Bank-issued tokenised deposits

Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland and Germany),
Solicitor (England & Wales and Hong Kong)
Of Counsel, KGP Legal LLC
alexander.ressos@kgplegal.com.sg
www.ressos.com.sg

The framework distinguishes an SCS from a tokenised bank deposit. A tokenised deposit is a bank liability, recorded on a distributed ledger, that remains a deposit for the purposes of the Banking Act 1970 and deposit insurance. It is transferable only among the bank's customers or within a permissioned network of banks. It is not a bearer instrument that circulates freely on a public blockchain. MAS has excluded tokenised deposits from the SCS framework and treats them under banking law.[1] Singapore banks have piloted tokenised deposits in Project Guardian and Project Orchid, and DBS, OCBC and UOB have each run live transactions settling tokenised assets with tokenised deposits (see Chapter VII).

The distinction has consequences for the holder. A tokenised deposit is insured up to the Singapore Deposit Insurance scheme limit and is a claim against a bank subject to prudential supervision. An SCS is a claim against a non-bank issuer backed by a segregated reserve and is not deposit-insured. A customer of a Singapore bank who holds tokenised Singapore dollars therefore has a different legal position from the holder of XSGD, even though both tokens may trade at par and settle the same transaction. The two forms are intended to coexist: tokenised deposits for bank customers inside permissioned networks, SCS for the open token economy.

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.

Notes

1. Reed Smith, 23 August 2023 (above): tokenised bank liabilities are excluded from the framework; MAS will monitor bank initiatives. ↩

Disclaimer

This article is provided for general information only. It is based on publicly available sources as at its date of publication. These sources have not been independently verified against licences, regulatory registers or the records of the entities concerned. It is not legal, tax, financial or investment advice. Nor is it a recommendation to invest in, transact with or use the services of any entity mentioned. Law and regulation change frequently, so the content may be incomplete or outdated. To the fullest extent permitted by law, Dr Alexander Ressos and the publisher of SingaporeIQ exclude all liability for loss or damage arising from the use of or reliance on this article. Readers should obtain advice on their specific circumstances before acting or refraining from action.

Names and trademarks of the entities discussed belong to their owners and are used for identification only. Their mention implies no endorsement, affiliation or allegation of wrongdoing. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. Corrections and updates: contact@ressos.com.

© 2026 Dr Alexander Ressos. This article may be quoted with attribution to SingaporeIQ (SingaporeIQ.com). Reproduction in full and any commercial use require prior written consent. The Legal Terms at https://singaporeiq.com/legal-terms apply.

Author contact: Dr Alexander Ressos, TEP · contact@ressos.com