NEWSLETTER

MAS Commits S$220 Million to Accelerate FinTech and AI Innovation

Financial Sector Technology and Innovation Scheme (FSTI 4.0) — announced 31 August 2026

EXECUTIVE SUMMARY

On 31 August 2026, the Monetary Authority of Singapore (MAS) announced a **S$220 million** commitment — approximately **US$174 million** — over three years under the renewed Financial Sector Technology and Innovation Scheme (FSTI 4.0). The allocation is intended to strengthen Singapore's FinTech ecosystem and accelerate the development, adoption and deployment of frontier technologies, with a stated focus on artificial intelligence (AI), distributed ledger technology (DLT) and quantum technology.

FSTI 4.0 is the fourth iteration of MAS's flagship public co-funding scheme, launched in 2015. It is not a private-market "innovation fund". The previous cycle, FSTI 3.0 (2023–2026), was allocated S$150 million. The new envelope is a material increase and is designed to move the ecosystem from experimentation toward commercialisation and scale.

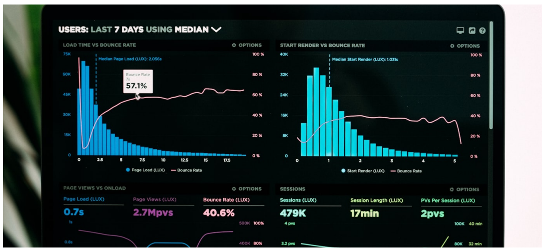
Singapore's FinTech sector now comprises more than 1,800 firms employing close to 10,000 professionals. FinTech investments reached S$2.9 billion in 2025. Since inception, FSTI has supported more than 350 projects and helped establish over 30 Centres of Excellence. Global FinTech Hackcelerator finalists have collectively raised more than S$3.8 billion.

Deputy Prime Minister and MAS Chairman Gan Kim Yong said the measures would help financial institutions, FinTech firms and workers "innovate, scale, and build the capabilities to seize the emerging opportunities."

ANNOUNCED
31 August 2026
Three-year scheme horizon

KEY SCHEME HIGHLIGHTS

FSTI 4.0 is organised around four goals and delivered through six tracks spanning institutional innovation, AI adoption, shared infrastructure and talent.



01 Anchor and scale innovation activities in Singapore

02 Accelerate development and deployment of frontier financial technologies

03 Build shared technology infrastructure and interoperability

04 Support talent development and attraction for the FinTech ecosystem

01 Institution Project — AI, DLT and quantum technology

Supports Singapore-based financial institutions and FinTech firms in developing and deploying innovative solutions, with a focus on frontier technologies such as AI, distributed ledger technology and quantum technology. MAS has indicated that projects should demonstrate significant business impact, technical feasibility and innovativeness. Routine upgrades, and work developed primarily outside Singapore, are not the intended focus.

02 AI Pathfinder — market-ready solutions via PathFin.ai

Helps financial institutions adopt market-tested AI FinTech solutions listed on PathFin.ai, a MAS-led platform that connects institutions, AI providers and ecosystem partners to identify use cases, share implementation experience and scale responsible AI adoption across financial services.

03 Infrastructure & Platform — industry-wide rails

Funds shared infrastructure and platforms that improve sector efficiency, productivity and innovation, with an emphasis on interoperability and Singapore's role in shaping global financial standards.

04 Centre of Excellence — anchoring high-value functions

Aims to locate specialised innovation functions of leading global institutions and FinTech firms in Singapore — including research, product development and regional leadership — in areas such as AI, quantum computing and digital assets. MAS will provide up to 50% manpower-cost support for qualifying Singapore-citizen roles and 25% for non-citizens (including permanent residents) for 24 months.

05 Manpower — internship stipend co-funding

Builds a talent pipeline by co-funding internship stipends. A new portal, fintechinternships.sg, managed by the Singapore FinTech Association, will match firms with students. MAS aims to support at least 1,000 FinTech internships over three years. As reported by Channel NewsAsia citing MAS: 80% of the monthly stipend, capped at S$1,000 a month, for up to 12 months; up to 10 interns per firm per calendar year; placements of at least three months.

06 GFH Scale-up Grant — a bridge to private capital

A new enhancement under the MAS FinTech Awards track. Eligible Global FinTech Hackcelerator finalists may apply for follow-on funding of up to S$500,000 to further develop and validate solutions, attract private investment, and strengthen their Singapore presence. The Singapore FinTech Festival 2026 runs 18–20 November 2026.

IMPACT

FSTI 4.0 arrives as private FinTech fundraising in Singapore has softened. Industry reporting for the first half of 2026 pointed to a sharp drop in deal value versus the same period in 2025. The scheme does not replace private equity. It is designed to lower the cost and risk of AI and frontier-tech adoption — particularly for smaller firms — and to help promising companies attract follow-on private capital.

For Asia-Pacific financial technology platforms, a credible Singapore nexus — a regulated entity, onshore development activity, or a Centre of Excellence — is the practical gateway to these co-funding tracks. The GFH Scale-up Grant and CoE track are the most direct bridges from public support to growth-capital conversations.

ACTION PLAN

1. Map eligibility and Singapore substance
Confirm whether the entity is, or can become, a Singapore-based financial institution or FinTech with qualifying onshore development activity. Cross-border groups should review entity, people and IP location before any application.

2. Screen the project pipeline for frontier technology
Isolate AI, DLT and quantum initiatives with demonstrable business impact. Separate these from routine system upgrades, which are unlikely to qualify.

3. Position for AI Pathfinder and PathFin.ai
Review whether market-ready AI solutions can be listed on, or procured through, PathFin.ai, and prepare a six-month deployment narrative where adoption support is the objective.

4. Assemble a grant-ready cost file
Document qualifying manpower, professional services, software and infrastructure costs. Do not commence project spend in anticipation of an award without advice — pre-award costs are typically borne by the applicant if a proposal is declined.

5. Evaluate a Centre of Excellence or regional scale-up path
For PE-backed or Hong Kong–Singapore corridor platforms, assess whether anchoring product, AI or quantum functions in Singapore unlocks CoE support and strengthens the equity story for the next funding round.

HOW WE CAN HELP

- Cross-border FinTech eligibility and Singapore substance reviews
- Grant-readiness diagnostics and application support
- Hong Kong–Singapore tax, entity and holding-structure advisory
- Positioning PE-backed platforms for government co-funding
- Ongoing compliance, reporting and cost substantiation

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