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

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For firms seeking to operate in Singapore

A firm that wishes to offer services in crypto-assets from Singapore must first determine which statute applies. Services relating to digital payment tokens provided to customers in Singapore require a licence under the Payment Services Act. Services relating to tokenised securities or units in tokenised funds fall under the Securities and Futures Act and, where advice is given, under the Financial Advisers Act. Services provided only to customers outside Singapore require a licence under Part 9 of the Financial Services and Markets Act, which in practice will not be granted. The licensing process is long and demanding, since the authority examines the substance of the firm in Singapore, its controls against money laundering and its technology risk management.

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For wealth managers and family offices

For private banks, external asset managers and family offices, the practical question is how to hold and manage crypto-assets for clients. The safest route is through a bank or a licensed custodian that segregates client assets in trust under the rules in force since October 2024. The decision in *ByBit* confirms that the client retains a property right in the tokens, which survives the insolvency of the custodian if the assets are properly segregated. Family offices that invest in crypto-assets must consider the conditions of the tax incentives under sections 13O and 13U of the Income Tax Act, described in Chapter E.III, and the reporting of such holdings under international tax transparency standards, examined in Chapter E.II.

Checklist

- Classify each token and each service: digital payment token, capital markets product, utility or governance token, or stablecoin within the MAS single-currency framework.
- Identify where the customers are: services to Singapore customers fall under the Payment Services Act or the Securities and Futures Act, while services provided only abroad from Singapore fall under Part 9 of the Financial Services and Markets Act.
- Check whether the counterparty holds a licence and for which activities, using the Financial Institutions Directory of the Monetary Authority and its Investor Alert List.
- Verify that customer assets are segregated and held in trust, and obtain the written disclosures on storage policy and the handling of losses.
- For retail clients, document the risk awareness assessment and refrain from incentives, credit and leverage.
- Apply the full anti-money laundering programme, including the transmission of originator and beneficiary information with transfers of tokens.

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- Treat a stablecoin as "MAS-regulated" only if it carries that recognition, and follow the implementation of the legislative amendments consulted on in September 2026.
- For tokenised securities and funds, align documentation with the Guardian frameworks and check the settlement asset used.

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