



Singapore Launches Licencing Regime for Digital Token Service Providers under Singapore Financial Services and Markets Act

On 30 May 2025, the Monetary Authority of Singapore (MAS) concluded its rulemaking process under the Singapore *Financial Services and Markets Act 2022* (SG FSM Act) and published a complete, binding compliance framework for Digital Token Service Providers (DTSPs). The regime applies to all entities offering digital token custodial, exchange, transmission, or facilitation services in or into Singapore. This follows a two-stage consultation process that culminated in the issuance of the final “[Response to Feedback Received from Consultation Paper on Proposed Regulatory Measures for Digital Token Service Providers](#)” dated 30 May 2025.

This final framework builds on MAS’ earlier consultation, first published as the “[Consultation Paper on Proposed Regulatory Measures for Digital Token Service Providers under the Financial Services and Markets Act 2022](#)” on 03 October 2024, which proposed the introduction of a licensing regime under Section 138 of the SG FSM Act, accompanied by detailed compliance obligations tailored to the nature and risks of digital token activities. After receiving substantial feedback from global industry participants, MAS has now operationalised its proposals into a suite of binding legal instruments, comprising statutory notices and regulatory guidelines that will govern all DTSP operations targeting Singapore.

All DTSPs are now required to be licensed under Section 138 of the [FSM Act](#). There is no transitional exemption: operating without a licence after the effective date constitutes an offence under Section 137(6). Applicants must meet a base capital requirement of SGD 250,000, pay an annual licence fee of SGD 10,000, and demonstrate meaningful substance in Singapore. The licensing obligation extends to both local and foreign firms, including those offering services cross-border into Singapore without a physical establishment. MAS has clarified that it will assess foreign applicants based on their group structure, financial soundness, and whether they are subject to equivalent regulatory supervision in their home jurisdictions.

The anti-money laundering and countering the financing of terrorism (AML/CFT) obligations for DTSPs are now formally codified in [Notice FSM-N27](#). This mandates the implementation of a comprehensive, risk-based AML/CFT programme, including customer due diligence (CDD), ongoing monitoring, staff screening, and the appointment of an AML compliance officer who must be physically based in Singapore. In parallel, Notice FSM-N28 imposes a legal duty to report suspicious transactions and fraud within five business days of detection, with

parallel filing to both MAS and the Suspicious Transaction Reporting Office (**STRO**) pursuant to the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (**CDSA**) and the Terrorism (Suppression of Financing) Act (**TSOFA**).

MAS has also proposed rules governing technology risk and cyber hygiene. Notice FSM-N30 requires DTSPs to ensure the availability of critical systems, implement tested recovery plans, and notify MAS within one hour of any major system disruption. A root cause analysis must be submitted within 14 days. Complementing this, Notice FSM-N31 prescribes mandatory cyber hygiene measures, including multi-factor authentication, patch management, and secured access to administrative accounts. MAS expects these measures to be embedded into the firm's IT governance and not merely addressed in contingency plans.

Firms are now required to submit regulatory returns under Notice FSM-N29. Monthly operational reports (Form 1A), semi-annual financial statements (Form 1B), and annual compliance returns (Form 2) must be submitted via the MASNET system. Accuracy and timeliness are critical, with MAS empowered to take enforcement action for incomplete or delayed filings. These obligations are tightly interwoven with the broader supervisory architecture and require dedicated internal controls.

DTSPs must also comply with detailed record-keeping and client transaction obligations. Notice FSM-N32 obligates firms to maintain transaction logs and issue receipts in prescribed formats for every service rendered, with a mandatory retention period of five years. These requirements are enforceable, and any non-compliance could impair the firm's ability to respond to audits or customer disputes. Additionally, the safeguarding of digital tokens held on behalf of customers must be clearly documented and segregated from the firm's proprietary assets.

Disclosures and marketing representations are governed by Notice FSM-N33, which mandates that DTSPs issue conspicuous risk warnings to customers and prospective users. The licensed entity must clearly identify its regulated status and must not mislead the public into believing that unregulated affiliates within the group are MAS-supervised. MAS has taken a firm stance against inaccurate public communications, particularly in light of misrepresentations commonly seen in global digital asset markets.

Finally, the governance of DTSPs is anchored in the MAS Guidelines on Fit and Proper Criteria (FSG-G01). These guidelines apply to all directors, CEOs, partners, and key employees of licensed entities. The core attributes required include honesty, integrity, competence, financial soundness, and professional standing. MAS retains absolute discretion to refuse or revoke appointments where these criteria are not met, even if other licensing conditions have been satisfied.

