Who had to leave or restructure

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The population affected by Part 9 was larger than MAS's statements suggested. Three groups can be distinguished. The first consisted of global exchanges and trading firms that had incorporated a Singapore entity as a group holding company or as a convenient contracting entity for non-Singapore customers, without any intention of serving Singapore. Many of these entities had been set up between 2017 and 2021, when Singapore was promoting itself as a crypto hub. A Singapore company with a Singapore bank account was then a credible counterparty for exchanges and payment processors worldwide. These groups transferred the contracting role to entities in other jurisdictions, commonly the British Virgin Islands, the Cayman Islands, Dubai or Hong Kong. The Singapore company was then struck off or repurposed.

The second group consisted of Singapore-based founders and small teams who operated token businesses from Singapore for a global customer base. Over-the-counter desks serving Asian high-net-worth clients, custody technology firms that held key shards, token advisory firms that arranged sales for foreign issuers and market makers that quoted on foreign exchanges were all affected. Each had to analyse whether its activity was a digital token service, whether its customers were outside Singapore and whether an exemption applied. Several relocated their

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operating entities to Hong Kong, where the Securities and Futures Commission's licensing regime for virtual asset trading platforms offered a route to a licence. Others moved to Dubai under the Virtual Assets Regulatory Authority (see Part O, Chapters III and IV).

The third group consisted of firms that were already licensed under the Payment Services Act for Singapore customers and that also served foreign customers. These firms were exempt from Part 9 for the activities covered by their payment licence and could continue to serve foreign customers, subject to the foreign law of the customer's jurisdiction. The June 2025 clarification confirmed this.[1] The effect was to increase the value of a Payment Services Act licence: it became the only lawful basis for a Singapore crypto firm to serve both domestic and foreign customers.

Cross-border perspective

A Swiss group with a Singapore subsidiary should ask one question about Part 9: does the Singapore company provide any digital token service to anyone outside Singapore? If the Singapore company is a pure holding company, a services company that bills intra-group fees, or a research office, the answer is no and Part 9 does not apply. If it contracts with customers, holds any key material for the group's custody platform, or employs the people who quote prices to Asian clients of the Swiss exchange, the answer may be yes. In that case the activity must either be moved to the Swiss entity, which can lawfully serve those customers from Switzerland under its SRO affiliation or FinIA licence, or be brought within a Singapore payment licence. The Zug structure that works is a Swiss licensed operating company with a Singapore marketing and relationship office whose staff do not conclude contracts or control assets, documented in intra-group agreements that MAS can read.

Notes

1. Allen & Gledhill, June 2025 clarification article (above): a provider already licensed or exempt under a main Act for the same activity is exempt from

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FSMA licensing for that activity and is generally not restricted from serving customers outside Singapore, subject to foreign law. ↩

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