

Singapore stablecoin regulation

Prepared by: Global Digital Finance (GDF)

Consultation: P015-2026 | Proposed amendments to the Payment Services Act 2019

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1. About Global Digital Finance

Global Digital Finance (GDF) is a global digital assets membership organisation bringing together financial institutions, payment companies, digital asset firms, market infrastructure providers, technology companies and other participants operating across the global digital finance ecosystem. GDF develops industry-led policy positions and best practices through collaboration between members, policymakers and regulators. Our interest in this consultation spans stablecoin issuance, payments, custody, distribution and the use of digital money in tokenised financial markets.

GDF welcomes the opportunity to comment on MAS' proposed amendments to the Payment Services Act 2019 and the additional policy proposals. A clear and credible Singapore framework matters both to firms operating locally and to international businesses whose payment and settlement arrangements connect with Singapore.

2. Executive summary

GDF supports the objective of maintaining value stability, enforceable redemption rights and robust supervision. We particularly welcome the proposed routes for multi-jurisdictional issuance and recognition of well-regulated foreign-issued stablecoins. These can support cross-border activity if the conditions are predictable and workable in both normal conditions and stress.

- 1. Protect customer principal while permitting verified surplus reserve income to sustain compliant issuance operations.**
- 2. Calibrate liquidity requirements to redemption risk and avoid blanket caps that impede legitimate payments and institutional settlement.**
- 3. Define any interest prohibition precisely, preserving genuine payment incentives and commercial services while preventing circumvention.**
- 4. Apply targeted financial crime controls with lawful intervention, clear issuer accountability and technical safeguards, rather than blanket identification of every secondary holder or general restrictions on unhosted wallets.**
- 5. Assess foreign regimes by sufficiently comparable protective outcomes, offer workable recognition and multi-jurisdictional issuance routes, and coordinate reserve access, redemption and recovery across jurisdictions.**
- 6. Provide predictable designation, exit and transition processes that preserve redemption and continuity of critical settlement services.**

3. Responses to consultation questions

Q1. Definition of stablecoin and distinction from e-money

Source: consultation paragraphs 2.2–2.4; Annex C, section 2(1).

GDF supports making the regulatory perimeter explicit. The proposed stablecoin definition extends beyond single-currency instruments to assets and baskets; this is broader than the MAS-SCS eligibility framework. MAS should publish examples distinguishing the broad statutory category, MAS-regulated stablecoins, MAS-recognised foreign stablecoins, e-money and tokenised deposits. These categories should not be treated as interchangeable, for classification purposes. MAS should state expressly how the broad statutory definition relates to the narrower single-currency eligibility criteria for the MAS-regulated framework, including the treatment of basket-referencing tokens under DPT intermediation, reporting and systemic designation requirements.

Excluding stablecoins from e-money reduces overlap, but practical classification should follow the legal claim and economic function rather than the technology used. In particular, MAS should clarify how tokenised bank deposits and tokenised securities or fund interests are treated where they may also be transferable or used to discharge a debt. Any necessary exclusions should operate from commencement, alongside the relevant guidance.

MAS should confirm that a bank deposit does not become a stablecoin merely because the claim is recorded on a distributed ledger. Similarly, a tokenised security, fund or money-market fund unit should retain its appropriate securities-law treatment where used as collateral or transferred to settle an obligation. Guidance should distinguish the settlement cash leg from the investment or collateral leg.

Q2. Other amendments to section 2(1)

Source: consultation paragraphs 2.2–2.4; Annex C, section 2(1).

GDF supports the new definitions in principle, subject to operational clarity. The definition of reserve assets should be read with the segregation and redemption obligations so that assets counted as reserves are legally and operationally available for holders' claims. MAS should distinguish issuance from technology provision: software developers, validators and infrastructure providers should not become issuers solely because they supply technical services without assuming the issuance obligation.

MAS should also explain the implications of bringing stablecoins into the DPT definition for other legislation that imports that definition and consider whether adjustments should be made to account for differences in the risk profile of fully reserved stablecoins relative to unbacked DPTs. A consolidated perimeter guide would help firms avoid both gaps in supervision and unintended duplicate obligations.

MAS should include central definitions of "MAS-recognised stablecoin" and "MAS-recognised stablecoin issuer" in section 2(1), or clear cross-references to section 40H. This would make their meaning clear when the terms are used elsewhere in the Act, including section 5A, without conflating recognition with direct MAS regulation.

Guidance should identify when issuance occurs across minting, assignment to a wallet, first circulation and authorised bridging. It should distinguish creation of an uncirculated token from the assumption of an enforceable issuance and redemption obligation and explain the treatment of reserve management and redemption within the licensed business.

Q3. Licensing, issuer obligations and incidental DPT services

Source: consultation paragraphs 2.5–2.10; Annex C, sections 5A, 6, 20A, 20B, 21B and 23; First Schedule, Part 2, paragraph 2(m).

GDF supports a dedicated issuance licence, protection of the regulated label, full reserve backing and enforceable redemption. Allowing incidental DPT services relating to an issuer's own stablecoin without a separate licence is sensible. MAS should give examples covering transmission, custody, minting and burning services, and outsourcing, while retaining issuer accountability.

The business restrictions should not inadvertently prevent necessary reserve management, technology outsourcing or settlement partnerships. MAS should explain when approval under section 20A(1)(d) is needed. Licensing assessments should be transparent and risk-based, with a proportionate route for well-capitalised new entrants to demonstrate operational readiness. The expectation of a limited number of authorised stablecoins should not become a numerical ceiling or preference for incumbents.

MAS should also clarify the separate prior-approval requirement under section 20B for acquiring or holding direct or indirect stakes. Published criteria should address existing holdings, operational subsidiaries and interests in otherwise eligible reserve investment vehicles where these constitute a stake. Prescribed exemptions or standing approvals could accommodate low-risk holdings that support permitted issuance activities, while retaining scrutiny of investments that introduce material contagion or conflicts.

MAS should clarify the treatment of outsourcing where a service provider holds privileged permissions to pause, freeze, burn or upgrade a token. The licensed issuer should retain accountability, effective control over those permissions and authority over the intervention policy. Specialist monitoring and execution services, including appropriately authorised automated controls, should remain possible under documented mandates, access controls, audit trails and escalation procedures.

All holders should retain an enforceable underlying legal claim for redemption at par against the responsible issuer, with appropriate protection of that claim in insolvency or resolution under the applicable legal framework. Direct redemption may be subject to appropriate eligibility, onboarding and verification requirements and may be facilitated through authorised intermediaries. These arrangements must not render the underlying claim ineffective, including where an intermediary becomes unavailable. Issuers should remain responsible for their redemption obligations and applicable AML/CFT requirements, while exchanges facilitating secondary-market transactions should not automatically assume issuer redemption responsibilities, without prejudice to their own regulatory and contractual obligations. A clear regulatory processing deadline should run from receipt of a complete request by the issuer or its appointed intermediary, without resetting the clock when the request is forwarded, subject to narrowly defined lawful exceptions.

