

Publication: Forbes Online

Date: 22 November 2017

Headline: Putting Singapore's Dollar On Blockchain May Prove It's The Most Crypto Friendly Place On Earth

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The image of Yusof Ishak, former president of Singapore, is displayed on a Singapore one hundred dollar banknote. Photographer: Brent Lewin/Bloomberg

Singapore is widely regarded as one of the most crypto-friendly countries in the world, largely due to its stable politics, reliable infrastructure, and favorable business environment.

Singapore's Central Bank has experimented with blockchain technology, and announced Project Ubin, a collaborative project with a consortium of banks and technology companies to explore the use of blockchain for payments and securities clearing and settlement. Ultimately, the goal is to put the Singapore dollar on the blockchain. This initiative has been instrumental in reinforcing the image of Singapore as a leading financial hub and an innovator that pioneers in breakthrough technology. More so, it affirms both locals and foreigners about the country's commitment to blockchain, making Singapore a more enticing place to establish and develop such projects.



The logo of the Monetary Authority of Singapore (MAS) (ROSLAN RAHMAN/AFP/Getty Images)

Regulations to combat money laundering

The local government is clearly engaged by the potential of blockchain and understands the importance of encouraging innovation in this sector. That being said, the Singaporean regulators remain cautious in their actions and implications on the blockchain sector.

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As a measure to protect the interest of the public, all virtual-currency intermediaries in Singapore such as exchange operators are required to comply with requirements to combat money laundering and terrorism financing. Also, in view of the popularity of ICOs, the central bank has issued a detailed guide on the application of securities law in relation to offers or issues of digital currencies in Singapore.

Private sector pushes forward

Incumbents such as major financial institutions are also investing time and resources in blockchain initiatives to keep themselves relevant in this fast-changing domain. Local banks such as DBS, UOB and OCBC have participated in proof-of-concept of Project Ubin using the blockchain technology developed by R3-- a distributed ledger platform that has integrated with Microsoft's cloud service.

Universities offer blockchain courses

Recognizing the prospect of the technology, local universities have started offering blockchain courses to empower students and enthusiasts the knowledge to expand their interest in the field. Singapore Management University (SMU) and Singapore University of Social Sciences (SUSS) are two of the universities that offer blockchain short-courses, with strong emphasis on the applications and possibilities of blockchain in the current context. Apart from that, alumni of National University of Singapore (NUS) have since created quality projects such as Kyber Network and Zilliqa. Both have benefited greatly from the supportive ecosystem, having access to specialists and consultants for advice on operations.

Even though universities have already started blockchain courses, there still exists a wide gap between the demand and supply for skilled labor in the blockchain sector. Like most other economies, the demand for blockchain developer far outweighs that of the supply. If Singapore does not produce enough talent in time to feed the workforce demand, it risks losing its status as a blockchain hub to other rivals in the region.

Payment use cases

Additionally, an increasing number of companies are starting to recognize cryptocurrencies as a form of payment option, and have accepted them from consumers. Established firms, such as Aptoide, one of the largest app stores in the world are also setting up operations in Singapore to raise fresh capital from an ICO to fund their new business ventures. In view of the demand for legal services to set up a company in the country, law firms such as Dentons Rodyk and Wong Partnership have also created departments to provide legal consultation and services for blockchain ICOs.



A visual representation of the digital Cryptocurrency, Bitcoin (Photo by Dan Kitwood/Getty Images)

Despite the favorable condition in Singapore, there are still shortcomings in the ecosystem that need to be addressed. Earlier this month, Quoine, a Singapore project has announced the wiring of

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customer payment to its company in Japan, after its account with a local bank got terminated. Quoine is not the only one, as it joins 10 other firms which were also affected by the closure of their bank accounts. Without bank accounts, blockchain firms are not capable of paying overheads and expenses, thus severely affecting their daily operations.

Educating the masses

More crypto-enthusiasts have taken the lead to set up public blockchain interest groups on social media channels in Singapore. These initiatives are aimed at educating the public of the advantages of blockchain in different sectors, and to help newcomers differentiate authentic projects from frauds and scams.

The scale of blockchain disruption is likely unprecedented, and capable of producing huge opportunities and risks for industry players and their customers. With no signs of suppressing sector growth, Singapore remains an attractive operation hub for global blockchain projects. As more enterprises and individuals gain increased access to the technology, we should see more relevant use cases with profound impact on a society.