Phase three, 2020–2021: licensing and the Binance episode

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

The Payment Services Act 2019 came into force on 28 January 2020. Operators of digital payment token services that had notified MAS within the transitional window could continue under an exemption while their applications were assessed. By the end of 2021 MAS had received several hundred applications and had granted full licences to a handful, including the first exchange licences in late 2021, while refusing or inducing the withdrawal of a much larger number.[1] The slow pace drew criticism. MAS answered that it was assessing anti-money-laundering controls and technology risk to a bank-like standard and that it would license only firms that met it. The licensee list that emerged, examined in Chapter IV, was small and institutional.

Parliament passed the Payment Services (Amendment) Act 2021 on 4 January 2021. The amendment widened the definition of digital payment token service to cover custody, the transfer of tokens between accounts and the facilitation of exchange without possession of the tokens. It also gave MAS powers to impose user-protection measures. The amendment lay dormant for three years and commenced on 4 April 2024, a delay that allowed MAS to complete its consultations on consumer protection before the enlarged perimeter took effect.[2]

© 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.

The Binance episode of 2021 showed what MAS would and would not tolerate. Binance.com, the global exchange, served Singapore residents without a licence while its Singapore affiliate, Binance Asia Services, operated under the transitional exemption. On 2 September 2021 MAS placed Binance.com on its Investor Alert List and stated that the exchange might be in breach of the Payment Services Act. In December 2021 Binance Asia Services withdrew its licence application and wound down its Singapore platform.[3] The lesson for every later applicant was that MAS would not license a Singapore affiliate while the global group served Singaporeans from offshore. The Investor Alert List, moreover, was a weapon MAS would use against the largest names in the industry.

Example

A Swiss exchange group with a licensed Zürich entity and a Singapore subsidiary in the licensing queue allowed Singapore residents to open accounts on its global platform during 2021. Its theory was that the global platform was operated from Zug and fell outside Singapore law. MAS asked the subsidiary, during the licence assessment, how many Singapore residents held accounts on the global platform and what the group had done to stop onboarding them. The subsidiary's answer determined the outcome. Groups that could show geo-blocking, a cut-off date and a migration plan received licences in 2022 and 2023. Groups that argued jurisdiction were invited to withdraw. The episode is the clearest illustration of the extraterritorial logic that Part O, Chapter VI describes.

Notes

1. Payment Services Act 2019 in force on 28 January 2020 per Allen & Gledhill, "Payment Services Act 2019 providing new framework for payment systems and payment service providers in force on 28 January 2020"; on the transitional exemption see the Payment Services (Exemption for Specified Period) Regulations 2019. ↩
2. Payment Services (Amendment) Act 2021, expanded scope in force from 4 April 2024, with a thirty-day notification window, a six-month application

© 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.

window and a nine-month deadline for the external attestation report, per Clyde & Co, "Singapore: Payment Services Act to now cover token transfer and custody" (April 2024). ↩

3. MAS media release of 2 September 2021 on the inclusion of Binance.com in the Investor Alert List; Binance Asia Services announced the withdrawal of its application on 13 December 2021. ↩

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