Tokens as remuneration

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

Most digital-asset businesses pay part of their people in tokens. The founder receives an allocation at genesis, the engineers receive token grants that vest over four years and the advisers receive a percentage of supply for their names on the website. Singapore taxes all of it as employment income or as income from a profession, because section 10(1)(b) charges "gains or profits from any employment" and the Act defines those gains to include any allowance or benefit in money or money's worth.[1] A token is money's worth. Its receipt by an employee is therefore taxable at its Singapore-dollar value on the date the employee becomes entitled to it. The digital tokens e-Tax Guide confirms that tokens received as remuneration are taxed as employment income at the value at the time of receipt.[2]

The timing point is the question that decides the tax bill. A token grant that vests over time gives the employee no entitlement until the vesting date, so the taxable event is vesting and the taxable amount is the value at vesting. A token grant that is delivered immediately but subject to a lock-up that forbids sale is taxable at grant, because the employee has the token even if he cannot yet sell it. IRAS has in practice accepted a discount for the restriction where the lock-up is long and enforceable on-chain.[3] A token grant that is a mere promise to deliver tokens at a future date, with

© 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.

no tokens yet in existence, is taxable when the tokens are delivered. For a pre-launch team that may be years after the promise was made and at a value many times higher.

The Swiss contrast is the first thing a founder relocating between the hubs must understand. Switzerland taxes employee shares at grant with a discount for blocking periods under Circular 37 and taxes options at exercise. Token grants are taxed according to their classification, with the FTA's working paper treating payment tokens received as salary as income at receipt (see Part G, Chapter IV). Singapore has no circular on token plans and applies the general employment income rule, which gives the same result for immediate grants and a different result for options, as the next section shows.

Notes

1. Income Tax Act 1947 (2020 Rev. Ed.), ss. 10(1)(b) and 10(2)(a) (gains or profits from employment include wages, salary, leave pay, fee, commission, bonus, gratuity, perquisite or allowance paid or granted in respect of the employment). ↩
2. IRAS, e-Tax Guide *Income Tax Treatment of Digital Tokens*, second edition, 30 January 2026, section on digital tokens received as payment for services or employment. ↩
3. IRAS, administrative practice on restricted shares and moratorium discounts applied by analogy to locked tokens. ↩

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

© 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.

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

© 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.