MAS's stance

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MAS has never published a DeFi report comparable to the Federal Council's, but its position can be assembled from speeches, consultation papers and the design of the DTSP regime. Three elements stand out. First, MAS has stated repeatedly that it regulates activities and persons, that a protocol without an operator is outside its remit and that it does not intend to regulate code. Second, MAS has treated the operators of front-ends and the developers who retain control as providing DPT services or operating markets, and has applied the PSA and SFA to them without hesitation. Third, MAS has been openly sceptical of DeFi's current form, describing much of it in 2022 and 2023 as neither decentralised nor finance in any useful sense. Its institutional tokenisation work in Project Guardian has focused on permissioned DeFi, in which known institutions use AMM and lending mechanics on permissioned ledgers with full KYC.[1]

The practical difference from Switzerland is that Singapore's DTSP regime under Part 9 of the Financial Services and Markets Act 2022, in force since 30 June 2025, reaches any Singapore-based person providing digital token services to customers outside Singapore. A Singapore development team operating a DeFi front-end for a global user base is squarely within that regime and needs a DTSP licence, which MAS has said it will grant only in extremely limited circumstances. The

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consequence has been an exodus of DeFi teams from Singapore to Dubai, Hong Kong and elsewhere during 2025, which Part I, Chapter III and Part K, Chapter V record.[2]

Cross-border perspective

A team that wants to build and operate a DeFi protocol and its front-end has, in 2026, a clear structural answer across the two hubs. The protocol's governance and treasury can sit in a Swiss foundation or association in Zug, as Chapter VII explains. Swiss law tolerates a non-profit wrapper holding governance power over a protocol if the wrapper does not itself hold user assets or operate the front-end. The front-end, if it serves retail users anywhere, must be operated from a jurisdiction where that activity is either unlicensed or licensable. That excludes Singapore under the DTSP regime. Switzerland is possible only if the front-end does not facilitate transfers in a way that makes its operator a financial intermediary. The development company that employs the engineers can be anywhere. Singapore remains attractive for it provided it does not itself provide the service. Separate the three functions into three entities, document what each can do, and ensure that no entity holds an admin key that can move user assets.

Notes

1. MAS, Project Guardian: Enabling Open and Interoperable Networks, June 2023, section on institutional DeFi; Ravi Menon, "Yes to digital asset innovation, no to cryptocurrency speculation", speech at Green Shoots, 29 August 2022. Part I, Chapter III and Part K, Chapter IX. ↩
2. Financial Services and Markets Act 2022 (Singapore), Part 9 (digital token service providers), commenced 30 June 2025; MAS, Response to Feedback Received on Proposed Regulatory Approach for Digital Token Service Providers, 30 May 2025 (stating that licences would be granted in extremely limited circumstances). Part K, Chapter V. ↩

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