Why clients compare Singapore and Hong Kong, and how I answer

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In my experience the question arrives in one of three forms. A founder asks where to put the Asian headquarters of an exchange or a stablecoin issuer. A fund manager asks where to domicile an Asian digital-asset fund and its manager. A family asks where to base a family office that holds tokens. In each form the client has usually already excluded Dubai for reputational or lifestyle reasons and Tokyo for language and tax, and is left with the two common-law cities.

My answer begins with the regulatory fit. An exchange that wants retail customers, spot ETFs or stablecoin issuance under a statute in force today chooses Hong Kong. An exchange that wants an institutional business, access to the Southeast Asian region and a licence that bankers everywhere recognise chooses Singapore. A stablecoin issuer in 2026 may well choose Hong Kong for the statute and Singapore for the Singapore-dollar market. Some have done both. A tokenisation platform for funds and bonds chooses Singapore for Project Guardian and the variable capital company, unless its investors are in Greater China.

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Client question

"Is Singapore or Hong Kong safer for a fund that holds tokens?" Both are safe in the legal sense that matters most to a fund. Both recognise tokens as property, both have courts that will grant proprietary injunctions against thieves and both have insolvency regimes that respect a properly constituted trust. The differences lie elsewhere. Singapore's fund incentives under sections 13O and 13U of the Income Tax Act 1947 are better documented and more widely used than Hong Kong's unified fund exemption, though Hong Kong extended its exemption to digital assets in 2024 and 2025. Singapore's variable capital company has a longer track record than Hong Kong's open-ended fund company. Hong Kong's banks have moved faster on tokenised deposits and ETFs. And Hong Kong carries a political overlay that some investors price and others ignore. Part M, Chapter IV and Part O, Chapter III give the detail. Most of my fund clients choose Singapore, while most of my clients with mainland Chinese investors choose Hong Kong.

The second element of my answer is the banking and custody reality. Both cities now have banks that serve licensed crypto firms, but the Singapore relationship between MAS and the domestic banks is older and the custody offering of DBS is more mature than any Hong Kong bank's. The third element is the people. Singapore's compliance and technology talent in digital assets is deeper because the licensees have been building teams since 2020, while Hong Kong's talent pool was thinned by the 2020–2022 emigration and is rebuilding. The fourth is tax, where the two cities are close for investors and differ in detail for traders and employees, as Part M explains. The fifth is law and courts, where I regard the two as equivalent and the SICC as a modest advantage to Singapore for a Swiss or European party.

Cross-border perspective

A Zug protocol foundation does not have to choose. The pattern I see most often in 2026 places the treasury and the governance in Zug, the institutional distribution and the fund in Singapore and, where the protocol has a Greater China user base, a licensed dealer or platform in Hong Kong. The three regulators know each other well, cooperate under memoranda of understanding and expect to be told about the

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other entities in the group. What they will not accept is a structure in which the Singapore company exists only to serve customers elsewhere, which the Part 9 regime now forbids, or a Hong Kong company that serves Hong Kong retail without a licence. The structure must match the activity in each place, as Part P, Chapter IV shows.

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