



MEDIA RELEASE

Roadmap for a Leading Global Financial Centre in Asia

Singapore, 30 October 2017... The Monetary Authority of Singapore (MAS) today released the industry transformation map (ITM) for financial services, which outlined growth strategies by business lines, programmes for upgrading skills, and an agenda for continuous innovation and technology adoption.

2 Speaking at the launch of the ITM, Mr Ong Ye Kung, Minister for Education (Higher Education and Skills) and MAS Board Member, described MAS' vision for Singapore to be a leading global financial centre in Asia – one that connects global markets, supports Asia's development, and serves Singapore's economy. The ITM was drawn up by MAS in close consultation with the financial industry and the tripartite movement.

3 The ITM aims to achieve growth in financial sector real value-added of 4.3% and productivity of 2.4% annually¹, faster than the overall economy. The ITM also aims to create 3,000 net jobs in financial services, and an additional 1,000 net jobs in the FinTech sector annually.

Business Strategies

4 Prospects for the financial sector are good. Asia's growth continues to be strong, driven by a growing middle class, rapid urbanisation and the expansion of Asian enterprises, which will generate demand for financing and risk management solutions. However, the sector is going through a period of significant change. With technology transforming the way financial services are produced, delivered, and consumed, it is critical that Singapore's financial sector also transforms, to stay relevant and competitive.

5 Singapore aims to be a:

- **Leading international wealth management hub.** MAS is working with the industry to develop Singapore into a centre of excellence for wealth management technology and innovation, and deepen our talent pool to provide comprehensive, high-quality wealth advisory solutions.
- **Asian hub for fund management and domiciliation.** MAS is leveraging on its external fund management programme to anchor deeper asset management capabilities in Singapore. MAS is also working with the industry to position

¹ The financial services ITM focuses on core financial services, which includes banks, capital market intermediaries, fund management companies, and insurance companies, and *excludes* holding companies (which is included in the national accounts classification of the financial services sector).

Singapore as a regional fund domiciliation hub through the Singapore Variable Capital Company framework.

- **Global forex price discovery and liquidity centre in the Asian time zone.** Singapore is currently the third largest FX centre globally. With Asia expected to attract a larger share of global investment flows, MAS will encourage key FX players to anchor their matching and pricing engines here, to enable market participants to benefit from better liquidity and greater efficiency in executing FX transactions.

6 To support Asia's development, MAS is working with the industry to develop Singapore in the following areas:

- **Asian centre for capital raising and enterprise financing.** Singapore will build private market funding platforms to enable Asian growth companies to gain better access to a wider network of investors.
- **Full service Asian infrastructure financing hub.** The Singapore financial ecosystem is working with multilateral development banks to fundamentally improve the bankability of Asian infrastructure projects. The differentiating strategy is to crowd in private capital through innovative market mechanisms and infrastructure investment benchmarks.
- **Leading centre for Asian fixed income.** MAS aims to meet the growing needs of Asian corporates for offshore debt financing, with the launch of the Asian Bond and Green Bond Grant Schemes.
- **Global capital for Asian insurance and risk transfer.** MAS is working with the industry to transform the insurance marketplace through centralised blockchain platforms which will allow for more efficient risk placements, and create specialist insurance solutions to address emerging risks in the region.

Innovation and Regulation

7 A key focus of the ITM will be to facilitate pervasive innovation in the financial sector and encourage the adoption of technology for increasing efficiency and creating opportunity.

MAS will:

- step up efforts to encourage financial institutions to enhance connectivity and FinTech innovation through Application Programming Interfaces;
- collaborate with financial institutions to create common utilities, such as for electronic payments, digital ID, and electronic know-your-client checks;
- facilitate and invest in R&D to develop new solutions, including the use of distributed ledger technology for inter-bank payments and trade finance;
- expand the web of cross-border cooperation agreements with other key FinTech centres, helping to grow Singapore as a base for foreign FinTech start-ups; and □ harness technology to simplify financial institutions' regulatory compliance.



8 MAS will continue to enhance its regulatory approach, to support enterprise and innovation, while maintaining financial soundness. Key priorities include ensuring that regulations are supportive of innovative business models and strengthening the cyber resilience of financial institutions.

Jobs and Skills

9 Complementing the business strategies and innovation agenda will be an active SkillsFuture programme to help the financial sector workforce build world-class skills and maintain a strong Singapore Core. With digitalisation and automation, job roles will evolve, and existing professionals must be equipped with new skills and competencies.

10 MAS will continue to collaborate with financial institutions, the tripartite partners, and institutes of higher learning to:

- build a strong local pipeline of specialised talent, particularly in information technology;
- reskill and redeploy professionals into job growth areas through professional conversion programmes; and
- facilitate job placements through enhanced career advisory services.

Making the Best of Changes

11 Describing the ITM as a strategic plan for the future of Singapore’s financial sector, Minister Ong said it calls for the financial sector to “not just move alongside the changes, but to make the best of these changes – to grow with the region, to harness innovations, and to create a future-ready workforce”.

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