



Token & Digital Asset Regulation in Singapore

A High-Level Overview of the
Regulatory Framework

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Introduction

Singapore has established itself as a leading hub for digital asset and blockchain innovation in Asia. The Monetary Authority of Singapore (MAS) takes a technology-neutral, activity-based approach to regulating digital tokens and digital assets – meaning that the regulatory treatment of a token depends on its characteristics and the activities performed in relation to it, not on the technology used.

This guide provides a high-level, non-exhaustive overview of Singapore’s regulatory framework for digital tokens and digital assets. Given the complexity and rapidly evolving nature of this area of law, professional advice should always be sought before engaging in any digital asset-related activities in or from Singapore.

Important Note

This guide is intended as a general orientation only. The regulatory classification of any particular token or activity is highly fact-dependent and requires a case-by-case analysis. This guide does not constitute legal or regulatory advice.

Singapore’s Regulatory Approach

MAS applies the principle of “same activity, same risk, same regulatory outcome”. This means that whether a financial product or service is delivered through traditional means or via blockchain and distributed ledger technology (DLT), the same regulatory standards apply. A tokenised security, for example, is regulated in the same way as a conventional security.

MAS’s objectives in regulating digital assets include:

- Protecting consumers and investors.
- Maintaining the integrity of Singapore’s financial system.
- Mitigating money laundering and terrorism financing risks.
- Fostering responsible innovation in the financial sector.

Key Legislation

Singapore’s regulation of digital tokens is primarily governed by three principal statutes, each addressing different types of tokens and activities:

Payment Services Act 2019 (PS Act)

Regulates payment services in Singapore, including digital payment token (DPT) services. This is the primary licensing regime for cryptocurrency exchanges, wallets, and other DPT service providers serving customers in Singapore.

Securities and Futures Act 2001 (SFA)	Applies where a digital token constitutes a “capital markets product” – for example, if it represents a security (such as shares or debentures), a unit in a collective investment scheme, or a derivative. Issuers and intermediaries dealing in such tokens must comply with the SFA’s prospectus, licensing, and conduct requirements.
Financial Advisers Act 2001 (FAA)	Applies to persons providing financial advisory services in relation to capital markets products, including tokenised securities and other investment products.
Financial Services and Markets Act 2022 (FSMA)	Introduced a licensing framework for Digital Token Service Providers (DTSPs) operating from Singapore but serving customers outside of Singapore. This regime took effect on 30 June 2025 and expands the territorial reach of Singapore’s regulation.

Activity-Based Regulation

A single token may fall under multiple regulatory regimes depending on its characteristics. For example, a stablecoin pegged to a fiat currency may be regulated as e-money under the PS Act, while a token representing fractional ownership in real estate may constitute a capital markets product under the SFA. The regulatory analysis must always start with the token’s specific features and the activities being conducted.

Token Classification

The regulatory treatment of a digital token in Singapore depends on how it is classified. While MAS does not use a formal taxonomy of token types, the following broad categories are commonly recognised:

Digital Payment Token (DPT)	A digital representation of value that is not denominated in or pegged to any currency and can be transferred, stored, or traded electronically as a medium of exchange. Examples include Bitcoin and Ether. DPT services are regulated under the PS Act.
E-Money	A digital representation of value that is denominated in or pegged to a fiat currency (e.g., certain stablecoins). E-money issuance is a regulated payment service under the PS Act.
Security Token	A digital token that constitutes a capital markets product under the SFA – for example, a token representing shares, debentures, or units in a collective investment scheme. Subject to the SFA’s prospectus and licensing requirements.
Utility Token	A token that provides the holder with access to a product or service. Pure utility tokens are generally not regulated under the PS Act, SFA, or FAA, though the analysis is fact-specific.

Stablecoin (MAS-Regulated)

MAS has announced a regulatory framework for single-currency stablecoins pegged to the SGD or a G10 currency that are issued in Singapore. Qualifying issuers may have their stablecoins recognised as “MAS-regulated stablecoins”, subject to strict reserve, disclosure, and redemption requirements.