In light of this new regime, DTSPs must now conduct full-spectrum compliance readiness assessments and re-engineer internal policies to align with each notice and guideline. MAS expects firms to demonstrate not only technical compliance but a principled approach to governance, risk, and accountability. The message is clear: compliance is not an afterthought; it is a precondition to participation in Singapore's digital finance ecosystem.

Firms operating in or serving Singapore from abroad must also revisit their business models, marketing materials, and system architecture to ensure no component of the value chain breaches MAS expectations. Enforcement under the FSM Act is not hypothetical: it is an active, structured process supported by audit rights, penalty provisions, and reputational consequences.

The FSM DTSP regime thus signals the start of a new era for virtual asset businesses — one grounded in regulatory clarity, operational discipline, and institutional trust.

Compliance Notes:

1. Licensing is the gatekeeper: No entity may operate without Section 138 authorisation. Intent to apply is not a defence under Section 137(6).
2. Substance matters: MAS will not entertain shell entities or passive representatives. Local governance and decision-making capabilities are essential.
3. Audit trails are defence tools: The transaction logs and receipt records under FSM-N32 are primary evidence in enforcement or litigation scenarios.
4. Technology incident reporting is a live timer: The 1-hour window for critical system breach notification under FSM-N30 demands real-time monitoring capability.

5. Cross-border liability: Even without local incorporation, foreign DTSPs soliciting Singapore users fall within jurisdiction — MAS will assess them as if they are domestic.
6. Marketing teams are legally exposed: Any misstatement or omission in promotional content may constitute a breach of FSM-N33 and invite penalties.
7. Regulatory returns are not optional admin: Delays or misstatements can lead to licence conditions, reputational harm, or public sanctioning.
8. The compliance officer is not ornamental: This role must be independent, resourced, and physically based in Singapore. No offshoring. No proxies.
9. Review, reform, repeat: Firms should conduct quarterly policy audits aligned to each FSM Notice, with board oversight and documented rectification logs.

(Source: <https://www.mas.gov.sg/publications/consultations/2024/consult-paper-dtsp>)

Monetary Authority of Singapore Publishes Clarification on Licensing Deadline for Cross-Border Digital Token Service Providers Under FSMA 2022

On 6 June 2025, the Monetary Authority of Singapore (**MAS**) published a [media release](#) on the scope and compliance requirements under the Singapore's Digital Token Service Provider (**DTSP**) regulatory regime, under the Singapore Financial Services and Markets Act 2022 (**FSMA 2022**). The clarification is regarding the [MAS's response to DTSP consultation feedback](#) along with annexures released on 30 May 2025 which cumulatively provides for licensing regime, licensing thresholds, regulatory exemptions, and enforcement timelines for DTSPs engaging in digital payment token and capital market token services in Singapore.

Effective 30 June 2025, all Digital Token Service Providers that provide services exclusively to overseas customers involving either digital payment tokens or tokens representing capital market products will require a regulatory licence from the Monetary Authority of Singapore. MAS has indicated it will generally not issue licences for such cross-border models due to elevated money laundering risks and insufficient supervisory control. Entities that fail to obtain a licence must cease all regulated activities by the implementation date.

MAS in its press release confirmed that Singapore-based DTSPs currently licensed to serve local customers may continue to offer services globally, while services involving only utility or governance tokens remain outside the regulatory perimeter and unaffected by the new regime.

MAS stated that DTSPs currently operating outside Singapore but serving only foreign clients will not be permitted to continue operations without a licence. The authority had earlier reached out to identified firms likely to be affected, encouraging them to implement orderly wind-down procedures. This position has been consistently communicated across MAS publications since February 2022. With the licensing regime under FSMA 2022 now fully operational from 30 June 2025, affected DTSPs must immediately assess their service models, regulatory exposure, and legal obligations under Singaporean law.

(Source: <https://www.mas.gov.sg/news/media-releases/2025/mas-clarifies-regulatory-regime-for-digital-token-service-providers>)

United States SEC and CFTC Extend Form PF Compliance Deadline to 01 October 2025

On 11 June 2025, the United States Securities and Exchange Commission (**US SEC**) and the United States Commodity Futures Trading Commission (**US CFTC**) jointly extended the compliance date for the amended [Form PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers](#) to 1 October 2025. Originally adopted on 8 February 2024 under the United States [Investment Advisers Act of 1940](#), the amendments were set to take effect on 12 March 2025 and previously deferred to 12 June 2025.

