

Singapore and Hong Kong

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Singapore regulates crypto service providers under the Payment Services Act of 2019, which introduced a licence for digital payment token services. The Monetary Authority of Singapore has applied the licence restrictively, granting it to a limited number of providers and refusing or withdrawing many applications. It has also restricted the marketing of crypto services to retail clients and has introduced further requirements for providers that serve clients only abroad.¹ The collapse of several Singapore-based crypto firms in 2022, among them Three Arrows Capital and Terraform Labs, led the Authority to tighten its approach further.

Hong Kong took a different course in 2023 when it introduced a licensing regime for virtual asset trading platforms, which allows licensed platforms to serve retail investors under strict conditions. It also presented itself as a hub for the crypto industry in Asia.² It has since adopted rules on stablecoin issuers and has approved exchange-traded funds on Bitcoin and ether. The author's fifteen years in Singapore and Hong Kong, including his work as external compliance officer of a fund management firm regulated by the Monetary Authority of Singapore, offer a basis for comparison. Both Asian centres combine an English-speaking legal environment with a regulator that engages closely with the industry while placing greater emphasis than Switzerland on the protection of retail investors. For Zug companies that wish to expand into Asia, a subsidiary in one of these centres is often the route of choice.

1 Notes

1. MAS, reply to parliamentary question on DPT service provider applicants, 26 July 2021, [mas.gov.sg](https://www.mas.gov.sg): about 170 DPT applications, around 30 withdrawn, 2 rejected, no licence yet issued; Morgan Lewis, "New Guidelines Discourage Cryptocurrency Trading by General Public in Singapore", January 2022, [morganlewis.com](https://www.morganlewis.com): MAS guidelines

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of 17 January 2022 bar DPT service providers under the Payment Services Act from marketing in public areas and through influencers; Allen & Gledhill, 10 June 2025, allenandgledhill.com: FSMA 2022 Part 9 regime from 30 June 2025, under which MAS will generally not license DTSPs serving only customers outside Singapore. ↩

2. Davis Polk, "Hong Kong licensing regime for virtual asset trading platforms comes into force", 20 June 2023, davispolk.com: the licensing regime for virtual asset trading platforms came into force on 1 June 2023; licensed platforms may serve retail investors in eligible large-cap non-security tokens, subject to onboarding, custody and other investor-protection requirements; SFC, "Virtual asset trading platform operators", sfc.hk: licences under the AMLO and the SFO. ↩

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