Tokenisation in Singapore

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Tokenisation

- Process of generating and recording digital representations of assets and transactions
  - Blockchain: distributed ledger
  - Money, securities and real-world assets

Stablecoins

- Form of cryptocurrency

- Value pegged to another currency or asset
    - Used for settlement or storage of value
    - Less speculative

Singapore's Approach to Tokenisation

- Policy Experiments
  - Project Guardian
  - Project Orchid

Project Guardian

- Collaborative initiative between policymakers and financial industry to explore asset tokenization

Project Guardian

- Establish standardized protocols and processes
  - Token issuance, trading and settlement across jurisdictions
- Develop comprehensive risk management and regulatory frameworks
- Foster cross-border implementations

Project Orchid

- MAS-driven policy experiment
- Develop technological infrastructure and competencies for digital Singapore dollar
  - Central Bank Digital Currencies
  - Tokenised bank deposits
  - Stablecoins

Purpose-Bound Money

- Programmable money for payment purposes
- Specifies conditions under which digital currency can be used
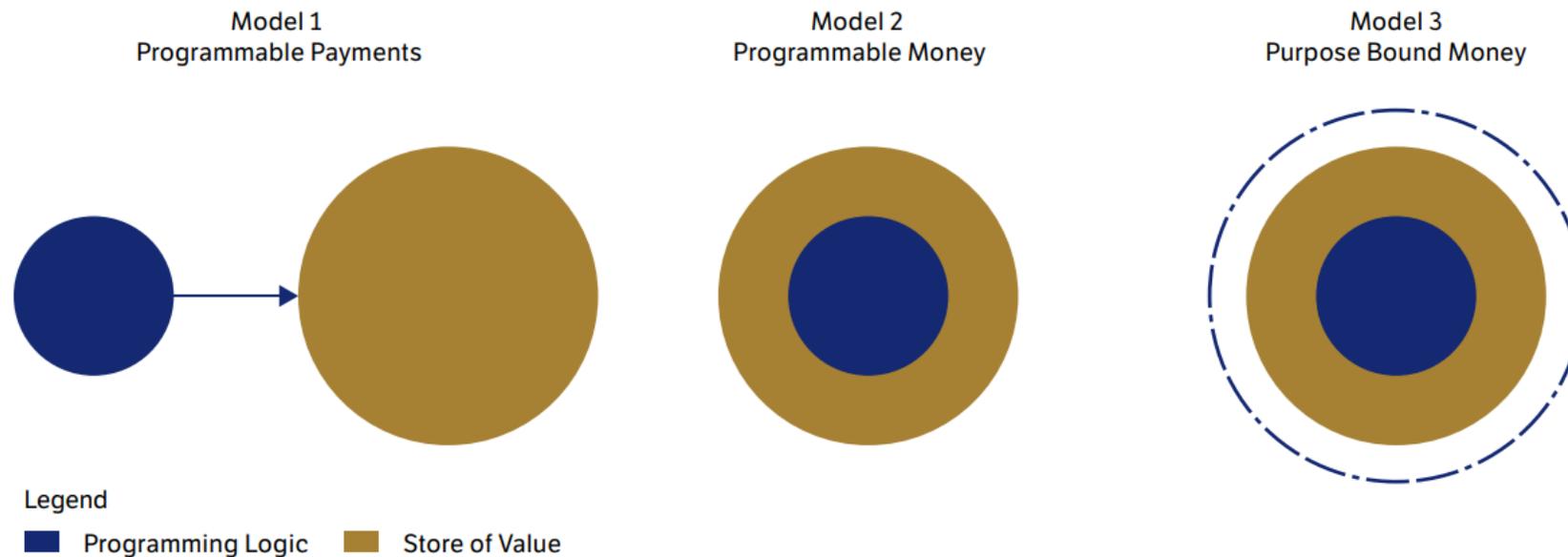

