

Independent Reserve Cryptocurrency Index

Singapore 2023

The Independent Reserve Cryptocurrency Index (IRCI) is an annual report that examines Singaporean attitudes towards cryptocurrency and their level of awareness, adoption, trust and confidence in the cryptocurrency market.



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About the index

The Independent Research Cryptocurrency Index (IRCI) is an annual survey of around 1,500 Singapore residents conducted in partnership with Toluna, an independent consumer insights provider. The survey is a cross-sectional and unbiased sample of everyday Singapore residents and is designed to represent the nation as a whole.

The index is a single rating out of 100, designed to reflect attitudes towards cryptocurrency in 4 key areas:

- [Awareness](#)
- [Adoption](#)
- [Trust](#)
- [Confidence](#)

This year marks the 3rd year of IRCI being conducted in Singapore. The survey was conducted in February 2023.

Executive summary

The IRCI survey conducted this year delved deeper into the investment habits of respondents, exploring their length of time in the market and the percentage of their investment portfolio devoted to crypto. Additionally, given the recent upheaval in the crypto market over the past year, the survey sought to measure investors' confidence in the long-term viability of cryptocurrencies.

IRCI Singapore 2023 highlights

- **Females are outperforming males.** The growth of female investors is outpacing their male counterparts, and more females are reporting making money or breaking even. Read more on [page 10](#).
- **Cryptocurrency is becoming popular among high-income earners.** Higher-income Singaporeans are more likely to invest in cryptocurrency and tend to allocate more of their investment portfolio towards it, with most reporting that their crypto investments either made money or broke even. Read more on [page 12](#).
- Despite a loss of short and long-term confidence among the general population, many crypto investors remain upbeat. In fact, those who hold onto their crypto investments for a longer period of time have reported making a profit. Read more on [page 16](#).
- **Young investors are cautiously optimistic about cryptocurrency,** with a desire for more education, seeking information from trusted sources. Read more on [page 22](#).

Foreword

I am delighted to present the third instalment of the Independent Reserve Cryptocurrency Index (IRCI) in Singapore, which is the only industry-led research that deep dives into Singapore's blockchain and cryptocurrency sector. Over the years, the IRCI has provided valuable insights into the sentiments and investing behaviour of the nation towards crypto.

The past year has been challenging for the crypto industry, and the 2023 IRCI reflects this reality. Price volatility across all major markets, including cryptocurrencies, has been fueled by global market uncertainty, higher interest rates, and geopolitical tensions in Ukraine. The collapse of Terra (Luna) and FTX further eroded confidence and trust in the blockchain and cryptocurrency industry.

Global banking events in recent weeks have further exacerbated market conditions since we conducted the IRCI in February 2023. Markets are standing on the brink of a Global Financial Crisis with central banks working overtime to inject more liquidity in a bid to shore up confidence and ensure that people are able to withdraw their savings from their banks.

As the financial crisis continues to unfold, many may re-evaluate their dependence on traditional financial institutions to safeguard their money and turn to alternative assets such as Bitcoin to hedge against bank defaults and currency debasement. According to a report by Goldman Sachs, Bitcoin is the best-performing asset, outperforming traditional investment assets such as technology and gold. Furthermore, the IRCI reveals that those who have spent more than five years in the crypto market have reaped the rewards. With Bitcoin gaining attention as an asset which cannot be inflated or confiscated, we believe that overall sentiment and adoption of fixed-supply decentralised digital assets are likely to increase tremendously in the near future.

To garner trust and confidence among Singaporeans, the IRCI survey highlights the importance of regulations in building trust and confidence among investors, with the majority advocating for greater clarity in government regulations and responsible behaviour from crypto players.

Singapore's consultative and progressive regulatory policies have established Singapore as a major crypto hub, providing clear policy frameworks to businesses and investors and creating a safe and stable business landscape that fosters growth and innovation.

Finally, this year's edition has included commentaries from industry leaders on their views on the outlook of digital assets in the wealth management sector and enhanced regulations in Singapore. I'd like to thank Michael Stanhope, Founder and CEO of Hubbis, and Grace Chong, Board Member of Women In Payments, IAPP and ACCESS Singapore, for their contributions.

On behalf of the team at Independent Reserve, I invite you to delve deeper into IRCI's comprehensive analysis of cryptocurrency in Singapore.

Lasanka Perera

Chief Executive Officer

Independent Reserve Singapore



1 Bloomberg. (2023, March 17). Financial Crisis Explained: Why Banks Are Failing and What Do I Need to Know. Retrieved from <https://www.bloomberg.com/news/articles/2023-03-17/financial-crisis-explained-why-banks-are-failing-and-what-do-i-need-to-know#xj4y7vzkg>

2 Bambrugh, B. (2023, January 26). Goldman Sachs Finds Bitcoin Tops Gold, S&P 500, And Nasdaq As The Best-Performing Asset Of 2023. Forbes. <https://www.forbes.com/sites/billybambrugh/2023/01/26/goldman-sachs-finds-bitcoin-tops-gold-sp-500-and-nasdaq-as-the-best-performing-asset-of-2023/?sh=4e8eee0af112>

Awareness

91%

of Singapore residents are aware of at least one cryptocurrency.

In 2023, general awareness of cryptocurrencies among Singaporean residents increased to 91% from 90% in 2022.

In 2022 through to early 2023, the cryptocurrency industry made many headlines, experiencing both extreme highs and lows. As a result, it remained at the forefront of Singapore residents' minds.

Overall, cryptocurrency awareness has steadily increased year-on-year (YoY). While awareness of Bitcoin remained consistent (87%), altcoins are steadily gaining recognition.