Appointment of a redemption agent should be optional. An appointed agent processes redemption on behalf of the issuer, which retains the underlying obligation. A secondary-market intermediary purchasing tokens from a holder is conducting a sale, not fulfilling issuer redemption, unless it is separately acting under an appointed redemption mandate. The applicable role and the holder's rights should be clear.

The FCA's published stablecoin rules provide a useful example of contractual safeguards for third-party redemption, including information access, processing timeframes and restrictions on suspension. This supports an operationally intermediated route without transferring the issuer's underlying responsibility.

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MAS should explain how the stablecoin licensing route, holding-out restrictions and existing DPT licensing and solicitation provisions work together, including the route for issuance outside the MAS-regulated label. A consolidated explanation would be preferable to leaving firms to infer the perimeter from separate provisions.

Pure messaging, interoperability and transaction-orchestration services should be assessed by the activities performed, including control of assets, keys or privileged permissions. Technical connectivity alone should not establish issuance, custody or an outsourcing relationship. This should not create a general exemption for every service described as non-custodial.

Primary redemption must be distinguished from a secondary-market sale, whose price is not guaranteed to equal par. MAS should specify the duties and any liquidity or capital requirements of an appointed redemption intermediary. Secondary holders should have an effective route to exercise their rights without needing a direct issuer contract merely to hold or transfer a token; this must preserve enforceable holder claims and issuer accountability.

MAS should consider a case-by-case approval route for additional payment activities where the issuer holds the necessary permissions and demonstrates effective separation of risks, adequate resources and protection of reserves and redemption. Any expansion beyond incidental services would require a corresponding change to the proposed restrictions; it should not follow automatically from holding another licence.

Redemption procedures should state the information needed for a complete request and permit proportionate customer due diligence and sanctions screening when redemption is exercised. Issuers and appointed intermediaries should promptly identify missing information, explain any lawful delay and avoid repeated requests that unnecessarily restart or postpone the redemption clock. Published terms, fees and minimum amounts must not make the right impracticable. A secondary-market sale at a market price is distinct from the exercise of an enforceable par-redemption right.

Holding a recovery or co-signing key that the provider cannot use alone should not, by that fact alone, make a self-custody wallet provider a custodial intermediary. Classification should assess its actual control, contractual role and ability to initiate, prevent or recover transfers, including any other permissions it holds. Custodial and self-custody arrangements should receive treatment appropriate to those functions.

Q4. Additional issuer requirements, including cash/deposit reserves

Source: consultation paragraphs 3.1–3.8, particularly 3.6–3.7.

GDF supports requirements proportionate to the risks of the issuance model. For any minimum cash or bank-deposit allocation, MAS should assess redemption patterns, currency, settlement hours, access to liquidity and concentration risk. A deposit is not necessarily accessible during a banking outage, and concentrating reserves in a small number of banks may introduce correlated risks.

We recommend an issuer-specific liquidity assessment supported by common stress scenarios, rather than an untested uniform percentage. Any minimum should allow appropriately diversified, accessible cash and eligible liquid assets, subject to safeguards and the ability to meet redemption obligations. MAS should consult on calibration and operational eligibility before implementation and avoid duplicative buffers addressing the same risk. We do not propose a fixed percentage without supporting evidence.

Any minimum reserve allocation should be reviewed periodically against observed redemption behaviour, liquidity access and concentration risk. Calibration should remain responsive to evidence and should distinguish established issuers from firms scaling up, without weakening holders' protection.

Calibration should also recognise the operational role of bank deposits in meeting redemptions and the implications of reserve allocation for bank funding and credit intermediation. Those considerations should be assessed alongside diversification and access under stress, without compromising backing quality.

Q5. Interest and benefits paid to holders

Source: consultation paragraphs 3.2–3.3; Annex C, section 20A(2)(c).

GDF recognises MAS' intention to distinguish payment instruments from savings or investment products. MAS should distinguish between returns paid simply for holding a stablecoin and genuine transaction-related or other commercial incentives, including those offered by exchanges and intermediaries. Restrictions should reflect what the payment rewards and how it is funded, and capture arrangements that effectively deliver prohibited issuer-paid holding returns, directly or through third parties, without automatically capturing legitimate, independently funded incentives or payments for genuine services.

If MAS retains the prohibition, it should distinguish passive balance-based returns from genuine transaction-linked fee rebates, merchant-funded discounts and compensation for service failures. Paragraph 3.2 preserves issuer arrangements with third parties, but the treatment of benefits subsequently passed to holders needs clarification. Commercial arrangements should not be presumed prohibited merely because they support distribution, while deliberate circumvention through third parties should remain within scope. Binding definitions and worked examples should precede enforcement. The final legal text should give effect to the permitted commercial arrangements described in paragraph 3.2 and explain how these interact with section 20A(2)(c). Worked examples should distinguish genuine service payments from arrangements designed to pass prohibited holding-related returns to holders.

The examples should address independently funded intermediary incentives, institutional settlement fees, liquidity provision and market-making remuneration. A genuine payment for a service or incentive for an activity should be distinguished from a disguised return on passive holdings. Independence from issuer funding is relevant but should not automatically exempt a product from other applicable regulation or anti-circumvention rules.

Q6. Customer principal and reserve income used to finance business

Source: consultation paragraphs 3.4–3.5; Annex C, section 20A(2)(a)–(b).

GDF supports prohibiting lending of protected customer principal and its use to fund business expenditure. We do not support extending that prohibition indiscriminately to surplus income earned on permitted reserve assets. Paying for compliance, custody, audits, technology and redemption operations from such income can strengthen the sustainability of the issuance business.

A restriction on all reserve income could increase reliance on transaction fees or continuing shareholder funding, potentially raising payment costs or weakening business resilience. MAS should assess those effects using issuer cost and revenue evidence, including low-interest-rate scenarios. Permission to use verified surplus should be supported by stress testing and must never reduce required backing or liquidity.

The final legislation should distinguish customer principal and required backing from income that may lawfully be released after reserve valuation, liquidity needs and other prudential requirements are

satisfied. Distributions must not reduce backing below the required level, and losses must not be passed to holders through reduced redemption value. MAS should permit the use of verified surplus income for approved issuance-related activities, with controls, records and supervisory oversight. Section 20A(2)(b) should be revised to reflect this distinction expressly.

MAS should also clarify the treatment of genuine, disclosed fees under the definition of specified money, including its interaction with existing safeguarding definitions. Properly earned fees should be available for operating expenditure where they are no longer customer money or required backing. This must not permit premature deductions, non-transparent charges or fees that make redemption impracticable.

Q7. Aggregate issuance and individual holding caps

Source: consultation paragraph 3.8.

GDF does not support blanket issuance or individual holding caps as a default regulatory requirement. Such limits could unnecessarily constrain legitimate payment, treasury, liquidity management and settlement activities, particularly for institutional and wholesale users. Individual holding caps would also present significant operational and enforcement challenges, given the difficulty of aggregating holdings across wallets, intermediaries and jurisdictions, including custodial and non-custodial arrangements.

