The shared logic

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Switzerland and Singapore are often mentioned in the same breath, usually by people who have been to neither. The comparison is nonetheless sound because it rests on a handful of structural features that the two countries share and that matter directly to the law of digital assets. Both are small, open economies whose prosperity depends on being trusted by foreigners. Both have a currency that is stronger than their size would predict and a central bank that defends it. Both have a financial centre that predates the technology by generations and that has had to reinvent itself at least once in living memory. Both have regulators that are reachable, that publish their reasoning and that prefer a conversation with an applicant to an enforcement action after the fact. Each of these features has a legal consequence, which the following sections draw out.

Rule of law and political stability

A digital-asset business lives on the willingness of strangers to send value to an address that it controls. That willingness depends on confidence that the law of the place where the business sits will be applied as written, by courts that are independent, within a time frame that a commercial party can bear. Switzerland offers a federal legal order with a Federal Supreme Court whose decisions are published, reasoned and followed. Its legislature changes financial law slowly and after public consultation, within a political system in which no single election can reverse the regulatory settlement.[1] Singapore offers a Westminster system with a strong executive, a judiciary that has been ranked among the most efficient in the world for commercial disputes and a specialised international commercial court. Its legislature can pass detailed financial legislation within months when the government decides that it is needed.[2]

The difference in legislative speed is the first thing a Swiss lawyer notices in Singapore and the first thing a Singapore lawyer notices in Switzerland. The Swiss DLT Act took from the Federal Council's report of December 2018 to full entry into force in August 2021, a period of under three years that Swiss observers considered fast.[3] Singapore's Financial Services and Markets Act 2022 went from first reading to assent in about three months. Neither pace is better in the abstract. Swiss slowness gives a business time to adapt and almost never produces a surprise. Singapore's speed means that a policy decision, once taken, becomes law before a business can lobby against it, as the digital token service providers who learned in May 2025 that they had one month to leave discovered.

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Strong currencies and credible central banks

The Swiss franc and the Singapore dollar are both managed by central banks with an inflation record that the asset class itself was partly invented to criticise. The Swiss National Bank conducts monetary policy through interest rates and foreign-exchange intervention and has run a wholesale central bank digital currency in production since December 2023.[4] The Monetary Authority of Singapore manages the Singapore dollar against a basket of currencies within an undisclosed band and has run its own tokenisation and digital-money programmes, Project Guardian and Project Orchid, since 2022.[5]

For the lawyer the strong currency matters in two ways. First, both countries have a domestic stablecoin question that most jurisdictions do not have. A Swiss franc stablecoin or a Singapore dollar stablecoin competes, at the margin, with the central bank's own liability. That competition explains why both the SNB and MAS have taken a close interest in the design of such tokens and why both have preferred wholesale, bank-issued forms of tokenised money for the time being. Part E, Chapter VII and Part K, Chapter VI examine the two stablecoin regimes. Second, a strong currency makes the hub attractive as a place to keep the treasury of a protocol or a fund, because the operating costs are in a currency that is unlikely to fall against the token portfolio. The same strength makes salaries and rents expensive, which is one reason why both hubs attract the headquarters and the treasury of a crypto business more easily than its engineering team.

Financial-centre tradition

Switzerland has been a banking centre since the eighteenth century and an international wealth-management centre since the First World War. Singapore built an Asian dollar market from 1968 and a wealth-management centre from the 1990s. Both have therefore accumulated the professional infrastructure that a digital-asset business needs and cannot build for itself: auditors who understand custody, lawyers who understand licensing, banks that know how to deal with a regulated counterparty, courts that have read a prospectus. Both have also experienced the loss of a business model and the need to find a new one. Switzerland lost banking secrecy for foreign clients between 2009 and 2017 and replaced it with a positioning around stability, asset management and, from 2017, blockchain. Singapore lost part of its offshore-banking rationale to the same transparency wave and replaced it with asset management, family offices and, from 2016, fintech. Digital assets arrived in both places at the moment when the financial centre was looking for the next thing, which explains why both governments embraced the technology early while being careful about the asset class.

Cross-border perspective

You can read the two histories as one lesson. Both centres learned between 2009 and 2017 that a business model which depends on another state's inability to see what happens inside your border will be destroyed when that state acquires the ability to see. Both have therefore built their digital-asset positioning on the opposite premise: that the hub will be transparent to foreign tax authorities, will apply anti-money-laundering rules at least as strictly as its neighbours, and will compete on legal

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quality instead of opacity. A client who comes to Zug or Singapore hoping for the opposite will be disappointed and should be told so in the first meeting.

