Mining, validation and staking services

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Mining is generally not a supply for GST purposes. The Guide reasons that there is no close link between the miner's service and the tokens received and that the parties who benefit from the mining are not identifiable, so no consideration flows from an identifiable recipient.[1] A miner who provides services to identifiable parties for a commission or a transaction fee makes a taxable supply, standard-rated unless zero-rating applies. Where the customer's belonging status cannot be determined, the miner standard-rates the supply. The later sale of mined tokens to a Singapore customer is exempt.

Validators on proof-of-stake chains and operators of staking pools are in a different position from miners. A validator who accepts delegations from identifiable customers and takes a commission on their rewards provides a service to identifiable persons for consideration. That commission is a taxable supply, zero-rated if the delegator belongs overseas. The protocol reward itself, paid by the network, follows the mining analysis and is not a supply. Staking-as-a-service businesses in Singapore, most of which serve institutional clients after the retail restrictions of 2024 (see Part K, Chapter VIII), must therefore charge GST on commissions to Singapore-belonging clients and must register once those commissions and other taxable supplies cross the threshold.

Notes

1. IRAS, e-Tax Guide *GST: Digital Payment Tokens*, third edition, 30 January 2026, section on mining (not a supply absent identifiable recipients; taxable where services are provided to identifiable parties for a fee; later sale of mined DPTs exempt from 1 January 2020).

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