GDF recognises MAS's objective of mitigating potential financial stability risks, including large-scale deposit outflows, disruption to bank funding and risks arising from the rapid growth or concentration of stablecoin activity. However, any restrictions should be evidence-based and proportionate to the risks identified, taking account of existing safeguards, including reserve backing, redemption requirements, prudential measures and supervisory oversight.

Where MAS identifies demonstrable material risks to financial stability that cannot adequately be addressed through less restrictive measures, exceptional, targeted holding limits may be considered. Such measures should distinguish between retail and business users, be proportionate to the identified risks, operationally feasible and allow appropriate exemptions for legitimate institutional, treasury, payment and settlement activities.

Any restrictions should be subject to periodic review and remain in place only for as long as the identified risks persist and cannot adequately be mitigated through less restrictive measures. MAS should establish clear criteria for their introduction, adjustment and removal, supported by appropriate consultation and transparency.

GDF therefore recommends that MAS prioritise targeted, risk-based supervisory measures over general issuance or holding caps, preserving the ability of regulated stablecoins to support efficient payments, liquidity management and innovation while maintaining appropriate financial stability safeguards.

Q8. Safeguarding before issuance and during redemption

Source: consultation paragraphs 3.9–3.10; Annex C, section 23.

GDF supports continuous protection of customer money from receipt before issuance until token delivery, and during redemption until the customer receives payment. MAS should specify the legal and operational milestones for each stage, including failed minting, delayed bank transfers, intermediary purchases and redemptions, and transactions outside banking hours.

The rules should ensure a seamless transition between safeguarded purchase money, token reserve backing and safeguarded redemption proceeds. They should not require the same exposure to be funded

twice solely because operational records update at different times. Clear reconciliation rules and audit trails should demonstrate that protection never lapses and that a token cannot remain redeemable after its backing has been released.

Safeguarding should expressly cover the period after token surrender or burning until redemption proceeds reach the holder or an authorised recipient with continuing protection. Guidance should address failed settlement and smart-contract escrow, including when the holder retains a claim and who safeguards the associated money. Burning alone must not create a gap in protection. The stablecoin provisions in section 23(14)'s definition of "relevant money" should expressly cover redemption proceeds held for payment. The associated reserve or safeguarding obligation should continue until payment reaches the holder, including through an authorised intermediary, without requiring the same exposure to be funded twice.

Q9. Cessation of licence and future issuance business

Source: consultation paragraphs 3.11–3.12; Annex C, section 11(6A), (10)–(14).

GDF supports immediate cessation of new MAS-regulated issuance when the relevant licence ends, together with removal of misleading regulated-status claims. We do not support automatic winding-up or a permanent ban on all future issuance activity solely because of an orderly voluntary surrender or administrative lapse.

MAS should distinguish misconduct, financial distress and a solvent business restructuring. Supervised run-off, clear relabelling, customer notice and approval of any replacement activity can address confusion proportionately. Activities needed to preserve reserves, process redemptions and maintain records must remain permitted and, where necessary, required. A blanket reference to cessation of issuance activities should not inadvertently prohibit these protective functions.

Q10. Restricting disposal of reserves during exit

Source: consultation paragraph 3.13; Annex C, section 11(11)(b) and (c), (12)(b) and (c), and (13)–(14).

GDF supports preventing diversion of reserves during exit. Restrictions should preserve redemptions, prudent conversion of reserve assets into cash and approved transfers that maintain holders' protection. Operating and wind-down costs should be met from separate resources or demonstrably available surplus, not assets required to back outstanding claims.

The absence of pending redemption requests should not alone justify releasing reserves while redeemable tokens remain outstanding. MAS should require outstanding liabilities, dormant holdings and unclaimed entitlements to be redeemed, transferred or otherwise protected through an approved process, with a clear reconciliation and release procedure.

Q11. Stress testing

Source: consultation paragraphs 3.14–3.17.

GDF supports regular stress testing, with proportionate scope and the ability to reuse existing risk work. For the proposed quarterly cycle, MAS should assess whether frequency as well as depth should vary with an issuer's scale, complexity and systemic importance. Tests should combine redemption runs with reserve price shocks, bank or custodian failure, payment outages, cyber incidents and periods when

traditional markets are closed. Cross-border issuers should test delayed reserve transfers and competing redemption demands.

MAS should define common core scenarios and allow issuer-specific scenarios. Material changes should trigger additional testing. Board review should focus on findings, limitations and remediation. Standard reporting templates and staged implementation would improve comparability without turning each quarterly exercise into a full independent audit.

Operational resilience and crisis-management plans should address smart-contract or oracle failures, compromised administrative permissions and divergence between native, bridged and wrapped tokens. These require distinct response exercises rather than treating every operational failure as a liquidity stress test. Liquidity testing should nevertheless capture resulting redemption demand, reserve-access disruption and transfer delays, including simultaneous demands across co-issuers. The two programmes should be coordinated and avoid duplicative exercises.

Test results should identify the observation date and limitations of reserve, custody, banking and cross-border transfer data. Continuously available on-chain information cannot compensate for stale off-chain inputs. Material gaps should trigger conservative assumptions, updated evidence or targeted additional testing.

An issuer should be able to reuse home-supervisor or group-level tests that cover the relevant Singapore risks, with targeted supplementary tests for identified gaps. Reliance should depend on the scope, quality and currency of the evidence, including local liquidity and legal constraints.

Q12. Additional liquidity and capital requirements

Source: consultation paragraph 3.17.

GDF supports targeted additional requirements where material vulnerabilities persist. MAS should identify the risk, explain the calibration and distinguish liquidity shortfalls from losses that require capital. The same risk should not attract overlapping reserve, liquidity and capital requirements without justification.

Except in urgent cases, firms should have an opportunity to explain results and implement remediation before an additional buffer is imposed. Requirements should have review dates and objective conditions for reduction or removal. MAS should recognise effective operational remediation and reliable liquidity arrangements where these address the identified risk.

Q13. Recovery and orderly wind-down plans

Source: consultation paragraphs 3.18–3.20.

GDF supports documented, board-approved plans, annual review and independent verification of the resources needed. Plans should cover continuity of reserve custody, customer communications, redemption, records and critical technology, including the failure of an outsourced provider or the issuer's parent group.

MAS should clarify that wind-down resources are additional to assets required to meet holder claims and identify acceptable verification arrangements. Non-systemic issuers should face proportionate recovery and orderly exit requirements, consistent with paragraph 3.20, while the fuller resolution framework applies where systemic designation warrants it.

Q14. Trace, freeze and burn capabilities; holder identification and unhosted wallets

Source: consultation paragraphs 3.21–3.23.

MAS should allow issuers flexibility in the technical means used to implement lawful freezing, burning or transfer restrictions, provided the measures are demonstrably effective in achieving the required regulatory outcome. Requirements should reflect the risks, architecture and technical capabilities of the relevant stablecoin arrangement. Issuers should remain responsible for complying with applicable legal obligations and lawful directions, including in relation to secondary-market activity within their technical control, subject to appropriate safeguards and recognition of genuine technical limitations.