Form PF is a confidential reporting form required of US SEC-registered investment advisers to private funds, including those dual-registered with the US CFTC as commodity pool operators or commodity trading advisers. The amendments to Form PF and the associated compliance requirements primarily target traditional financial entities, such as SEC-registered investment advisers, commodity pool operators (**CPOs**), and commodity trading advisers (**CTAs**).

The amendments to Form PF are amended to correct previous errors and enhance the U.S. Financial Stability Oversight Council's ability to monitor systemic risk, and strengthening the US SEC's oversight capabilities and investor protection measures. The latest extension responds to industry concerns regarding insufficient time to complete system development and testing. The delay, however, also postpones the regulatory benefits of enhanced data collection essential to monitoring systemic risk and investor protection.

(Source: <https://www.sec.gov/files/rules/final/2025/ia-6883.pdf>, <https://www.sec.gov/rules-regulations/2025/06/s7-22-22>)

US SEC Appoints Brian T. Daly as Director of Investment Management Division, Effective 8 July 2025

On 13 June 2025, the United States Securities and Exchange Commission (**US SEC**) **appointed** Brian T. Daly as the Director of the US SEC's Division of Investment Management, with his term set to commence on 8 July 2025. Mr. Daly, a prominent figure in the investment management legal and compliance sector, brings a formidable blend of private practice and fund management experience to one of the Commission's most pivotal regulatory roles.

Mr. Daly served as a partner at Akin Gump Strauss Hauer & Feld LLP in New York, where for the past four years he has advised investment advisers on regulatory compliance, fund formation, operations, trading risks, and governance matters. Before Akin, he spent nearly a decade at Schulte Roth & Zabel LLP, and earlier served in senior in-house legal roles, including as Chief Legal and Compliance Officer at Millennium Partners, Kepos Capital, and Raptor Capital Management.

Mr. Daly's academic credentials include a J.D. from Stanford Law School, where he served as Associate Editor of the Stanford Law Review and Editor-in-Chief of the Stanford Journal of International Law. He also holds a B.A. magna cum laude from Catholic University, and an M.A. from the East-West Center at the University of Hawaii. His prior contributions include teaching legal ethics at Yale Law School and serving on the Board of the Managed Funds Association.

US SEC Chairman Paul S. Atkins stated: *"Brian has deep familiarity with all levels of the investment management industry, and I look forward to working with him as we address smart, effective oversight of the industry and its relationships with investors. I am looking forward to working with Brian on common-sense regulation that does not impose unnecessary burdens and genuinely embraces the public comment process."*

Sharing his perspective, Mr. Daly commented: *"I've long respected and appreciated the SEC's commitment to regulatory oversight while advising clients on compliance and providing public comment from the investment management point of view during agency rulemaking. I am optimistic about this new day at the SEC and eager to get to work with Chairman Atkins and my new colleagues to ensure regulatory compliance by investment advisers and fund managers while tailoring rulemakings within our statutory authority."*

(Source: <https://www.sec.gov/newsroom/press-releases/2025-88-brian-daly-named-director-division-investment-management>)

US SEC Appoints Jamie Selway as Director of Trading and Markets, Effective 17 June 2025

On 13 June 2025, the United States Securities and Exchange Commission (**US SEC**) **appointed** Jamie Selway as the new Director of the Division of Trading and Markets, with effect from 17 June 2025. Mr. Selway, was most recently a partner at Sophron Advisors, and has held senior positions including Head of Electronic Brokerage at Invest-

ment Technology Group, Chief Economist at Archipelago, and Managing Director at White Cap Trading, which he co-founded. His policy background includes his tenure at the National Association of Securities Dealers, now known as FINRA, and equity derivatives research at Goldman Sachs.

An expert in market microstructure and electronic trading, Selway has actively participated in SEC and Congressional roundtables, chaired several industry bodies including NOIP and the NOIP Foundation, and has also served as associate editor of the Journal of Trading. He holds a Master's degree in Financial Mathematics from the University of Chicago and a Bachelor's in Mathematics and European History from Washington & Lee University.

