Do I need a Singapore licence?

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Singapore's answer is reached through fewer statutes but with wider reach. The Payment Services Act 2019 (PSA) governs digital payment tokens and e-money, while the Securities and Futures Act 2001 (SFA) governs tokens that are capital markets products. Since 30 June 2025 Part 9 of the Financial Services and Markets Act 2022 (FSMA) governs anyone who provides digital token services from Singapore to persons outside Singapore. The third statute is what makes the Singapore question different from the Swiss one. A Zug exchange with a Singapore development office that serves only non-Singapore customers has no Swiss licence problem arising from the office. The same office in Singapore, if it provides a digital token service from a place of business in Singapore, needs a DTSP licence that MAS has said it will grant only in extremely limited circumstances.[1]

The PSA defines a digital payment token (DPT) as a digital representation of value expressed as a unit which is neither denominated in nor pegged to any currency. It must be, or be intended to be, a medium of exchange accepted by the public and must be capable of electronic transfer, storage or trading.[2] A DPT service, after the 2021 amendments commenced on 4 April 2024, includes dealing in DPTs, facilitating their exchange, transferring them, providing custody and brokering any

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of those activities.[3] The breadth of "facilitating" and "brokering" is the feature that catches intermediaries who would be outside Swiss AMLA because they never hold client assets.

The sequence

1. Is the business carrying on a business of providing any payment service in Singapore? The test looks at whether the service is provided from Singapore and to whom. A company incorporated in Singapore that serves customers anywhere is caught. A foreign company that actively solicits Singapore residents is caught by s. 5 and the extraterritorial reach of the solicitation rules.[4]
2. Which of the seven payment services does it provide? DPT services are one of seven; a business that also issues e-money or provides cross-border money transfer needs the licence to cover each service, with separate conduct requirements for each.[5]
3. Standard payment institution (SPI) or major payment institution (MPI)? The SPI thresholds are a monthly average of S$ 3 million for any one payment service and S$ 6 million for two or more, and a daily e-money float of S$ 5 million. For DPT services, MAS has in practice required the MPI licence from most applicants because DPT transaction volumes exceed the thresholds quickly and because the user-protection requirements for DPT services apply regardless of tier.[6]
4. Is the token a capital markets product? If it represents a share, a debenture, a unit in a collective investment scheme or a derivative, the SFA applies in addition to or instead of the PSA. Offering such tokens requires a prospectus unless an exemption applies, dealing in them requires a capital markets services (CMS) licence and operating a venue for them requires approval or recognition as a market operator.[7]
5. Does the business provide a digital token service from a place of business in Singapore to persons outside Singapore, without serving Singapore customers? If yes, Part 9 FSMA applies and the business had to be licensed or

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to cease by 30 June 2025. In practice this means restructuring so that the Singapore entity provides only internal group services (technology, back office, research) and the regulated activity is contracted and performed by the Swiss or other licensed entity.[8]

6. Does the business issue a single-currency stablecoin pegged to the Singapore dollar or a G10 currency? If yes, the 2023 stablecoin framework applies when legislated, and the issuer needs an MPI licence in the meantime. As at 30 June 2026 the legislative amendments had not completed their passage, which leaves issuers under the e-money and DPT rules.[9]
7. Does the business serve retail customers? If yes, the business conduct and consumer access measures under the Payment Services Regulations and MAS Guidelines PS-G03 apply, including the ban on credit, incentives and staking or lending for retail customers.[10]

Step	Question	If yes	If no	Where explained
1	Payment service provided in or from Singapore, or solicited to Singapore residents	PSA licence required before start	Consider FSMA Part 9 (step 5)	Part K, Ch. I
2	Which of the seven services	Licence must cover each	—	Part K, Ch. I
3	Volumes above SPI thresholds	MPI: base capital S$ 250,000, security deposit	SPI: base capital S$ 100,000	Part K, Ch. II
4	Token is a capital markets product	SFA prospectus, CMS licence, market operator rules	PSA only	Part K, Ch. IV
5	Service from Singapore to overseas persons only	DTSP licence under FSMA Part 9 (rarely	—	Part K, Ch. V

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Step	Question	If yes	If no	Where explained
		granted) or restructure		
6	Single-currency stablecoin issuer	Stablecoin framework (pending) + MPI	DPT or e-money rules	Part K, Ch. VI
7	Retail customers	Consumer access measures, no staking or credit for retail	Institutional and accredited investors: lighter conduct rules	Part K, Ch. III

Singapore perspective

A Swiss group that wants an Asian presence without a Singapore licence has one clean option: a Singapore subsidiary that performs no regulated activity at all, employs engineers and analysts, and bills the Swiss licensed entity for services at arm's length. The subsidiary must not negotiate, onboard, execute or custody for any client, wherever the client sits. If a single Singapore employee is authorised to accept client orders, the group has a DTSP or PSA problem. The position of a Singapore MPI with a Zug sister company is discussed in Part L, Chapter VIII.

Notes

1. Financial Services and Markets Act 2022, Part 9, ss. 136 ff.; MAS, Response to Feedback Received on Proposed Regulatory Approach for Digital Token Service Providers issued under the FSMA 2022, 30 May 2025, and MAS clarification of 6 June 2025; see Part K, Chapter V. ↩
2. Payment Services Act 2019, s. 2(1), definition of "digital payment token"; see Part K, Chapter I. ↩
3. Payment Services Act 2019, First Schedule, Part 3, as amended by the Payment Services (Amendment) Act 2021 with effect from 4 April 2024; see Part K, Chapter I. ↩

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4. Payment Services Act 2019, s. 5 (licence required) and s. 6 (offence); MAS, Guidelines on Licensing for Payment Service Providers PS-G01; see Part K, Chapters I and X. ↩
5. Payment Services Act 2019, First Schedule, Part 1 (seven payment services); see Part K, Chapter I. ↩
6. Payment Services Act 2019, s. 6(5) (SPI thresholds); Payment Services Regulations 2019; see Part K, Chapter II. ↩
7. Securities and Futures Act 2001, s. 2(1) (capital markets products), ss. 240 ff. (prospectus), s. 82 (CMS licence), Part 2 (markets); MAS, A Guide to Digital Token Offerings, last updated 26 May 2020; see Part K, Chapter IV. ↩
8. Financial Services and Markets Act 2022, s. 137; MAS, Response to Feedback of 30 May 2025; see Part K, Chapter V and Part P, Chapter IV. ↩
9. MAS, Response to Public Consultation on Proposed Regulatory Approach for Stablecoin-Related Activities, 15 August 2023; see Part K, Chapter VI. ↩
10. MAS, Guidelines on Consumer Protection Measures by Digital Payment Token Service Providers, PS-G03, and Guidelines on Provision of Digital Payment Token Services to the Public, PS-G02; see Part K, Chapter III. ↩

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