Authorisation and reconciliation requirements should reflect the consequences of the action. Freezing may be reversible depending on the design, while burning can permanently reduce token supply. Neither action should automatically permit release of reserves or remove a legitimate claim. Procedures should specify treatment of erroneous actions, disputed ownership and reconciliation between tokens, liabilities and reserves.

We do not support requiring verified identification of every secondary holder or a general restriction on unhosted wallets without a demonstrated need and assessment of less restrictive measures. Such requirements could exclude legitimate users and disrupt open-network payments while creating significant privacy and security burdens. A proportionate approach should combine due diligence at relevant customer relationships, sanctions screening, risk-based transaction monitoring and targeted action on suspicious flows.

Ongoing on-chain monitoring can help identify sanctions exposure and suspicious transaction patterns, but should complement customer due diligence at relevant relationships and redemption, rather than be presented as a substitute. The FATF's March 2026 report supports a combination of risk-based technical and governance controls, customer due diligence and monitoring. It does not establish that address screening alone provides equivalent protection. [3]

MAS should clarify responsibilities across issuers, intermediaries and wallet providers and consult on technical feasibility across supported networks. Obligations should distinguish deployments that an issuer verifiably controls from independently created bridged or wrapped representations. A restriction on a native token should not be assumed to propagate to other chains or representations. Issuers should map these dependencies, monitor relevant cross-chain activity and disclose material limitations; they should remain accountable for deployments they authorise or operate.

Lawful orders or the equivalent legal process should identify the relevant addresses or accounts with reasonable particularity. The effect of an intervention also depends on contract architecture and permissions: an address may represent a pooled contract, an exchange wallet or several underlying users. An issuer may be unable to isolate one beneficial user's position. Procedures should allow it to explain material technical limitations and effects on innocent holders to the directing authority and seek clarification where necessary. This should support accurate implementation without permitting the issuer to disregard a binding order or substitute its own judgement for the competent authority's decision.

Where legally authorised, recovery may require reissuance to a verified victim or recovery wallet after a freeze or burn. MAS should clarify the authority and safeguards for that sequence, including approval, ownership disputes, audit trails, reserve reconciliation and remedies for error. It must not enable unilateral confiscation or extinguishment of valid claims.

Controls should concentrate on meaningful lifecycle checkpoints, with appropriate reliance on participant due diligence in permissioned arrangements where responsibility and evidence are clear. Analytics can reveal flows and risk indicators but cannot establish every beneficial owner or their residence. Incidental or multi-hop exposure requires contextual human review. Proportionate information sharing between relevant firms and authorities should support investigation, subject to lawful disclosure and data protection.

Universal identification would also change the practical character of transferable bearer-like tokens towards account-based access, limiting lawful peer-to-peer use and network reach. MAS should assess those effects when considering identification requirements, while maintaining due diligence at relevant customer relationships and the targeted controls described above.

Q15. Framework for systemic designation

Additional requirements for designated systemic stablecoins should address demonstrable residual risks to Singapore's financial system, taking account of existing domestic or foreign regulation, effective supervisory cooperation and the respective responsibilities of relevant authorities. Requirements should be proportionate to those risks and avoid unnecessary duplication, without preventing MAS from imposing additional safeguards where existing arrangements are insufficient.

GDF supports targeted powers to address material systemic risks to Singapore, regardless of place of issuance or regulated label. MAS should take account of home-jurisdiction safeguards and supervision, avoid duplicative obligations and explain any residual Singapore risk requiring additional measures. Growth in adoption or global size alone should not trigger a separate issuer regime. Designation should follow a documented assessment of domestic risk transmission, with notice to the issuer, an opportunity to make representations except where urgent action is necessary, and clear obligations and transition arrangements.

The power to withdraw designation is important. MAS should establish periodic review and clear grounds for withdrawal or adjustment. Foreign-issuer cases require coordination with home supervisors and a realistic assessment of enforceability and the consequences of local restrictions.

The public-interest ground for designation should be linked clearly to financial stability and continuity of critical services, with published principal reasons and the Singapore-specific risks and metrics relied on. MAS should consult on detailed metrics, provide an effective review or appeal process and allow transition except where urgent protection requires action.

Information gathering should use reliable local-provider records first where practicable, supplemented by targeted issuer requests and supervisory cooperation. This should not prevent urgent action or necessary direct enquiries. Supply, concentration and outflow indicators can support early warning, but should not be treated as complete measures of Singapore exposure or automatic predictors of a run.

The notice and appeal provisions should give an offshore issuer a practical opportunity to respond. We recommend that the appeal period under section 40B(3) run from notice to the issuer, rather than solely from Gazette publication. The legislation should also provide a process for identifying and resolving conflicts between Singapore obligations and applicable foreign law, in consultation with home supervisors, without creating a general defence for non-compliance.

Where stablecoins are already MAS-regulated or recognised, MAS should first assess whether the identified risk can be addressed through existing requirements, home-supervisor cooperation or proportionate measures on Singapore intermediaries. Recognition should not itself exempt a genuinely

systemic stablecoin from additional measures where a material residual risk is demonstrated and cannot otherwise be addressed.

Q16. Reporting by DPT service providers

Source: consultation paragraph 4.2 and Q16; Annex C, Part 2A, Division 1.

GDF supports proportionate reporting that enables MAS to identify systemic exposures. Common definitions should cover issuance, redemption, circulation, domestic customer holdings and usage. To ensure uniform interpretation and avoid double-counting across intermediaries and networks, reporting templates should reference standard identifiers such as ISO Digital Token Identifiers (DTIs) and Legal Entity Identifiers (LEIs). MAS should distinguish actual observations from estimates, avoid double-counting transfers between intermediaries and recognise limits to identifying residency from blockchain addresses.

DPT service providers should report information available through their activities and reasonable controls, rather than be expected to establish the identity or location of all users of a global token. MAS should specify reporting frequency, materiality, data protection and arrangements to reuse existing submissions.

Reporting notices should identify the Singapore nexus, recipient entity and relevant activities. A local service provider should not be presumed to hold all records of separate overseas affiliates. Guidance should distinguish observable network data from customer or residency records and address lawful foreign disclosure constraints, internal transfers and duplicated reporting.

For information requests under section 40A, MAS should identify the Singapore nexus and purpose, reuse relevant home-supervisor reporting, published reserve attestations and submissions under section 40K where adequate, and seek additional information for identified gaps. Data should be protected and public reporting normally aggregated or anonymised, subject to lawful disclosure and necessary firm-specific regulatory notices. These arrangements should preserve access to timely information and urgent enquiries.

Q17. Emergency powers and consequential FSMA amendments

Source: consultation paragraphs 4.5–4.7 and Q17; Annex C, Part 5 and section 113A.

