

Singapore Authorities Probe Tokenise Xchange for Suspected Fraud Amid Withdrawal Complaints

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— Categories: *Crypto*



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Singapore's Commercial Affairs Department (CAD) has launched an investigation into AmazingTech Pte Ltd, the operator of cryptocurrency platform Tokenize Xchange, following customer complaints about delayed withdrawals and possible asset mismanagement. The investigation, announced by the Monetary Authority of Singapore (MAS) on August 1,

centers on suspected fraudulent trading under Section 238(4) of the Insolvency, Restructuring and Dissolution Act 2018.

Tokenize Xchange previously notified users on July 20 that it would be halting operations in Singapore after failing to secure a Major Payment Institution (MPI) license. The MPI license, regulated by MAS, is required for platforms offering digital payment token services within the country. Without this approval, Tokenize Xchange cannot legally continue to operate or provide such services in Singapore.

According to MAS, the central bank received a number of complaints from Tokenize Xchange users who reported extended delays in withdrawing both fiat money and digital payment tokens. MAS responded by instructing AmazingTech to address these issues promptly and take immediate steps to return all customer funds and assets.

In the course of its oversight and engagement with AmazingTech, MAS reportedly discovered signs that the company lacked sufficient assets to fulfill its obligations to customers. Further concerns were raised when indications emerged that AmazingTech may not have properly segregated customer funds from its assets, a core requirement for entities managing customer investments or payments.

Even more troubling, MAS found that AmazingTech may have made false declarations regarding the segregation of customer assets during its MPI license application process. These findings led MAS to refer the matter to the CAD for further investigation.

As part of the unfolding case, Tokenize Xchange founder and Chief Executive Officer Hong Qi Yu has been formally charged with fraudulent trading under Section 238(4) of the Insolvency, Restructuring and Dissolution Act. The charge carries a penalty of up to seven years of imprisonment, a fine, or both.

The investigation highlights MAS's increasing vigilance over the cryptocurrency sector, particularly with regard to compliance and consumer protection. While the digital asset industry continues to expand across global markets, regulators in Singapore have emphasized the need for platforms operating within the country to meet strict standards around licensing, transparency, and customer fund management.

As of now, operations of Tokenize Xchange in Singapore remain suspended, and affected customers await restitution. MAS continues to advise users to exercise caution when

dealing with unlicensed digital payment service providers and encourages the public to report any suspicious activity involving crypto platforms.

The case remains ongoing, with further developments expected as CAD proceeds with its investigation into the company's financial practices and regulatory compliance history.