Extraterritorial reach

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

Singapore: FSMA Part 9 and the inbound rule

Singapore's rules reach in two directions. Outbound, Part 9 of the FSMA 2022 requires a licence from any person who, from a place of business in Singapore, provides a digital token service outside Singapore, which captures the Singapore office of a business whose customers are all abroad. MAS's reason is the FATF's: a provider that operates from Singapore without serving Singaporeans is supervised by no one, while Singapore's reputation carries its risk. The regime commenced on 30 June 2025 without a transitional period. MAS said that it would license only applicants with a substantial reason to be in Singapore and a full compliance programme, which in practice meant group entities of licensed MPIs and a small number of others. Everyone else had to stop providing the service from Singapore by the commencement date. Several firms moved staff to Dubai or Hong Kong, and others restructured so that the Singapore entity provided only support services to a licensed foreign affiliate.[1]

Inbound, the PSA applies to any person who carries on a business of providing a payment service "in Singapore". MAS reads that phrase to include a foreign provider that solicits or targets Singapore residents through Singapore-directed marketing, Singapore-dollar pricing, local payment rails or local-language content. The Investor

© 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.

Alert List names foreign platforms that have done so. A foreign provider that does not target Singapore and serves a Singapore resident who finds it unaided is outside the PSA on MAS's own guidance, which mirrors MiCA's reverse-solicitation logic.[2]

Switzerland: the AML perimeter and the inbound freedom

Switzerland's rules reach outbound through the AMLA and the financial-market acts. A financial intermediary that operates "in Switzerland", which FINMA and the courts read to include entities with effective management or a permanent establishment in Switzerland whatever the location of their customers, is subject to the AMLA in full. Swiss law therefore captures the offshore-serving business with a Swiss presence through the definition of intermediary, where Singapore uses a separate licence. The difference is that the Swiss business can satisfy the requirement by joining an SRO, while the Singapore business needs a DTSP licence that MAS does not want to grant. A Zug company that provides exchange services only to foreign customers is an SRO member with foreign customers, which Switzerland tolerates and supervises. The Swiss position is more permissive and the supervision lighter, which is why some DTSP refugees arrived in Zug in 2025.[3]

Inbound, Switzerland is open. A foreign provider may serve Swiss customers across the border without a Swiss licence in most digital-asset activities. The financial-market acts attach to activity in Switzerland, and a foreign exchange serving Swiss residents from Singapore is not active in Switzerland in the statutory sense. The limits are the FinSA conduct rules for securities-related services, which apply to foreign providers serving Swiss clients and require their client advisers to register, together with the banking and FinMIA rules on foreign presence. A Singapore MPI may therefore accept Swiss customers for a DPT spot service without any Swiss filing, provided it does not set up a Swiss branch or representative office and does not offer securities. This asymmetry is the single most important fact in the Swiss–Singapore comparison for a service provider: Switzerland lets the Singapore platform in, Singapore keeps the Swiss platform out unless it targets no one.[4]

© 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.

Client question

"Can we run our Singapore DPT business from Zug, with the Singapore company holding the licence and the team in Switzerland?" No. The Singapore MPI must have its executive director, its compliance officer, its customer-asset control and its decision-making in Singapore. MAS tests this. What you can do is keep the technology, the treasury and the European client business in Zug and provide them to the Singapore company under an outsourcing agreement that MAS has seen. The Singapore board, in Singapore, remains responsible for the licensed activity. If the Zug team is the real management, MAS will find out at the first inspection. Switzerland will separately treat the Zug AG as the financial intermediary for the Singapore customers it is in fact serving.

Notes

1. FSMA 2022, ss. 136 to 138 and the Financial Services and Markets (Digital Token Service Providers) Regulations 2025. MAS, Response to feedback, 30 May 2025, and clarification, 6 June 2025. See Part K, Chapter V, for the detail and for the list of what counts as a digital token service. ↩
2. Payment Services Act 2019, s. 5(1). MAS, Frequently Asked Questions on the Payment Services Act, on the meaning of "in Singapore" and on solicitation. MAS, Guidelines on Provision of Digital Payment Token Services to the Public (PS-G02), 17 January 2022, on the "public spaces" marketing rule. ↩
3. Art. 2 para. 3 AMLA. FINMA's practice, confirmed in its enforcement decisions, treats foreign companies with effective management in Switzerland as Swiss financial intermediaries. See Part F, Chapter II. ↩
4. Art. 3 lit. a and Art. 28 FinSA (client adviser register for foreign providers). Art. 52 FinIA on foreign financial institutions' Swiss branches. The absence of an inbound licensing requirement for payment-token services is discussed in Part E, Chapter II. ↩

© 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.

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