GDF supports a coherent supervisory and emergency framework for systemic issuers. The final legislation and guidance should distinguish ordinary supervision, emergency intervention and formal resolution, with clear triggers and safeguards. Directions should be proportionate to the risk and preserve critical redemption and settlement functions where possible.

For overseas issuers, MAS should coordinate with home authorities to reduce conflicting directions or competing claims on reserves. Where an issuer has no Singapore presence, directions to Singapore-licensed intermediaries may provide a practical first route, but should not prevent necessary direct action within MAS' lawful powers. The legislation should clarify the territorial reach of Part 5, the treatment of conflicting foreign requirements and the Singapore activities or risks that justify intervention. Non-emergency directions should include reasons, an appropriate duration and review, while preserving urgent protective action.

MAS should clarify which Financial Services and Markets Act powers will apply to designated issuers, and distinguish their application to domestic and offshore entities. The references to “pertinent financial

institutions” and “financial institutions” in the consultation and consequential amendments should be explained consistently. Designation should not, by itself, be treated as a separate licensing requirement.

Q18. Requirements for systemic issuers

Source: consultation paragraphs 4.4–4.7.

GDF supports enhanced governance, recovery and resolution planning where justified by systemic importance. Requirements should reflect the issuer’s structure and the channels through which its failure could disrupt Singapore. MAS should avoid automatically duplicating home-regulator requirements where equivalent outcomes and effective supervisory cooperation are established. MAS should clarify that designation will not mandate an issuer to establish a subsidiary or localise reserves unless a demonstrated Singapore-specific risk cannot adequately be addressed through home-regime safeguards, enforceable reserve access and supervisory cooperation.

Plans should address continuity of critical payments, access to records, reserve and custody arrangements, operational service transfer and enforceability of holder claims. MAS should consult on the detailed resolution approach and transition before firms become subject to new obligations that require material restructuring.

For a foreign issuer without a licensed presence, assets or personnel in Singapore, MAS should explain which obligations it can enforce directly, how home-authority cooperation would operate and when restrictions on local intermediaries would be used. The framework should distinguish legal powers from practical cross-border enforceability and set out how Singapore holders’ redemption access and claims would be protected in a crisis.

MAS should explain how an approved MJI exemption from domestic reserve rules interacts with parallel reserve obligations following systemic designation. Designation should not inadvertently recreate duplicate backing of the global supply or impose local incorporation, issuance or reserve localisation without an identified Singapore risk. Any additional safeguards should preserve effective redemption, including properly governed intermediary routes.

The final framework should provide an express exemption or equivalent legal mechanism addressing section 40E where an approved MJI arrangement relies on relief under section 100A from section 21B. Additional safeguards may be warranted following systemic designation but should address the identified risk while allowing a properly backed and enforceable allocation across co-issuers to continue.

MAS should clarify how the redemption terms permitted under section 40E(2)(b) interact with each holder’s right under section 40E(1)(b). Proportionate onboarding, customer due diligence and sanctions screening may be required when that right is exercised, including through a regulated intermediary. Published minimum amounts and other conditions should not deprive secondary holders of an effective route to par redemption. The distinction between holding a token and exercising redemption in Q3 and Q24 should apply consistently.

Q19. Restricting circulation and protecting existing customers

Source: consultation paragraphs 4.8–4.9.

GDF recognises the need for restrictions where a systemic issuer fails to comply, but abrupt delisting or withdrawal restrictions can amplify a run and leave customers unable to exit. MAS should distinguish

stopping new purchases from maintaining custody, redemptions, risk-reducing transfers and orderly settlement of existing obligations.

For non-emergency cases, notice should allow firms to inform customers, unwind positions and implement technical changes. We propose a phased, risk-based timetable rather than a fixed period without operational evidence. Immediate action should remain available for urgent risks, accompanied by a plan for existing holdings, blocked or disputed funds, customer complaints and access to redemption. The framework should identify responsibility for communication and assistance, without implying that designation guarantees compensation.

Permitted risk-reducing activity should address settlement of existing trades, return of collateral or margin and repo unwinds, including receipt of tokens necessary to complete those obligations. Such treatment should be explicitly authorised and remain subject to sanctions and other lawful restrictions. Monitoring may help detect attempts to evade restrictions, but an unusual transfer alone does not establish illegality.

Q20. Factors for systemic classification

Source: consultation paragraph 4.10.

GDF supports a multi-factor assessment covering size, interconnectedness and substitutability. Global market capitalisation provides context but should not automatically determine systemic status in Singapore. Domestic reliance, concentration of critical use cases, redemption flows and the ability to switch safely to alternatives are more informative when assessing local disruption.

MAS should distinguish payment activity from repeated trading and internal wallet movements. Indicators could include domestic payment and settlement values, institutional exposures, concentration of banks holding reserve deposits and custodians, and estimated time to replace a critical service. Metrics should inform supervisory judgement rather than operate as undisclosed automatic thresholds.

Worked examples using illustrative issuer profiles would help firms understand the designation factors without creating an automatic numerical threshold or implying that smaller issuers can never be systemic.

Substitution assessments should include contractual amendments, collateral schedules, counterparty agreement, onboarding and replacement funding, not only technical switching time. Interoperability across stablecoins, tokenised deposits and other settlement assets can improve resilience where the alternative route is legally and operationally usable. No use case should be categorically excluded without examining its actual transmission of risk to Singapore.

Designation should be assessed for the individual stablecoin using sufficiently reliable evidence of Singapore exposure. A reasonable period of reporting may improve that evidence but should not be a mandatory waiting period where available information demonstrates an urgent systemic risk.

Q21. Multi-jurisdictional issuance (MJI) exemptions

Source: consultation paragraphs 5.1–5.5; Annex C, section 100A.

GDF welcomes MAS' proposal to provide a route for related issuers to issue a fungible stablecoin across jurisdictions where a multi-jurisdictional issuance structure is appropriate. Section 100A provides useful flexibility to accommodate such arrangements by adapting the domestic reserve and co-issuance restrictions, while retaining MAS oversight of the Singapore licensee.

Multi-jurisdictional issuance should, however, be regarded as one possible model for cross-border stablecoin activity rather than a necessary or preferred structure. Such arrangements can introduce additional complexity around reserve attribution, redemption rights, the allocation of issuer obligations and supervisory responsibility across jurisdictions.

MAS should publish eligibility criteria, expected application evidence and decision processes. While sensitive firm-specific conditions may remain confidential, general principles should be public. Changes or revocation should normally include reasons, engagement and a transition plan that protects outstanding holders. Firms should have sufficient certainty to invest in compliant arrangements without assuming that exemptions are permanent or unconditional.

The exemption should state how fungible units issued abroad are treated, including units without a direct claim on a Singapore reserve pool, and how the licensed entity's obligations relate to global redemption exposure. Conditions should address the incremental risks of co-issuance without recreating the restriction the exemption is intended to adapt. Guidance should also clarify permitted shared-reserve business arrangements.