US SEC Chairman Paul S. Atkins welcomed Selway's appointment, stating: *"He brings decades of industry experience in market structure and across multiple asset classes to this critical role. I look forward to working with him to protect our markets and ensure the agency's regulations balance costs and benefits."*

Expressing gratitude upon his appointment, Mr. Selway remarked: *"Chairman Atkins is bringing about a 'new day' at the SEC. I thank him for selecting me to lead Trading and Markets at this exciting and pivotal time. Together, we will promote the SEC's mission and enable innovation, to the benefit of our nation's investors."*

(Source: <https://www.sec.gov/newsroom/press-releases/2025-87-sec-names-jamie-selway-director-trading-markets>)

US SEC Appoints Kurt Hohl as Chief Accountant Effective 7 July 2025

On 13 June 2025, the United States Securities and Exchange Commission (**US SEC**) **appointed** Kurt Hohl as the new Chief Accountant, with his term commencing on 7 July 2025. Mr. Hohl brings nearly four decades of global accounting and auditing experience, and is returning to the US SEC after a distinguished private and public sector career. Acting Chief Accountant Ryan Wolfe will resume his previous position as Chief Accountant in the Division of Enforcement.

Mr. Hohl was most recently the founder of Corallium Advisors, where he advised businesses on auditing, regulatory compliance, IPO preparedness, and risk oversight. He previously spent 26 years as a partner at Ernst & Young (**EY**), ultimately serving as Global Deputy Vice-Chair of EY's Global Assurance Professional Practice, where he managed a team of over 1,400 professionals focused on technical, regulatory, and risk standards across the firm. Mr. Hohl served at the US SEC between 1989 and 1997, rising to the role of Associate Chief Accountant in the Division of Corporation Finance, where he authored what later became the Financial Reporting Manual, a foundational guide for US SEC accounting staff and industry professionals applying federal securities laws.

Mr. Hohl is a Certified Public Accountant (**CPA**) in Virginia and holds a Bachelor of Business Studies in Accounting from James Madison University. Mr. Wolfe, who had served as Acting Chief Accountant since January 2025, will continue in his vital role overseeing financial enforcement as Chief Accountant in the Division of Enforcement, having also previously served as Senior Associate Chief Accountant in the Office of the Chief Accountant.

US SEC Chairman Paul S. Atkins remarked: *"Kurt is an experienced accountant with deeply technical knowledge and international experience, and we are lucky he has decided to return to the SEC. This is an important role. Given that I served with Kurt previously, I know firsthand that his integrity, along with his skills, will benefit our markets and investors."* He further thanked Mr. Wolfe for his leadership and continued service.

Expressing his enthusiasm, Mr. Hohl stated: *"I'm pleased to come back to the SEC along with Chairman Atkins. This is a pivotal time for our capital markets, and I look forward to working with the dedicated public servants in the Office of the Chief Accountant to advance accounting and auditing policies that reinforce investor confidence, enhance transparency, and support innovation."*

US SEC Appoints Erik Hotmire as Chief External Affairs Officer and Director of Public Affairs, Effective 16 June 2025

On 13 June 2025, the United States Securities and Exchange Commission (**US SEC**) **appointed** Erik Hotmire as Chief External Affairs Officer and Director of the Office of Public Affairs, effective 16 June 2025.

He was previously Senior Advisor and spokesman to US SEC Chairman Christopher Cox and also advised the US SEC's Division of Enforcement. During the George W. Bush Administration, he served as Special Assistant to the President and White House domestic policy spokesman.

In the private sector, Mr. Hotmire held senior leadership positions at global communications advisory firms, including as partner and co-founder of Watermark Strategies, global co-lead of financial institutions at Brunswick Group, senior managing director at Teneo, and partner at FGS Global. He began his career in radio and television journalism and holds a B.A. in political science from Taylor University.

Welcoming Mr. Hotmire back to the agency, US SEC Chairman Paul S. Atkins stated: *"I am delighted that Erik is coming back to the SEC to provide his talents and experience to continue our meaningful outreach to those interested in our activities. His leadership will be essential for helping market participants and investors clearly understand our priorities and actions, guided by the SEC's core mission: investor protection; fair, orderly, and efficient markets; and capital formation."*

Reflecting on his new role, Mr. Hotmire commented: *"I am honored Chairman Atkins asked me to join him and valued SEC colleagues to advance the Commission's vital work for investors and the capital markets. I look forward to engaging market participants and the investing public, especially given the nation's rapidly changing and vibrant financial system."*

(Source: <https://www.sec.gov/newsroom/press-releases/2025-90-sec-names-erik-hotmire-chief-external-affairs-officer-director-office-public-affairs>)

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