

# MAS CLARIFIES REGULATORY REGIME FOR DIGITAL TOKEN SERVICE PROVIDERS (THAT PROVIDE SERVICES EXCLUSIVELY TO CUSTOMERS OUTSIDE OF SINGAPORE)

*Posted on August 11, 2025*

Category: [CNPupdates](#)

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# Introduction

On June 6 2025, the Monetary Authority of Singapore ("MAS") issued several important clarifications on the regulatory framework for Digital Token Service Providers ("DTSPs"), following its response on 30 May 2025 to public feedback on its Consultation Paper on Proposed Regulatory Approach, Regulations, Notices and Guidelines for Digital Token Service Providers issued under the Financial Services and Markets Act 2022. these clarifications are part of MAS' ongoing efforts to strengthen oversight under the Financial Services and Markets Act 2022.

## Scope of New Regulation

Effective 30 June 2025, DTSPs in Singapore that are not licensed by the MAS that provide digital token services exclusively to customers outside Singapore, will be required to obtain a license from the MAS under the Payments Services Act 2019, Securities and Futures Act 2001 or Financial Advisers Act 2001, as the case may be. MAS has emphasised that the licensing threshold will be high, and will generally not be granted. This is due to the elevated money laundering risks associated with such business models and MAS' limited ability to supervise activities conducted outside Singapore. DTSPs that do not obtain a licence must cease their regulated activities.

For licenced DTSPs in Singapore, the regulatory requirements remain unchanged. These providers, already subject to existing regulations, may continue to offer services to both domestic and overseas clients.

Importantly, providers of services relating to other categories of tokens (such as tokens only used as utility and governance tokens) are not subject to licensing or regulation under the new regime and will not be affected.

## Transition Period

MAS has reiterated that DTSPs serving only overseas customers must cease such activities by 30 June 2025. This position has been consistently communicated since MAS' initial response to public consultation on 14 February 2022, and reaffirmed in subsequent publications dated 4 October 2024 and 30 May 2025.

MAS has engaged with persons potentially impacted by this policy to facilitate an orderly wind-down of affected operations. Based on current data, MAS is only aware of a very small number of providers that fall within this category.

## Key Takeaways and Developments

By tightening oversight on DTSPs serving only overseas clients, MAS appears to reinforce its stance on

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mitigating money laundering risks, underscoring Singapore's commitment to maintaining a robust and credible digital asset ecosystem. Firms operating in this space should take note of the high licensing bar and prepare for compliance or exit strategies where necessary.

Notably, firms or individuals who breach the Financial Services and Markets Act 2022 may face hefty fines or even imprisonment, as the case may be.

Digital token services in Singapore, encompassing digital payment tokens and digital representations of capital market products, are primarily regulated under the Financial Services and Markets Act 2022, Payment Services Act 2019, and Securities and Futures Act 2001.

## References

[MAS Clarifies Regulatory Regime for Digital Token Service Providers](#)

[MAS Response to Feedback Received on Proposed Regulatory Approach, Regulations and Notices for Digital Token Service Providers issued under the Financial Services and Markets Act 2022](#)

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