Figure 2: Possible models of programmable digital currency

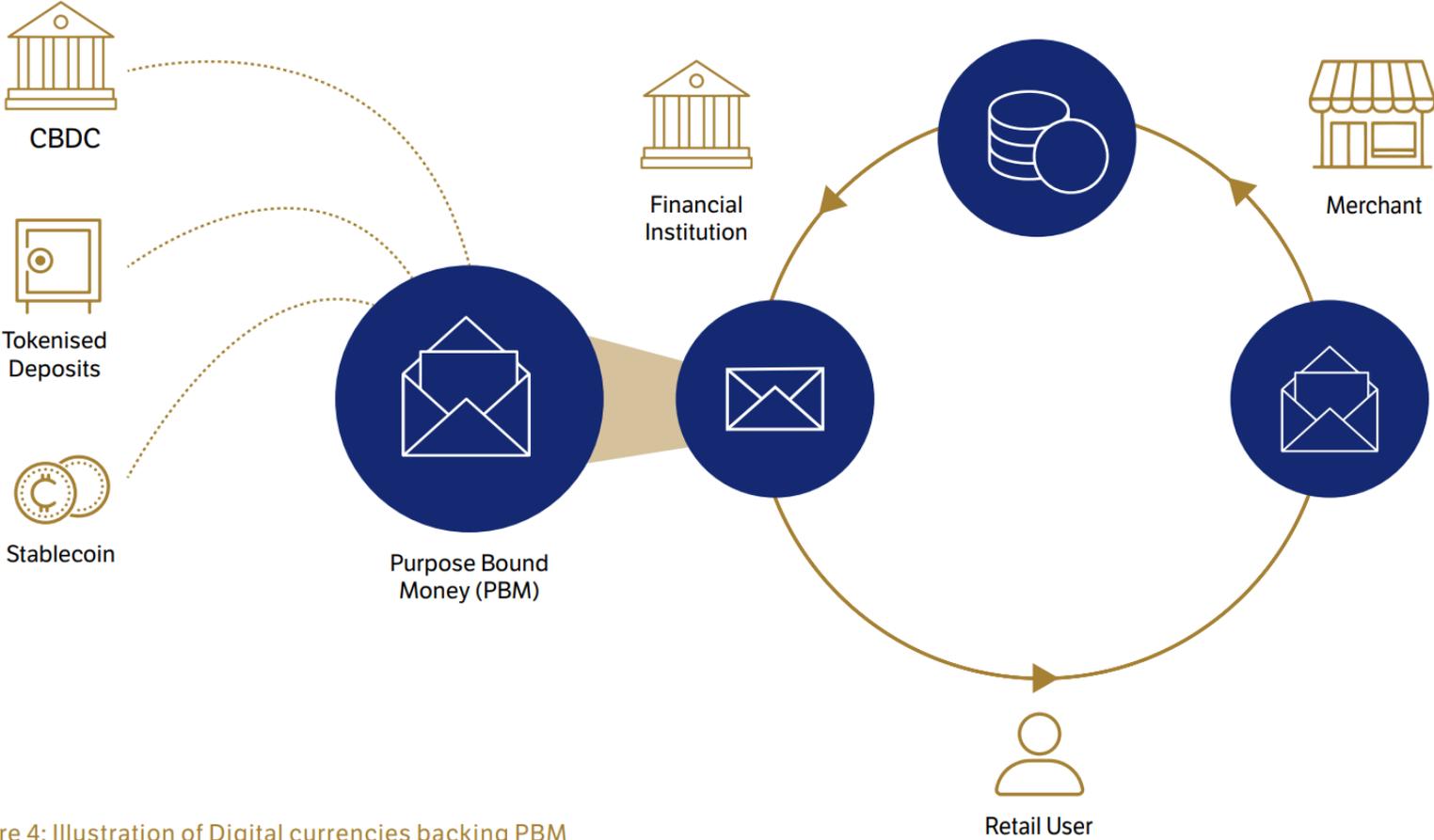# Purpose-Bound Money and Digital Currencies

Figure 4: Illustration of Digital currencies backing PBM

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Future of Money?

- PBM technology facilitates digital "money"
  - Medium of exchange, store of value, and unit of account
  - CBDCs, tokenised deposits, Stablecoins
- Exclusion of more speculative digital currencies
  - Cryptocurrencies
  - Algorithmic/unbacked Stablecoins

Risks and Challenges

- Volatility in digital asset value and stability

- Data residency, privacy and security

- Legal and regulatory frameworks remain fragmented and lacking