MAS should publish indicative decision times, the fact and general scope of exemptions, and arrangements for notice, representations and review. Commercially sensitive conditions may remain confidential. Enforcement should distinguish material breaches from promptly corrected operational errors; any specific statutory defence would require separate consideration.

MJI also involves trade-offs. Splitting a reserve pool between jurisdictions can add legal and operational complexity without necessarily improving local protection, particularly where each co-issuer remains liable for the full outstanding supply. Fragmented reserve pools may also constrain an issuer's practical ability to meet redemption requests where and when they arise. MAS should consider not only the aggregate value and location of reserves, but whether each issuer has effective access to sufficient liquidity to meet its redemption obligations, taking account of market access, settlement times, operating hours and any legal or operational constraints on transferring liquidity between reserve pools. MAS should assess the actual liability structure, fungibility and access to the combined reserves. Localisation should address a demonstrated protection gap rather than be presumed safer than a well-supervised foreign issuance model. Where comparable regulatory outcomes and effective supervisory cooperation exist, MAS should also consider whether recognition of foreign issuance can more proportionately achieve the relevant protections without requiring a multi-issuer structure.

Q22. Substantive equivalence of foreign regimes

Source: consultation paragraph 5.6; Annex C, section 100A(4)–(5).

GDF supports assessing whether foreign regulation achieves sufficiently comparable regulatory outcomes for value stability, redemption, governance, supervision and financial crime controls. This assessment should not require identical legal drafting or institutional structures. Different jurisdictions may legitimately adopt different approaches to achieving the same underlying regulatory objectives. MAS should assess both the applicable rules and their effective supervision, including enforceability and cooperation in stress. Differences between regimes should not in themselves prevent a positive assessment where they do not materially undermine the relevant regulatory outcomes, or where any resulting risks can be addressed through effective supervisory cooperation or proportionate, targeted conditions.

A published assessment framework, jurisdiction-level findings where appropriate and proportionate issuer-specific conditions would reduce repeated work. MAS should explain treatment of regimes undergoing implementation, material changes to foreign rules and gaps that can be addressed through binding safeguards. Supervisory cooperation should include practical crisis arrangements, not only routine information exchange.

The assessment should establish that co-issuers are authorised for the relevant fungible issue, with supervision covering cross-border operations and enforceable reserve and redemption arrangements. Cooperation may take different legal forms if it works in practice. Issuer-specific evidence and voluntary standards can supplement, but cannot replace, effective public regulation and supervision. A comprehensive bilateral agreement may be strong evidence but should not be an inflexible prerequisite, particularly where a regime involves several authorities; the draft legislation asks only whether “adequate arrangements exist for cooperation”.

MAS should reuse common foreign-regime assessments across MJI and recognition applications, while retaining the distinct issuer and arrangement checks each route requires. Published findings should identify scope and implementation status rather than imply blanket approval of every issuer in a jurisdiction.

Q23. Reserve allocation, attribution and rebalancing across jurisdictions

Source: consultation paragraph 5.7; Annex C, sections 21B and 100A.

GDF supports continuous 100% backing and legally segregated, accessible reserves in the peg currency. Any local reserve safeguards should reflect actual and reasonably foreseeable Singapore redemption exposure, including under stress, and the legal and operational effectiveness of enforceable access to overseas reserves. Localisation should not be automatic, but may be considered where cross-border supervisory, enforcement or resolution arrangements, or access to overseas reserves, are insufficient to protect redemption claims of holders in Singapore. Measures should be proportionate to identified risks and avoid unnecessary duplication of reserve backing.

Guarantees or letters of credit should supplement liquidity where appropriate and should not be assumed equivalent to qualifying reserve assets.

The proposed requirement to meet the stricter reserve rules across jurisdictions may create difficulty where requirements are incompatible rather than simply more stringent. MAS should permit an agreed supervisory treatment that delivers equivalent protection, with additional safeguards for demonstrable gaps.

MAS should approve attribution and rebalancing methodologies that account for daily issuance and redemptions, secondary-market migration, weekends and stress-driven movement between jurisdictions. For a fungible stablecoin circulating across jurisdictions, the place of issuance, location of the holder and jurisdiction in which redemption is ultimately sought may differ. Attribution methodologies should therefore reflect actual and plausible redemption exposure rather than assume a static relationship between particular tokens and particular reserve pools.

Full backing alone does not resolve the risk that reserves are trapped elsewhere. Firms should demonstrate enforceable access, timing, concentration controls and contingency liquidity under stress. This assessment should include practical access to the relevant markets and settlement infrastructure, applicable market and operating hours, settlement cycles, and legal or operational constraints on transferring liquidity

between entities or jurisdictions. Daily records and monthly submissions should use consistent definitions and avoid counting issuer-held inventory inconsistently.

MAS should specify the legal evidence needed to demonstrate that reserve access and rebalancing arrangements remain enforceable in stress and insolvency. Legal opinions should address material cross-border risks where necessary, with existing relevant analysis reused where appropriate. The evidence should cover conflicting local requirements and the treatment of holders' claims if a co-issuer fails.

Aggregate full backing should be maintained continuously, with no double-counting across entities and prompt notification and remediation of shortfalls. Books and records should reconcile supply, liabilities and reserves without assuming that each fungible token can reliably be assigned to a jurisdiction from its wallet location. Local allocation should reflect plausible redemption demand across the group and legally reliable access to liquidity.

Eligibility guidance should clarify the treatment of government securities, reverse repos and money-market funds under the applicable reserve rules, rather than presume all are permissible. Legally binding liquidity commitments, clear liability allocation and tested supervisory cooperation can strengthen protection, but do not substitute for qualifying assets or insolvency-proof access. Existing legal opinions and reports should be reusable where their scope remains adequate.

Q24. Comparable issuance and redemption terms

Source: consultation paragraph 5.8.

GDF supports comparable rights across co-issuers so that holders do not face materially weaker protection or incentives to concentrate redemptions in one jurisdiction. Direct redemption may be subject to appropriate eligibility, onboarding and verification requirements, or facilitated through authorised intermediaries, with enforceable underlying claims against responsible issuers. Disclosures should explain which entity is liable, which redemption routes are available, fees, timelines and any lawful restrictions.

Comparable outcomes need not require identical operational details where banking hours or lawful onboarding requirements differ. MAS should permit justified differences that do not undermine rights, while requiring stress testing of their effects. The final framework should address secondary holders, minimum redemption amounts, fees and intermediated redemption, and clarify the legal relationship between fungibility, attribution and holder claims. Secondary holders should acquire an enforceable regulatory redemption right with the token without being required to establish a direct contractual relationship with, or complete onboarding by, the issuer merely in order to hold or receive it. Appropriate customer due diligence and other lawful onboarding requirements may apply when a holder seeks to exercise direct redemption.

Where a co-issuer uses an appointed intermediary, the safeguards described in Q3 should apply consistently, including issuer responsibility, effective holder recourse, the start of the redemption clock and protection of proceeds until payment. This includes a prescribed processing deadline, lawful and documented grounds for suspension, and a continuing redemption route if the appointed intermediary becomes unavailable.

