The licensing timeline since January 2020

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The Act commenced on 28 January 2020 with a grace period. Firms already providing a payment service on that date could notify MAS within one month and continue under the Payment Services (Exemption for Specified Period) Regulations 2019 while their application was pending. MAS extended that period for DPT firms into 2021 and 2022 because of the volume of applications.[1] Roughly 170 firms notified MAS in 2020 that they intended to apply for a DPT licence. By the end of 2021 fewer than ten had been granted a licence or an in-principle approval, among them DBS Vickers, Independent Reserve, FOMO Pay and Coinhako. Well over a hundred applicants had withdrawn or had been rejected by that time.[2] Crypto.com, Paxos and Circle received in-principle approvals during 2022 and 2023, and Coinbase received a full MPI licence in October 2023. OKX, Gemini and GSR were among the firms licensed in 2024 and 2025.

The pace reflected a policy choice, as MAS said publicly that it wanted a small number of well-run firms. The licence was described as a privilege to be earned by demonstrating AML controls and technology risk management. The Three Arrows Capital collapse in June 2022, the Terraform failure in May 2022 and the FTX collapse in November 2022 each had Singapore connections. Together they

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hardened that stance into the "digital asset hub" doctrine described in Part I, Chapter III, under which Singapore welcomes tokenisation and institutional infrastructure while discouraging retail speculation. From 2023 the licence conditions also began to carry the consumer protection measures discussed in Chapters II and III. The 2024 commencement of the expanded DPT definition then brought a second wave of applicants. This time they were custodians, brokers and transfer businesses, many of which had previously operated on the view that they were outside the Act.

The firm that reads this timeline should draw the operational lesson from it. A DPT licence application is a multi-year commitment with no guaranteed outcome. The firms that succeeded shared four features, a Singapore-resident senior management team with regulated financial services experience. They had an AML framework already operating to PSN02 standard at the time of application. They had a technology risk management programme audited against the MAS Technology Risk Management Guidelines. Their business model was one MAS could understand as serving institutional or well-protected retail customers. The firms that failed tended to be foreign exchanges seeking a Singapore flag for marketing reasons, with the real operations elsewhere. Chapter X returns to the process in detail.

Singapore perspective

You can operate a payments business in Singapore that touches crypto assets without a DPT licence only in narrow cases. The first is as a bank or other exempt institution under s. 13. The second is as a technical service provider that never holds assets or arranges exchanges. The third is as an issuer of a limited-purpose token with no cash-out. The fourth is as a firm whose token-related activity is confined to its own account. Every other model requires a licence, a licensed partner, or a decision to serve the Singapore market from outside Singapore. Since 30 June 2025 that last option brings Part 9 of the FSMA into play if the firm has any presence here (see Chapter V). The founder's first decision is therefore which of these positions the firm will occupy. The second is how long the firm can afford to wait for a licence while occupying it.

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Notes

1. Payment Services (Exemption for Specified Period) Regulations 2019; MAS statements on the extension of the exemption period for DPT service providers, 2020 to 2022. ↩
2. MAS, "Response to Parliamentary Question on licensing of digital payment token service providers", 2022, giving the number of notifying firms and approvals; press reports on the first DPT licences, October to December 2021. ↩

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