Licensing Under the Payment Services Act

The PS Act is the primary licensing regime for businesses providing digital payment token (DPT) services in Singapore. DPT services include buying and selling DPTs, operating a DPT exchange, facilitating the exchange of DPTs, and providing DPT custodial services.

Licence Types

Licence	Threshold	Scope
Standard Payment Institution (SPI)	Below SGD 3 million in monthly transactions (per payment service).	Suitable for smaller-scale DPT service providers.
Major Payment Institution (MPI)	SGD 3 million or more in monthly transactions (for any one payment service), or SGD 6 million or more in monthly transactions (for 2 or more payment services).	Required for larger-scale DPT service providers. Carries more stringent capital and compliance requirements.

Key Ongoing Obligations

Licensed DPT service providers are subject to comprehensive ongoing obligations, including:

- **AML/CFT compliance** – Customer due diligence, transaction monitoring, suspicious transaction reporting, and sanctions screening.
- **Customer asset safeguarding** – Segregation of customer assets, holding them on trust, and maintaining trust account with approved financial institutions.
- **Technology and cyber risk management** – Implementing robust technology risk management frameworks and meeting MAS’s cyber hygiene requirements.
- **Consumer protection** – Restrictions on advertising and marketing of DPTs. Promotional content in public spaces or mass media is generally prohibited.

Security Tokens and the SFA

Where a digital token constitutes or represents a capital markets product under the SFA – such as shares, debentures, or units in a collective investment scheme – the full securities regulatory framework applies. MAS

has confirmed that the tokenisation of a capital markets product does not alter its underlying legal and regulatory requirements as they essentially have the same economic substance.

Key Implications

- **Prospectus requirements** – An offer of tokenised securities may trigger prospectus requirements under the SFA, unless an exemption applies (e.g., offers to accredited or institutional investors, small offers, or private placements).
- **Licensing** – Intermediaries facilitating dealing, trading, or advisory services in tokenised capital markets products may require a Capital Markets Services (CMS) licence under the SFA and/or a Financial Adviser licence under the FAA.
- **Ongoing conduct requirements** – Licensed entities must comply with conduct of business rules, client money and asset requirements, and risk management obligations.
- **Extraterritorial application** – The SFA can apply to activities conducted outside Singapore if they are intended to reach, or are likely to reach, persons in Singapore.

Revised MAS Guidance on Tokenisation

MAS has issued a revised Guide on the Tokenisation of Capital Markets Products, replacing its earlier Guide to Digital Token Offerings. The revised guide provides detailed regulatory clarity on how existing SFA and FAA requirements apply to tokenised products across their full lifecycle.

The DTSP Framework (FSMA Part 9)

Effective 30 June 2025, the Financial Services and Markets Act 2022 (FSMA) introduced a licensing requirement for Digital Token Service Providers (DTSPs) that are incorporated in or operate from Singapore but serve customers exclusively outside of Singapore. This regime closes a regulatory gap by extending Singapore's oversight to activities that were previously beyond the reach of the PS Act, SFA, and FAA.

Key Points

- **Scope** – The DTSP framework applies to Singapore-incorporated entities or individuals operating from Singapore who provide DT services (dealing, exchange, advisory, safeguarding, transmission, or inducement) outside Singapore.
- **Licensing bar** – MAS has stated that it will generally not issue DTSP licences and expects affected providers to cease operations or restructure. Licences will only be granted in extremely limited circumstances.
- **Ongoing obligations** – Licensed DTSPs must meet minimum base capital of SGD 250,000, appoint a Singapore-based compliance officer, conduct annual audits, and comply with strict AML/CFT and cyber hygiene requirements.

- **Carve-outs** – Entities already licensed under the PS Act, SFA, or FAA for the same activities are generally not subject to the DTSP framework. Providers of services relating solely to utility or governance tokens are also not affected.

