy that the Magistrate's Court held that it was not necessary that the contemplated transactions forming the basis of the Second Charge were completed. It was sufficient to show that the Appellant had arranged for the receipt of money by Li from outside Singapore.³⁵

(b) Second, the General Division has confirmed that the System and Continuity Test and the All and Sundry Test are to be applied as alternative legal tests for determining whether a person is carrying on a business of providing payment services under the PSA. These tests are intended to complement each other.³⁶ In a hypothetical scenario where a person may be selective of his clients and be content with providing services to a few or even only one regular client whom he trusts, it can be argued that

33 *Chang Jiunn Jye v Public Prosecutor* [2025] 5 SLR 402 at [33]. This is also consistent with a judicial precedent relating to the Moneylenders Act 2008 (2020 Rev Ed): see *Ng Kum Peng v Public Prosecutor* [1995] 2 SLR(R) 900 at [39].

34 [2025] SGMC 32.

35 *Public Prosecutor v Chang Jiunn Jye* [2025] SGMC 32 at [25].

36 *Law Society of Singapore v Leong Pek Gan* [2016] 5 SLR 1091 at [80].

the All and Sundry Test would not be satisfied, though the System and Continuity Test would be.³⁷

20 As local jurisprudence relating to the PSA continues to develop following *Chang Jiunn Jye GDHC*, practical application of these tests will likely undergo further refinement by the courts.

A. Relevance of the accused person's state of mind

21 *Prima facie*, s 5(1) of the PSA does not expressly provide that a fault element must be proven. That said, it appears that the courts are inclined to consider the accused person's state of mind when applying the System and Continuity Test, even though this is not expressly stated to be a factor in the said test.

22 In *Chang Jiunn Jye SGMC* itself, the Magistrate's Court took into account that the unlicensed payment services were done for purely commercial reasons.³⁸ Similarly, in three other Magistrate's Court decisions,³⁹ foreign workers in Singapore were acquitted of charges relating to carrying on a business of providing unlicensed domestic money transfer services ("Foreign Worker Remittance Cases").⁴⁰ In each of these Foreign Worker Remittance Cases, the court took into account the state of mind of the accused persons in making the finding that they were not carrying on a business of providing unlicensed payment services. The common theme being that the accused persons in the Foreign Worker Remittance Cases were only intending to provide favours to fellow foreign workers during the Covid-19 pandemic.⁴¹

37 *Law Society of Singapore v Leong Pek Gan* [2016] 5 SLR 1091 at [80]; *Ng Kum Peng v Public Prosecutor* [1995] 2 SLR(R) 900 at [39].

38 *Public Prosecutor v Chang Jiunn Jye* [2025] SGMC 32 at [39].

39 *Public Prosecutor v Hossain Md Mufazzal* [2025] SGMC 53; *Public Prosecutor v Mia Mohammad Dulal* [2025] SGMC 56; *Public Prosecutor v Miah Mohammed Mamun* [2025] SGMC 51.

40 This is the service of accepting money for the purpose of executing or arranging for the execution of payment transactions between a payer in Singapore and a payee in Singapore.

41 *Public Prosecutor v Hossain Md Mufazzal* [2025] SGMC 53 at [16]–[20]; *Public Prosecutor v Mia Mohammad Dulal* [2025] SGMC 56 at [22]–[24]; *Public Prosecutor v Miah Mohammed Mamun* [2025] SGMC 51 at [28].

23 A possible doctrinal reconciliation lies in recognising that there may be instances where the physical and mental elements of a crime may overlap. This may occur where there is an implied state of mind in respect of a physical element of the offence.⁴² It is reasonable to interpret the term “carrying on a business” in s 5(1) of the PSA to connote a state of mind relating to the making of financial gains.⁴³

B. Relevance of financial gains made by accused persons

24 On a related note, the courts in *Chang Jiunn Jye SGMC*⁴⁴ and the Foreign Worker Remittance Cases⁴⁵ also considered whether the accused persons had benefitted financially from their involvement in unlicensed payment services.

25 However, the precedents relating to the System and Continuity Test have not expressly held that financial gain is a factor to be taken into account when applying the test.⁴⁶ On the contrary, the High Court in *Chinpo* had expressly rejected the argument that fund transfers must be undertaken for the purpose of gain in order to be regarded as carrying on a business of providing payment services.⁴⁷ While *Chinpo* was decided in the context of the Money-changing and Remittance Businesses Act⁴⁸ (“MCRBA”), the author submits that it retains its persuasive value, as the MCRBA was the forerunner statute to the PSA.

26 Given that pending appeals have been lodged in the Foreign Worker Remittance Cases, it is possible that a future

42 *Public Prosecutor v Koh Peng Kiat* [2016] 1 SLR 753 at [54].

43 In *Public Prosecutor v Koh Peng Kiat* [2016] 1 SLR 753, the Singapore Court of Appeal at [54] raised the example of a person procuring or arranging for the supply of something. A person can only perform these actions if he has a certain state of mind relating to what he was procuring or arranging the supply of.

44 *Public Prosecutor v Chang Jiunn Jye* [2025] SGMC 32 at [39].

45 *Public Prosecutor v Hossain Md Mufazzal* [2025] SGMC 53 at [16]–[20]; *Public Prosecutor v Mia Mohammad Dulal* [2025] SGMC 56 at [22]–[24]; *Public Prosecutor v Miah Mohammed Mamun* [2025] SGMC 51 at [23].

46 This is also consistent with the position taken by the Prosecution in *Public Prosecutor v Mia Mohammad Dulal* [2025] SGMC 56 at [12(c)] and *Public Prosecutor v Miah Mohammed Mamun* [2025] SGMC 51 at [13(c)].

47 *Chinpo Shipping Co (Pte) Ltd v Public Prosecutor* [2017] 4 SLR 983 at [113].

48 Cap 187, 2008 Rev Ed.

court decision would clarify the relevance of the accused person's state of mind and the financial gains made by an accused person (if any), in determining the issue of whether he is carrying on a business of providing payment services under the PSA.

V. Conclusion

27 *Chang Jiunn Jye GDHC* provides welcome guidance on how the courts will assess whether an accused person has carried on a business of providing payment services under the PSA. By affirming the System and Continuity Test and the All and Sundry Test as alternative analytical routes, the General Division has offered a helpful starting point to practitioners assessing exposure under Singapore's payment services regulatory regime. As local jurisprudence in this aspect develops, greater clarity on the nuances of these tests may soon emerge, which will guide application in fringe cases.