The GST definition of a digital payment token

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The GST definition is narrower than the Payment Services Act definition and narrower than the income tax Guide's notion of a payment token. A digital token is a cryptographically secured digital representation of value that can be transferred, stored or traded electronically. It is a digital payment token for GST purposes only if it also meets four further conditions. It must be expressed as a unit. It must be designed to be fungible. It must not be denominated in any currency and must not be pegged by its issuer to any currency. It must be, or be intended to be, a medium of exchange accepted by the public or a section of the public without substantial restrictions on its use as consideration.[1]

Three exclusions complete the definition. Money is excluded. A token that would be exempt under Part I of the Fourth Schedule for a reason other than being a DPT is excluded, which removes security tokens and derivatives from the DPT category and places them under the existing financial-services exemptions. A token that gives an entitlement to goods or services from a specific person or persons and ceases to function as a medium of exchange once that entitlement is used is excluded, which removes utility tokens and voucher-like tokens.[2] Bitcoin, Ether, Litecoin and comparable public-chain assets qualify. Tokens of a single platform usable only on that platform do not.

Token	GST category	Treatment on exchange for fiat
Bitcoin, Ether, Solana	Digital payment token	Exempt (zero-rated if customer belongs overseas)
USDC, USDT, XSGD (pegged to a currency)	Not DPT; treated as derivative	Exempt under para 1(j), Part I, Fourth Schedule
Tokenised share or bond	Not DPT; security	Exempt as a financial service
Utility token for a platform's own services	Not DPT; voucher-like	Standard-rated as prepayment for the service
NFT (unique, non-fungible)	Not DPT	Standard-rated if supplied by a registered person to a Singapore customer
Governance token traded on exchanges	DPT if it functions as a medium of exchange	Exempt; classification fact-dependent
Wrapped Bitcoin	DPT if fungible and used as medium of exchange	Exempt; classification fact-dependent

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The classification is a question of fact and it changes. A governance token issued to vote on a protocol may begin life outside the definition and move inside it once exchanges list it and merchants accept it. IRAS has indicated that it will look at the token's design and actual use at the time of the supply, which means a GST-registered issuer must revisit the classification of its own token periodically.

Notes

1. IRAS, e-Tax Guide *GST: Digital Payment Tokens*, third edition, 30 January 2026, section 5 (definition of digital payment token: unit, fungibility, no currency denomination or peg, medium of exchange accepted by the public).
2. IRAS, e-Tax Guide *GST: Digital Payment Tokens*, third edition, 30 January 2026, section 5 (exclusions: money, tokens exempt under Part I of the Fourth Schedule on other grounds, voucher-type tokens).

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