The shape of the market

Dr Alexander Ressos, TEP
Of Counsel, KGP Legal LLC
Attorney-at-Law (Switzerland and Germany), Solicitor (England & Wales and Hong Kong)

Singapore's digital-asset market is small in the number of licensed firms and large in the weight of the institutions behind them. Switzerland counts several hundred crypto firms affiliated to self-regulatory organisations and a dozen with FINMA licences. Singapore had by mid-2026 a few dozen holders of payment services licences for digital payment token services, a handful of capital markets services licensees active in tokens and three domestic banks running their own tokenisation programmes. The population is small because MAS licenses slowly and refuses often, as Chapter II explained. It is weighty because the firms that passed are the global names, because the banks and the sovereign wealth funds are participants and because MAS itself runs the largest tokenisation programme of any regulator.[1]

The practitioner must read this market with the licensing structure in mind. A firm that calls itself a "Singapore exchange" may hold a major payment institution licence, a standard payment institution licence, an in-principle approval, an exemption under the transitional provisions of 2024, a capital markets services licence for a different activity or nothing at all. The MAS Financial Institutions Directory lists every licensee by name and licence type, while the Investor Alert List names firms that MAS believes to be operating without a licence. Checking both takes five minutes and is the first act of due diligence on any Singapore counterparty.

Checklist

Before your client deposits assets with, contracts with or invests in a Singapore digital-asset firm you should establish the following. - The exact legal entity, from ACRA's BizFile register, with its unique entity number. - Whether that entity appears in the MAS Financial Institutions Directory, under which Act and for which services, and whether the licence is full or in-principle. - Whether the entity or any affiliate appears on the MAS Investor Alert List. - Whether the services your client will use fall within the licensed activities, because a licence for dealing in digital payment tokens does not cover the custody of tokens that are capital markets products. - Whether the entity is the contracting party in the terms of service or merely the local affiliate of an offshore operator, a distinction that decided the outcome for customers of several 2022 failures (Part J, Chapter V).

Copyright © 2026 Dr Alexander Ressos, TEP – Of Counsel, KGP Legal LLC. SingaporeIQ is an information website and gives no legal advice. For Singapore law advice through KGP Legal LLC, please write to alexander.ressos@kgplegal.com.sg

Notes

1. MAS, Financial Institutions Directory (searchable register of licensees by licence type, including payment services licensees with "digital payment token service" authorisation), consulted for the period to June 2026; precise licensee counts change monthly.

Copyright © 2026 Dr Alexander Ressos, TEP – Of Counsel, KGP Legal LLC. SingaporeIQ is an information website and gives no legal advice. For Singapore law advice through KGP Legal LLC, please write to alexander.ressos@kgplegal.com.sg