Comparable terms should preserve enforceable par redemption with non-prohibitive fees, while allowing justified differences in payment rails, cut-off times and lawful onboarding. Where jurisdictions impose conflicting requirements, MAS and the home supervisor should agree a treatment that protects holders, rather than assume a single process can satisfy incompatible rules. Disclosures should explain material concentrations of redemption demand and access limitations.

Q25. Recovery and exit across issuing jurisdictions

Source: consultation paragraphs 5.9–5.11.

GDF supports coordinated plans across co-issuers, tested for failure of one entity, restricted reserve transfers and continued operation elsewhere. Plans should identify decision rights, supervisory contacts, operational dependencies and the treatment of holder claims without assuming that group support remains available in insolvency. They should also establish how relevant supervisors will coordinate in stress, including responsibility for leading or coordinating decisions where appropriate and arrangements for addressing conflicting supervisory actions or restrictions on the movement of reserves between jurisdictions.

Recovery and exit plans should not assume that the fungibility of the stablecoin means that liabilities or reserve assets can automatically be transferred between co-issuers. They should set out what happens to outstanding redemption claims if one co-issuer fails or exits, which reserves remain available to meet those claims, and the circumstances in which holders can continue to redeem through another co-issuer.

Automatic winding-up of a solvent Singapore entity should not be the default where another co-issuer fails, exits or loses its regulatory status. A supervised exit can combine cessation of new local issuance, accurate status updates, holder communications and continued redemption or approved transfer of obligations. Clearing pending requests is not sufficient if outstanding redeemable tokens or claims remain unprotected. MAS should require a credible solution for those liabilities while avoiding unnecessary disruption to lawful overseas operations.

Exit plans should include public status updates, a clear cessation date and a practical redemption window. A deadline must not by itself extinguish valid late claims or justify release of their backing. Continued foreign issuance does not automatically transfer the Singapore entity's outstanding obligations.

Q26. Recognition of foreign-regulated stablecoins

Source: consultation paragraphs 5.12–5.14; Annex C, Part 2B, sections 40H onwards.

GDF strongly supports a recognition pathway that distinguishes well-regulated foreign stablecoins from tokens without comparable value-stability supervision. The legislation should be supported by clear assessment criteria, application evidence and procedures for changes, suspension and withdrawal, with safeguards for existing holders.

The MAS-recognised label should accurately distinguish foreign supervision from direct MAS regulation. A public register should identify the issuer, relevant token and current status, using standard identifiers such as ISO DTIs and LEIs. Recognition should be open to applicants that meet the standards; the expectation of a limited number should not operate as an arbitrary quota that restricts competition or user choice.

Recognition should offer a workable alternative to duplicative local licensing or reserve localisation where the foreign regulatory framework delivers sufficiently comparable regulatory outcomes and effective supervisory cooperation is in place. This should not preclude an issuer from adopting a local or multi-jurisdictional issuance structure where there are commercial, operational or regulatory reasons to do so. Applications should reuse relevant home-regulator authorisation, custody evidence, reserve segregation and attestations, supported by material-change notifications. Group submissions may be coordinated while identifying each legally responsible issuer.

Comparable regulation and supervisory cooperation should be supported by demonstrably effective access to reserves for Singapore redemption requests, including under stress. Where cross-border reserve access or supervisory, enforcement or resolution arrangements cannot adequately protect local redemption, proportionate local liquidity or reserve arrangements should be available as safeguards. Their scope and size should address the identified shortfall and credible redemption exposure, without automatically duplicating backing for the global supply. Difficulty accessing reserves may reflect legal or operational constraints even where aggregate backing remains sufficient.

Section 40I(1) should be amended so that the recognition condition attaches to the issuer being described, rather than the intermediary making an accurate statement about that issuer. Intermediaries should be able to communicate recognised status without claiming that they themselves are recognised issuers.

The safeguards in Q19 should expressly extend to service restrictions under section 40N, including where the stablecoin has not been designated systemic. Directions should identify the affected tokens and services and, except where urgent action is necessary, allow an orderly transition preserving custody, redemption and risk-reducing settlement of existing obligations. Loss of recognition should remain distinct from a prohibition on services. Where a concern is confined to one token, the framework should provide a token-specific response rather than unnecessarily revoke issuer recognition, which removes recognition from all its recognised tokens under section 40M(4). Non-emergency action should include public notice, reasons and appropriate review arrangements.

Recognition arrangements should be operational before associated retail restrictions take effect. MAS should distinguish institutional settlement and retail distribution and publish a conditional transition route for existing listings while complete applications are assessed. Conditions should include accurate disclosure that recognition is pending, evidence of relevant foreign supervision, continuing safeguards, supervision and a defined end point if recognition is refused. Filing an application should not automatically confer recognised status or permission to continue services.

MAS-regulated and MAS-recognised stablecoins should be viable parallel pathways. A recognised stablecoin should not be treated less favourably for comparable uses solely because it is issued overseas. Conditions under section 40J(6), including any activity or financial requirements, should address identified residual risks rather than automatically reproduce the domestic issuer regime. Recognition should also have a meaningful practical effect compared with tokens that have undergone no comparable assessment.

The review arrangements should address refusals, conditions, revocations and directions under section 40N, with appropriate notice and transition for non-emergency action. The token-specific approach above should apply where the concern is confined to one token; issuer-wide action should remain available where the underlying risk affects the issuer as a whole.

Q27. Recognition criteria and retail protections

Source: consultation paragraphs 5.12–5.14 and Q27.

Recognition of foreign-issued stablecoins should be based on demonstrably equivalent regulatory outcomes and effective supervisory cooperation, rather than identical regulatory requirements. MAS should assess whether differences in the treatment of interest, incentives and other issuer obligations create material risks, and apply targeted conditions where necessary instead of automatically requiring full duplication of the domestic regime. Assessment should include reserve quality and segregation, enforceable redemption, governance, audits, operational resilience and practical cross-border recourse.

Recognition should lead to a deliberate reassessment of DPT safeguards designed for tokens with different risks. MAS should retain financial crime, conduct, custody and operational protections while identifying which retail restrictions remain justified for a recognised payment stablecoin. In particular, requirements whose rationale is the absence of effective stablecoin-specific reserve, redemption or prudential regulation should be reconsidered where those protections have been established through the recognition assessment. Recognition should not imply deposit insurance or a state guarantee. Conversely, foreign supervision should not be described as an absence of regulation where MAS has assessed it as delivering sufficiently comparable regulatory outcomes.

Foreign supervision should not automatically entail either weaker treatment or exemption from safeguards. Residual risks include access to home-supervisor remedies, insolvency enforcement and practical redemption abroad. MAS should assess those risks against the actual protections offered, with proportionate conditions and transition where material rules change.

For institutional settlement, criteria should address supported network deployments and usable redemption routes. Recognition should not itself determine prudential capital, collateral or liquidity eligibility, which require their own assessment. Existing home-regime evidence should be reused where relevant without assuming that an attestation provides the same assurance as an audit.