Practical Impact

The DTSP framework effectively prohibits the operating model of Singapore-based entities that provide digital token services exclusively to overseas customers without holding a licence under the PS Act, SFA, or FAA. Businesses with this model must restructure or wind down their Singapore operations.

Stablecoin Regulation

MAS has announced a dedicated regulatory framework for stablecoins, designed to ensure a high degree of value stability for qualifying stablecoins issued in Singapore. The key features of the framework include:

- **Scope** – The framework applies to single-currency stablecoins (SCS) pegged to the Singapore Dollar or a G10 currency, issued in Singapore.
- **Reserve requirements** – Reserve assets must at all times equal 100% of the stablecoins in circulation, with monthly independent attestations and annual audits.
- **Segregation of reserves** – Reserve assets must be held separately from the issuer’s own assets, with approved custodians.
- **Redemption at par** – Holders must be able to redeem the stablecoin at par value within a reasonable timeframe.
- **Business restrictions** – Issuers can only issue stablecoins; lending, staking, and non-issuance ventures are prohibited.
- **“MAS-regulated” label** – Qualifying stablecoins may be labelled as “MAS-regulated stablecoins”, providing a recognised mark of trust and quality.

***Note:** The stablecoin framework is subject to further legislative developments. MAS is expected to release additional details, legislation, and transition timelines.*

Anti-Money Laundering and Counter-Terrorism Financing

AML/CFT compliance is a cornerstone of Singapore’s digital asset regulation. All licensed digital asset service providers are subject to the same AML/CFT standards as traditional financial institutions. Key requirements include:

- **Customer due diligence (CDD)** – From the first dollar of all DPT transactions, including identification, verification, and beneficial ownership determination.

- **Ongoing monitoring** – Continuous transaction monitoring and periodic review of customer risk profiles.
- **Suspicious transaction reporting** – Filing of Suspicious Transaction Reports (STRs) with the Suspicious Transaction Reporting Office (STRO).
- **Sanctions screening** – Screening of customers and transactions against relevant sanctions lists.
- **Record-keeping** – Maintenance of CDD and transaction records for the prescribed retention period.
- **Travel Rule** – Originator and beneficiary information must accompany digital token transfers, in line with FATF recommendations.

Advertising and Marketing Restrictions

MAS imposes strict restrictions on how DPT services may be marketed to the public in Singapore:

- Advertising of DPT services in public areas (such as transport networks, public spaces, broadcast media, and print media) is generally prohibited.
- DPT service providers must not trivialise or downplay the risks of trading in DPTs.
- Promotional activities are generally restricted to the provider's own corporate website, mobile application, and official social media accounts.
- Engaging third-party influencers or paying for endorsements to promote DPT services to the general public is not permitted.

Useful Resources

- **Monetary Authority of Singapore (MAS):** www.mas.gov.sg
- **Payment Services Act 2019:** sso.agc.gov.sg
- **Securities and Futures Act 2001:** sso.agc.gov.sg
- **Financial Services and Markets Act 2022:** sso.agc.gov.sg
- **MAS Guide on Tokenisation of Capital Markets Products:** [guide-on-the-tokenisation-of-capital-markets-products.pdf](https://www.mas.gov.sg/publications/guide-on-the-tokenisation-of-capital-markets-products.pdf)
- **DTSP Licensing Guidelines:** mas.gov.sg/regulation/guidelines
- **MAS Financial Institutions Directory:** eservices.mas.gov.sg/fid

Disclaimer

This guide is intended for general informational purposes only and does not constitute legal, regulatory, or financial advice. The regulatory landscape for digital tokens and digital assets in Singapore is complex and evolving rapidly. Laws, regulations, guidelines, and enforcement positions may change at short notice. Any business or individual considering engaging in digital asset-related activities in or from Singapore should seek independent professional advice tailored to their specific circumstances, token structure, and business model.

Questions? Get in touch.

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