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Tokenize Xchange to Close Singapore Operations by September 2025

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Singapore's cryptocurrency exchange Tokenize Xchange will cease operations in the city-state by 30 September 2025, just over a year after securing US\$11.5 million in Series A funding and outlining ambitious plans to expand its workforce. The decision follows the Monetary Authority of Singapore's (MAS) refusal to grant the firm a digital payment token licence under the Payment Services Act, forcing Tokenize to pivot its operations abroad.

Tokenize, headquartered in Singapore, had been operating under a temporary exemption. However, the MAS's stringent regulatory stance has prompted the company to relocate its operations to Labuan, a Malaysian federal territory. The firm is acquiring a company licensed by the Labuan Financial Services Authority to provide digital financial services, with the deal expected to be finalised by 30 September 2025. Additionally, Tokenize is pursuing regulatory approval from the Abu Dhabi Global Market, a financial free zone in the UAE, to bolster its international presence.

In a statement to The Business Times on 20 July 2025, Tokenize's founder and chief executive, Hong Qi Yu, explained that Labuan offers a "recognised regulatory framework suited for cross-border digital asset services." He highlighted the region's flexibility, tax advantages, and access to global markets as key drivers for the move, aligning with the platform's growth strategy. Hong declined to elaborate on the specific reasons behind the MAS's decision to deny the licence.

The closure will impact all 15 of Tokenize's Singapore-based employees, who have been notified and will depart by the end of September 2025. For customers, the implications are immediate: trading on the platform has been halted, and users are restricted to transferring their cryptocurrency holdings to other exchanges or withdrawing cash based on the Singapore dollar value of their portfolios. The withdrawal process is tiered, with users holding portfolios under S\$10,000 able to access funds and transfer assets since 17 July 2025. Those with portfolios between S\$10,000 and S\$99,999 can do so from 1 August, while accounts valued at S\$100,000 or more will have access from 1 September. All transactions must be completed by 30 September 2025.

The MAS's decision reflects a broader clampdown on unlicensed cryptocurrency exchanges in Singapore. On 6 June 2025, the regulator mandated that digital token service providers targeting overseas markets must obtain a licence by 30 June or cease operations. This has triggered a notable exodus, with industry sources estimating that over 500 fintech professionals, from executives to junior staff, are relocating to jurisdictions like the UAE and Hong Kong, where regulatory environments are perceived as more accommodating to digital assets.

The move underscores the challenges facing Singapore's fintech sector, once hailed as a global leader. Critics argue that the Labour government's broader economic policies, including a cautious approach to emerging technologies, risk stifling innovation and driving

businesses to more competitive markets. The MAS has been contacted for comment but has yet to respond.

Tokenize's departure highlights the delicate balance between regulatory oversight and fostering a vibrant digital economy. As the firm shifts its focus to Labuan and Abu Dhabi, Singapore's reputation as a crypto-friendly hub faces scrutiny, with implications for its role in the global financial landscape.