Unlicensed activity

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Payment Services Act

Section 5 of the Payment Services Act 2019 prohibits carrying on a business of providing any type of payment service in Singapore without a licence or exemption. The penalty for an individual is a fine of up to S$ 125,000 or imprisonment of up to three years or both, with a further fine of up to S$ 12,500 for each day the offence continues after conviction. For a company the fine is up to S$ 250,000 with a daily fine of up to S$ 25,000.[1] Section 8 prohibits holding out as a licensee and s 9 prohibits soliciting business for an unlicensed provider. Which activities amount to a digital payment token service and which exemptions are available is dealt with in Part K, Chapter I.

Two points about the criminal dimension deserve emphasis. The first is that the offence is one of strict perimeter: there is no requirement of dishonesty or harm. A founder who in good faith believed that a non-custodial interface fell outside the Act is guilty if MAS and the court disagree. The second is that the licensing offence is a CDSA serious offence, so the revenues of an unlicensed business are "benefits of criminal conduct" and anyone who handles them with the requisite knowledge commits laundering. Banks that close accounts of unlicensed crypto businesses are avoiding s 51.

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Financial Services and Markets Act

Part 9 of the Financial Services and Markets Act 2022, in force since 30 June 2025, requires Singapore-incorporated or Singapore-based persons who provide digital token services only to customers outside Singapore to hold a licence. Doing so without one is an offence.[2] The policy history and the "extremely limited circumstances" in which MAS said it would license such providers are described in Part K, Chapter V. The criminal consequence is that an entity which continued to serve foreign customers from a Singapore office after 30 June 2025 without a licence committed an offence from the first day, with its directors exposed under the officer-liability provisions.

Securities and Futures Act

Dealing in capital markets products, fund management and operating an organised market without the relevant licence are offences under the Securities and Futures Act 2001. A token that is a security, a unit in a collective investment scheme or a derivative brings its issuer and intermediaries within that Act regardless of the Payment Services Act. The maximum penalty for unlicensed dealing is a fine of up to S$ 150,000 or imprisonment of up to three years or both for individuals, with higher corporate fines.[3]

Notes

1. Payment Services Act 2019, s 5(3), Singapore Statutes Online (consulted June 2026). ↩
2. Financial Services and Markets Act 2022, Part 9, ss 136–137, Singapore Statutes Online; the commencement date of 30 June 2025 per MAS notice. ↩
3. Securities and Futures Act 2001, s 82 (requirement for capital markets services licence) and the associated penalty provision, Singapore Statutes Online. ↩

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