

Singapore must be bold to keep thriving, says Piyush Gupta

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The Republic must seize opportunities such as launching a digital Singdollar to continue punching above its weight on the global financial stage, said former DBS

chief executive Piyush Gupta.

Singapore has embarked on several blockchain and tokenisation pilots, but these remain on an experimental level, he said on Dec 8.

A blockchain is an advanced database mechanism that enables the recording of transactions and the tracking of assets within a business network. Tokenisation is the

process of turning sensitive data into a non-sensitive digital token on a blockchain.

Mr Gupta added that the Monetary Authority of Singapore (MAS) has been conservative in certain areas, such as its approach to allowing retail access to cryptocurrencies.

“For instance, while DBS was one

of the first banks globally to create a digital exchange to enable the trading of digital assets, it was not allowed to expand its access to retail customers,” he said.

“This has been a deliberate policy choice. While MAS recognises the potential of blockchain and to-

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Ex-DBS chief moots launch of digital Singdollar

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kenisation to transform the current financial system, it has been cautious in ensuring consumer protection.”

Still, consumer adoption of cryptocurrencies has been increasing, with 26 per cent of Singapore residents owning digital assets in 2024, he said.

Mr Gupta was speaking at an Institute of Policy Studies lecture titled “The future of finance: How Singapore can continue to punch above its weight” at the National University of Singapore on Dec 8.

He cited the Genius Act, a regulatory framework for payment stablecoins in the United States. Banks like JP Morgan have also allowed customers to link their bank accounts to Coinbase cryptocurrency wallets, he added.

Stablecoins are a type of cryptocurrency that aims to maintain a stable value by being pegged to another asset, such as a fiat currency. They can be used to make payments and tend to be less volatile than crypto.

Mr Gupta, who led DBS Group as its CEO from November 2009 until his retirement in March, said Singapore has the potential to shape the future of finance, given its nimbleness, strong public-private partnerships and the ability to think big and be bold.

“This future is ours for the tak-

ing. Singapore is small enough to be nimble, but big enough to matter. It is one of the most stable countries in the world, yet one of the most innovative. It is highly pragmatic, yet bold enough to dare to dream and build a new future.”

He added that transforming the way finance works will require a completely new infrastructure and bringing all the players – incumbent financial institutions, startups, non-financial institutions and the public sector – together.

“This is not a mere pipe dream. Over the past decade, we’ve achieved this in the payments space. MAS and the industry came together to develop infrastructure such as (electronic fund transfer services) FAST and PayNow, which has gained widespread adoption among institutions and consumers.”

While advanced technologies could make financial systems more efficient and flexible, there will be risks, Mr Gupta said. “There could be a 50 per cent chance that the world would completely embrace this, but also a 50 per cent chance that it won’t. But given the massive changes afoot, we need to make a leap of faith to continue thriving as a financial centre.”

There have been successful pilots such as MAS’ Project Orchid on testing purpose-bound money – digital money bounded by smart contracts – and the settlement of



Former DBS chief executive Piyush Gupta spoke at an Institute of Policy Studies lecture on Dec 8.

interbank overnight lending transactions using wholesale central bank digital currency (CBDC).

But Mr Gupta said there is scope to be bolder in the future of payments, such as by launching a digital Singdollar. When a merchant does not offer a payment method that a customer prefers, a common digital Singdollar, such as a Singdollar stablecoin or a retail CBDC, would flow freely between any wallet or card, he said.

Mr Gupta said: “The launch of a digital Singdollar would further entrench Singapore’s reputation as a leading global financial centre at the forefront of future technologies. It would send a strong signal of Singapore’s position as being ahead of the game and its national intent to embrace a new tokenised world.”

A digital Singdollar could also be a defensive move against potential Singdollar outflows to US dollar stablecoins, he noted.

He acknowledged that while recent measures to revitalise the local stock market are steps in the right direction, capital markets

face inefficiencies such as long settlement times, high intermediation costs and error-prone manual processes.

“Tokenisation offers the possibility of greater efficiency and automation across the entire value chain, including issuance, trading, settlement and asset servicing,” he said, referring to the ability to reduce the number of intermediaries and manual processes involved, thus lowering costs.

“There is the potential for Singapore to be bolder in shoehorning industry players to adopt a new blockchain and token-based infrastructure to transform capital markets.”

Beyond financial assets, tokenisation of real-world assets such as real estate could create new markets and allow easier verification of ownership, said Mr Gupta.

To realise these benefits, it will require changes in financial infrastructure, regulations as well as the collaboration of stakeholders, including real estate firms, law offices and banks, he noted.

“As I have shown, there are enough opportunities for Singapore to proceed without waiting for all the global alignment that will inevitably be long in coming. In many ways, moving now will give us distinct first-mover advantage.”

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