Choosing a counterparty in Singapore

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 ecosystem just described presents a client with choices that did not exist in 2020, and the choices carry legal consequences that the marketing material does not mention. Three decisions recur in practice: which custodian, which trading venue and which bank.

For custody the licensed population falls into three groups. The bank custodians, led by DBS, hold tokens within a bank regulated under the Banking Act 1970 and offer the insolvency protection and the balance-sheet strength of a bank, at the price of a narrow token list and institutional minimums. The specialist custodians, BitGo, Anchorage and their peers, hold tokens under a major payment institution licence with the segregation and trust requirements that took effect in October 2024, which Part J, Chapter II and Part K, Chapter II analyse. They offer a wider token list and staking services for institutions. The exchange custodians, Coinbase, Crypto.com and OKX, hold tokens under the same licence as an adjunct to trading, which is convenient and concentrates counterparty risk in one firm. A family office that learned from the 2022 collapses separates trading from custody and keeps the bulk of its holdings with a custodian that does not trade.[1]

© 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.

For trading the question is less about venue quality than about who the counterparty is. A Singapore licensee that is the Singapore arm of a global exchange may route orders to a global order book operated by an offshore affiliate, so that the client's contract is with the Singapore entity but the execution and the liquidity are elsewhere. The terms of service say which entity holds the client's assets and which entity executes, and a client should read them for that purpose alone. The 2022 failures of Vauld, Zipmex and Hodlnaut turned on exactly this question, because customers who thought they had contracted with a Singapore company discovered that their assets sat with a group entity in another jurisdiction.

For banking the choice is between the three domestic banks and the Singapore branches of the international banks. The domestic banks have the clearest policy toward licensed crypto firms and the deepest involvement in tokenisation, while the international banks may serve a group that already banks with them in Zürich or London. A Swiss group that banks with a Swiss institution with a Singapore branch should ask that institution first, because the know-your-customer file travels within the group and the account opens faster.

Client question

"We are a Zug foundation with CHF 40 million in treasury tokens and we want an Asian custodian. Which one?" The answer begins with three questions of your own. Do you need the custodian to stake, which rules out the banks? Do you need the custodian to hold tokens that are not on the banks' lists, which rules them out again? Do you need the custodian to be a bank for your own governance reasons, because your board or your Swiss auditors require it? If the answer to the first two is no and to the third yes, DBS is the natural choice. If you need staking and a wide token list, a specialist custodian with a major payment institution licence is the choice, and the next step is to read its custody agreement against the checklist in Part Q, Chapter II. Whichever you choose, keep the treasury separate from any exchange account and confirm the licence status in the MAS directory before the first transfer.

© 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. On the statutory trust and segregation requirements for customer assets under the Payment Services Regulations as amended with effect from 4 October 2024, see Part K, Chapter II; on the customer's position in a licensee's insolvency see Part J, Chapter V. ↩

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