Exchange services, intermediaries and the agent question

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The exemption covers the supply of the token itself. It does not cover the services of the exchange, broker or custodian who makes the transaction possible. Those services remain taxable. The Guide draws a line between an intermediary acting as principal and one acting as agent. A registered exchange that sells tokens from its own inventory makes an exempt supply of the token and reports the full value as its exempt supply. A registered exchange that matches buyers and sellers as agent reports only its fee or margin, which is a taxable supply of services, standard-rated unless zero-rating applies because the customer belongs outside Singapore.[1] The indicators of agency are the usual ones: who bears contractual liability to the customer, who has the legal obligation to pay, who determines the price and who holds title to the tokens between the legs of the transaction.

The distinction has a large effect on the GST profile of a Singapore exchange. A principal-model exchange has a high volume of exempt supplies and a correspondingly reduced ability to recover input tax on its costs. An agent-model exchange has taxable supplies of services, recovers input tax in full and charges GST to Singapore customers on its fees. Most Singapore-licensed DPT service providers operate a hybrid, with over-the-counter desks acting as principal and order-book

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trading as agent. The GST return must separate the two, which means the internal systems that generate the return must be able to attribute each transaction to the correct model.

Practice note

If you operate a Singapore exchange or brokerage, map every revenue line to its GST category before the first return. Spread on principal trades is exempt consideration. Trading fees, listing fees, custody fees, withdrawal fees and API subscription fees are taxable services. Staking-as-a-service commissions are taxable services. Interest-like returns from lending tokens to counterparties are exempt. The de minimis rule for input tax recovery (exempt supplies not exceeding S$ 40,000 a month and 5 per cent of total supplies) will rarely be available to a principal-model desk, so plan for partial exemption from the start.

Notes

1. IRAS, e-Tax Guide *GST: Digital Payment Tokens*, third edition, 30 January 2026, section on intermediaries (principal versus agent; reporting of the fee or margin; indicators of agency). ↩

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