Crypto-assets: From the Payment Services Act to Project Guardian

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

Few subjects have tested the reputation of the Monetary Authority of Singapore as severely as crypto-assets. In the years after 2017 the city attracted exchanges, trading firms, token issuers and investment funds from all over the world, drawn by a regulator that had promised a clear framework and by a financial centre that seemed to welcome innovation. When several of the most prominent of these firms collapsed in 2022, some of them headquartered in Singapore, the authorities found themselves accused both of having been too welcoming and of being too slow. The regulatory story since then is one of correction: the frontier of permitted activity was narrowed for retail investors and for firms serving only foreign customers, while the state invested heavily in the institutional use of the same technology.

This chapter traces that story through five stages. It begins with the Payment Services Act 2019, the statute that first brought cryptocurrency dealing and exchange under licence, and with its later amendments. It then examines the collapses of 2022 and the measures that followed them, before turning to the regime for digital token service providers under the Financial Services and Markets Act 2022, which closed the door to firms that used Singapore as a base for business conducted entirely abroad. The fourth section deals with stablecoins, from the framework announced

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in 2023 to the legislative consultation of September 2026. The fifth describes Project Guardian and the wider programme of tokenisation, in which the Monetary Authority works with banks, asset managers and foreign regulators to move conventional assets onto distributed ledgers. A section on practical consequences and a comparison with Geneva and Zurich close the chapter.

The parallel volume on Geneva devotes the first chapter of its Part K to the same subject. Switzerland chose to adapt its ordinary civil, commercial and insolvency law to distributed ledger technology through a single statute, the DLT Act of 2021, and treated tokens according to their economic function.[1] Singapore took a different route. It approached the field through financial regulation, licensing activities one by one, and left questions of property and insolvency to its common law courts. Both approaches produced legal certainty, although of different kinds, and the comparison at the end of this chapter asks which of them better serves a wealth management centre.

Essentials

The Payment Services Act 2019, in force since 28 January 2020, brought digital payment token services under licence alongside six conventional payment services, with anti-money laundering control as its first purpose. The collapses of 2022, among them Terra and Luna, the Singapore-based hedge fund Three Arrows Capital and the exchange FTX, in which Temasek lost its investment, led the Monetary Authority to restrict retail access and to require the segregation of customer assets in trust, while an extension of the Act to custody and to the facilitation of transfers, enacted in 2021, took effect in April 2024. Since 30 June 2025, Part 9 of the Financial Services and Markets Act 2022 requires a licence for Singapore firms serving only foreign customers, and the Monetary Authority has said that it will generally not grant one. A framework for single-currency stablecoins was announced in August 2023, and legislative amendments to give it statutory force were put to consultation on 1 September 2026. In parallel, Project Guardian, launched on 31 May 2022, and the settlement initiative BLOOM have made Singapore one of the main laboratories of tokenised finance.

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Notes

1. Ressos, *Genève, place financière internationale*, Part K, Chapter I, on the Federal Act of 25 September 2020 adapting federal law to developments in distributed ledger technology (DLT Act), in force on 1 February 2021 and 1 August 2021, and the FINMA token guidelines of February 2018. ↩

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Author contact: Dr Alexander Ressos, TEP · contact@ressos.com

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