Why arbitration dominates token documentation

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Most token purchase agreements, SAFTs, market-making agreements, custody agreements for institutional clients and the terms of service of the larger exchanges provide for arbitration. The reasons are the usual ones, confidentiality, neutrality and enforceability under the New York Convention in more than 170 states, together with two that are specific to the asset class. The first is that the counterparties are often in jurisdictions whose courts neither side trusts or whose judgments neither hub will enforce. The second is that arbitration allows the parties to choose arbitrators who understand the technology, where a court assigns whichever judge is available. Singapore, through the Singapore International Arbitration Centre (SIAC), has become the leading Asian seat for these clauses. Its 2025 Rules were drafted with technology disputes in view.

For the Swiss reader the comparison is natural. Switzerland is the other great neutral seat, with Chapter 12 of the PILA governing international arbitration and the Swiss Arbitration Centre administering cases under the Swiss Rules (see Part H, Chapter VIII). A Swiss–Singapore contract can be seated in either place. This chapter explains the Singapore side and the points at which the two systems differ in ways that matter for digital assets.

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