

Crypto regulation in Singapore

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Overview



Sources

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Financial Legislation

- Payment Services Act 2019
- Securities and Futures Act 2001

AML Legislation

- Financial Services and Markets Bill

Taxation

- E-Tax Guide on Income tax treatment of digital tokens
- E-Tax guide on Goods and Services Tax (GST): Digital Payment Tokens
- E-Tax Guide, “GST: Partial Exemption and Input Tax Recovery”
- E-Tax Guide, “GST: Reverse Charge”

Overview

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Singapore's Payment Services Act came into effect in January 2020, providing a framework for digital payment tokens.

Payment Service Act:

- establishes a single regulatory framework for payment services, by merging and modifying the repealed Payment Systems (Oversight) Act 2006 and Money-changing and Remittance Businesses Act 1979
- streamlines the regulation of payment services within single activity-based legislation. It comprises two parallel regulatory frameworks,
 - a designation regime that enables MAS to regulate systemically important payment systems for financial stability as well as efficiency reasons, and
 - a licensing regime that focuses on retail payment services provided to customers and merchants.

Securities and Futures Act, in its turn, covers tokens that qualify as capital markets products.

Relevant Authority: Monetary Authority of Singapore (MAS)

Status of regulation:
positive

Tips & Tricks by D&A Partners

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Singapore's legal system is largely based on English common law, providing a strong and familiar legal foundation for its regulatory environment, including in the crypto sector.

The use of English law principles, supplemented by local statutes and a rich body of case law, offers clear legal guidance and predictability for businesses and investors in the crypto space. This legal framework is particularly advantageous in addressing complex issues related to digital assets, ensuring a stable and reliable judicial approach.

Singapore has established a clear regulatory framework for digital assets, distinguishing itself. The Monetary Authority of Singapore (MAS) has implemented comprehensive guidelines and regulations that provide clarity on the operation, licensing, and governance of crypto-related businesses. This framework covers various aspects of crypto activities, including token issuance, exchange operations, thereby fostering a transparent and orderly market for digital assets.

The regulation of stablecoins is an integral part of the digital asset framework in Singapore.

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