Pragmatic regulators

FINMA and MAS are different institutions, as Section 2 explains, but they share a working method that practitioners in both places recognise. Both publish guidance that explains how they will apply the law to new facts before they are forced to decide a case. FINMA's ICO Guidelines of February 2018 were the first document of their kind by a major regulator and set out the three-way token taxonomy that most of the world has since adopted in some form.[6] MAS's "A Guide to Digital Token Offerings" of November 2017, updated in 2020, performed the same function for the Singapore securities perimeter.[7] Both regulators will meet an applicant before a formal filing. Both expect the applicant to arrive with a legal analysis already done. Both will say no, quickly, to a business that has not understood this.

The pragmatism has limits that differ between the two. FINMA's pragmatism is constrained by statute. It applies a cascade of federal acts that the Parliament wrote and that it cannot change. When a new product falls within an old definition, as staked assets fell within the deposit definition in 2023, FINMA says so and leaves it to the Federal Council to propose a legislative fix.[8] MAS's pragmatism is constrained by policy. It has broader rule-making powers under its statutes and uses them, so that when it concluded in 2022 that retail speculation in cryptocurrency was harmful, it was able to restrict incentives, credit and marketing by guideline within two years.[9]

International orientation

Both countries are too small to set global standards alone and too important to ignore them. Both are members of the Financial Action Task Force, the Financial Stability Board and the Basel Committee. Both have implemented the FATF's Recommendation 15 on virtual assets, including the travel rule, earlier and more completely than most larger jurisdictions.[10] Both have committed to the OECD's Crypto-Asset Reporting Framework. Both have a network of double-tax treaties, including one with each other, signed in 2011.[11] A business that is compliant in one hub is therefore most of the way to being compliant in the other, which is the practical foundation of the dual-hub structures described in Part P.

Notes

1. Federal Constitution of the Swiss Confederation of 18 April 1999 (SR 101), Art. 3 (cantonal sovereignty), Art. 98 (federal competence for banking and financial services) and Art. 188 ff. (Federal Supreme Court).
2. Constitution of the Republic of Singapore (1999 Reprint), Part 8 (the Judiciary); Supreme Court of Judicature Act 1969, s. 18A ff. (Singapore International Commercial Court).
3. Federal Council, media release of 14 December 2018 on the report "Legal framework for distributed ledger technology and blockchain in Switzerland", adopted on 7 December 2018; Federal Department of Finance, media

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release of 18 June 2021 on the full entry into force of the DLT Act on 1 August 2021.

4. Swiss National Bank, press release of 30 June 2025 on the extension of Project Helvetia: wholesale CBDC has been available to financial institutions on the SIX Digital Exchange platform since the end of 2023, the pilot is extended until at least mid-2027 and settlement of tokenised assets in traditional central bank money through a link between BX Digital and the SIC system is added.
5. Monetary Authority of Singapore Act 1970, s. 4 (functions of the Authority); MAS, Project Guardian industry group, launched 31 May 2022; MAS, Project Orchid, purpose-bound money whitepaper of October 2022.
6. FINMA, "FINMA publishes ICO guidelines", media release of 16 February 2018, distinguishing payment tokens, utility tokens and asset tokens and stating that hybrid forms are possible.
7. MAS, "A Guide to Digital Token Offerings", first issued 14 November 2017, last updated 26 May 2020.
8. FINMA Guidance 08/2023 "Staking" of 20 December 2023, stating that it is legally uncertain whether staked crypto assets are protected in a bankruptcy because the protection depends on the assets being held ready for the customer at all times, and that FINMA will treat staked assets as segregated until legislation or case law clarifies the point.
9. MAS, Guidelines PS-G02 on Provision of Digital Payment Token Services to the Public of 17 January 2022; MAS, Guidelines on Consumer Protection Measures by Digital Payment Token Service Providers (PS-G03), with phased effect from 4 October 2024 and 19 June 2025.
10. FATF, "Updated Guidance for a Risk-Based Approach to Virtual Assets and Virtual Asset Service Providers", October 2021, Recommendation 15 and Interpretive Note; FINMA Guidance 02/2019 of 26 August 2019 on payments on the blockchain; MAS Notice PSN02 "Prevention of Money Laundering and Countering the Financing of Terrorism – Digital Payment Token Service", paragraphs on value transfers.
11. Agreement between the Swiss Confederation and the Republic of Singapore for the Avoidance of Double Taxation with respect to Taxes on Income of 24 February 2011 (SR 0.672.968.91), in force 1 August 2012, as amended by the Protocol of 27 July 2017.

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