Any difference in treatment between MAS-recognised and MAS-regulated stablecoins should follow an identified difference in risk or enforceable protection, rather than the location of supervision alone. A multi-jurisdictional issuance structure should not automatically be presumed safer than a recognised foreign-issued stablecoin. The reassessment of retail distribution restrictions should distinguish speculative cryptoasset risks from those of well-regulated payment stablecoins, while retaining protections justified by the actual activity.

Recognition criteria should address full backing by eligible low-risk liquid assets, legal segregation and appropriate custody, enforceable par redemption under accessible published terms, regular public reserve information, independent assurance, financial crime controls and effective public supervision. MAS should specify the required frequency and level of assurance, distinguishing reserve attestations from full audits, and assess evidence against the actual protection needed. The redemption assessment should cover onboarding, intermediated access and practical remedies for secondary holders.

Recognition should not depend on a foreign regime imposing an interest prohibition identical to Singapore's. Consistent with Q5, MAS should distinguish issuer-paid holding returns from genuine service arrangements and independently funded intermediary incentives, and assess whether differences materially weaken reserve backing, liquidity or enforceable redemption. Targeted conditions may address identified risks. Recognition would not displace separately applicable Singapore conduct or product requirements.

Q28. Retail disclosures and marketing of other stablecoins

Source: consultation paragraphs 6.1–6.2.

GDF supports clear reserve information and warnings where a token is not regulated by MAS for value stability. Disclosures should distinguish unbacked or algorithmic arrangements from reserve-backed tokens regulated elsewhere, and explain where information is unavailable or unverified. Intermediaries should be able to link to reliable issuer reserve disclosures with appropriate due diligence, consistent with footnote 18.

A blanket restriction on the descriptive term “stablecoin” may reduce clarity when customers encounter the same product under that name elsewhere. MAS should permit the qualified use of the term “stablecoin”, with a prominent and proximate status statement and risk warnings while prohibiting misleading claims. The final approach should expressly address MAS-recognised foreign stablecoins, consistent with our response to Q26. A transition should allow reasonable changes to interfaces, disclosures, contractual notices and training, with faster correction of genuinely misleading statements.

Intermediaries should perform reasonable due diligence on issuer disclosures and respond to material gaps or adverse information. They should not be made guarantors of reserve accuracy or required to reproduce an issuer audit. Suitable group or affiliate information may be used only where it actually covers the relevant issuer, token and reserve arrangement.

Rules should distinguish promotional claims from necessary factual identifiers in tickers, trading pairs, transaction records, technical interfaces and legal documents. Responsibility should follow communications a firm makes or controls. An investment return on a separate security or fund should not be confused with a return paid simply for holding its stablecoin settlement asset.

Transition should be based on the time needed after final rules and a functioning recognition process to change systems, listings, contracts and communications. Existing holders and pending applications need an orderly treatment. Accurate disclosure of foreign regulation must not imply MAS recognition where it has not been granted.

Q29. Bank and merchant-bank issuance structures

Source: consultation paragraphs 6.3–6.7, footnotes 19–20 and Q29; Annex C, section 20A(2)(d).

GDF recognises the objectives of reserve segregation and limiting contagion to a parent bank. However, mandatory separate-entity issuance should be assessed against its costs and the availability of legally enforceable alternatives that deliver equivalent protection. We recommend a proportionate route allowing banks to demonstrate such protection, subject to MAS approval, rather than assuming one structure is optimal in every case.

MAS should clarify how a bank-owned issuer may describe its ownership without implying deposit protection or bank recourse. In particular, section 20A(2)(d), restricting indications of association with a Singapore-incorporated bank, warrants clarification alongside the proposed bank-subsidiary model. MAS should also address concentration and related-party risks where reserves are deposited with the parent bank.

There is an apparent drafting inconsistency: paragraph 6.3 and footnote 19 envisage a non-bank entity licensed as an MAS-regulated stablecoin issuer, while Q29 describes the entity as licensed as a DPTSP. MAS should clarify the applicable licence and consequential obligations. Restrictions on SGD stablecoins issued by wholesale/merchant-bank entities should explain how permitted wholesale ownership is maintained in secondary transfers and omnibus structures. Guidance on tokenised deposits should be coordinated with commencement so firms can distinguish the two issuance routes.

An alternative direct bank-issuance route should be available for assessment where ring-fencing, governance, resolution and prudential safeguards demonstrably deliver equivalent protection. MAS should assess duplication of requirements, fragmented liquidity and operational costs alongside contagion and enforceability risks. This is a request to evaluate an equivalent-protection route, not to waive reserve or redemption safeguards for banks.

Q30. Other comments and implementation

Source: consultation paragraphs 1.2–1.6 and Q30.

GDF recommends a consolidated implementation roadmap covering primary legislation, subsidiary rules, technical notices, licensing, foreign recognition and the interaction with forthcoming tokenised-deposit guidance. Firms should have a meaningful implementation period after the relevant final requirements are known, with proportionate transitional arrangements for existing activity.

MAS should engage issuers, financial institutions, infrastructure providers and end users on practical cross-border payment and tokenised-settlement scenarios. Final requirements should support legal certainty, interoperable payment and settlement arrangements, safe redemption and resilient market access. We would welcome continued dialogue on the evidence needed to calibrate the framework, particularly reserve liquidity, systemic dependencies and MJI arrangements.

The roadmap should support coexistence of stablecoins, tokenised deposits and central-bank settlement assets, with technology-neutral interoperability and delivery-versus-payment arrangements. Coordination with cryptoasset prudential requirements should prevent inconsistent assumptions about the same asset. Recognition evidence may inform those assessments but should not automatically confer preferential capital or collateral treatment. Any separate prudential request should be supported by evidence on repo, margin and settlement use cases.

MAS should also consider, through the appropriate prudential workstream and international engagement, a workable route for both recognised and MAS-regulated stablecoins to qualify for Basel Group 1b treatment where the applicable conditions are met. SCO60 makes classification conditional on continuing compliance with its requirements; the stablecoin regulatory label alone is insufficient. GDF would welcome a review of practical barriers and evidence-based changes where warranted, without assuming that this PS Act consultation itself changes the Basel standard. [4]

5. Sources

The response uses MAS Consultation P015-2026 and the draft consolidated amendments in Annex C. Paragraph references refer to the consultation; statutory references refer to Annex C, which remains subject to change and review by the Attorney-General's Chambers. Additional primary sources are listed below for the specific points cited. Overseas provisions are distinguished from proposals and are not treated as interchangeable with Singapore's framework.

Consultation Paper on Proposed Amendments to the Payment Services Act for Stablecoin Regulation, P015-2026, September 2026. The question mapping follows Annex B, pages 28–31.

Annex C: Draft Amendments to the Payment Services Act 2019, supplied consolidated draft.

[1] MAS, Consultation P015-2026 and Annex C (draft amendments to the Payment Services Act 2019).