MAS DTSP under FSMA Part 9

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The digital token service provider regime catches Singapore-based persons who provide digital token services outside Singapore and who are not already licensed under the PSA, SFA or another MAS-administered Act. Since 30 June 2025 such a person must hold a DTSP licence or cease the activity, and MAS has stated that licences will be granted only in extremely limited circumstances.[1] The checklist therefore begins with the question whether the regime applies at all and whether restructuring is the better course. A group that decides to apply should expect the same depth of examination as for a PSA licence, with MAS additionally asking why the business cannot be conducted under an existing licence.

Checklist

- Map every digital token service performed by any person in Singapore (employees, directors, contractors) and identify whether any service is provided to persons outside Singapore.
- Determine whether the Singapore entity or individual is already licensed, exempt or regulated under the PSA, SFA, Financial Advisers Act or another Act, in which case Part 9 does not apply.

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- If Part 9 applies and the activity has continued past 30 June 2025 without a licence, obtain advice on the exposure and consider a voluntary approach to MAS.
- Evaluate restructuring: move the regulated activity to the licensed Swiss or other entity, limit the Singapore entity to unregulated group services, document that no Singapore person negotiates, onboards, executes or custodies.
- If applying: prepare the business plan, the explanation of why the activity cannot be performed under a PSA or SFA licence, and the home-regulation analysis of the overseas customers' jurisdictions.
- Evidence base capital of S$ 250,000 and the resident director and compliance officer requirements.
- Prepare the AML/CFT framework aligned with the FSMA DTSP notice and the FATF standards for VASPs, including travel rule implementation for overseas customers.
- Prepare the technology risk and cyber hygiene documentation.
- Prepare the governance and fit-and-proper documentation.
- Budget for the annual fee and the ongoing obligations, which mirror those of an MPI.

Notes

1. Financial Services and Markets Act 2022, ss. 136–141; MAS, Response to Feedback Received, 30 May 2025, paras 2.1–2.6; see Part K, Chapter V. ↩

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