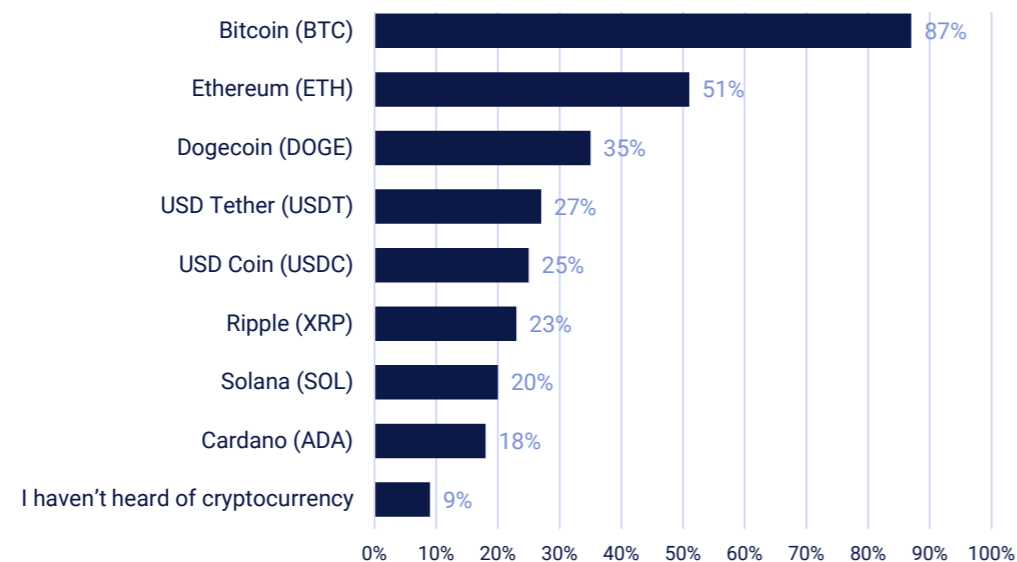
Altcoin awareness growing

After completing The Merge in September, the Ethereum network and its continued interest was driven by growth in NFTs, decentralised finance (DeFi) and decentralised apps (dApps). Ethereum continues to be the most popular altcoin with 51% awareness.

USD Tether (USDT) and USD Coin (USDC), stablecoins that are pegged to the U.S. dollar, have received considerable recognition with 27% and 25% awareness, respectively.

The 26-35 age group are most aware of cryptocurrency.

What cryptocurrencies are Singaporeans most aware of?



Adoption

43%

of Singapore residents own at least one cryptocurrency.

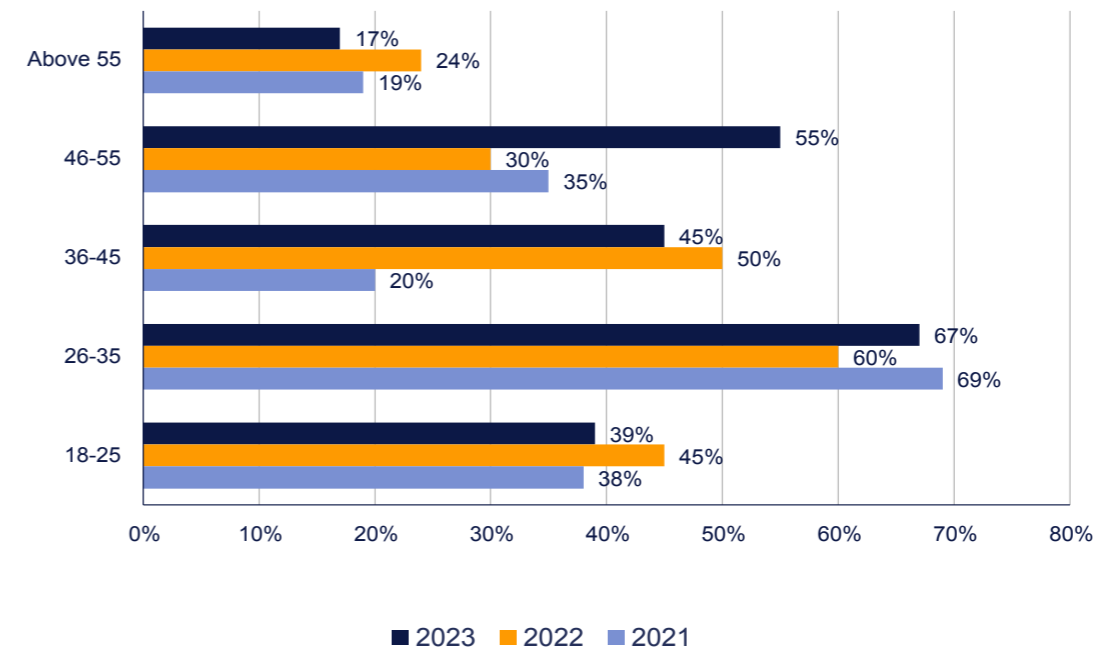
Cryptocurrency adoption is one of the more influential metrics on the IRCI as it reflects Singaporeans' confidence to invest in cryptocurrency as an asset class.

Cryptocurrency ownership has increased from 40% to 43%, with 77% of cryptocurrency investors holding two or more different cryptocurrencies.

Gen X surges into crypto

In recent years, the majority of cryptocurrency owners belonged to the age group of 26-45. However, in 2023 there has been a significant surge in the ownership of cryptocurrency among Gen Xers, individuals aged 46-55 (55%, up from 30% in 2022). Gen Xers also reported the highest personal income. This indicates that a growing number of people with a higher disposable income are willing to invest in the cryptocurrency market.

Cryptocurrency ownership by age since 2021



37%

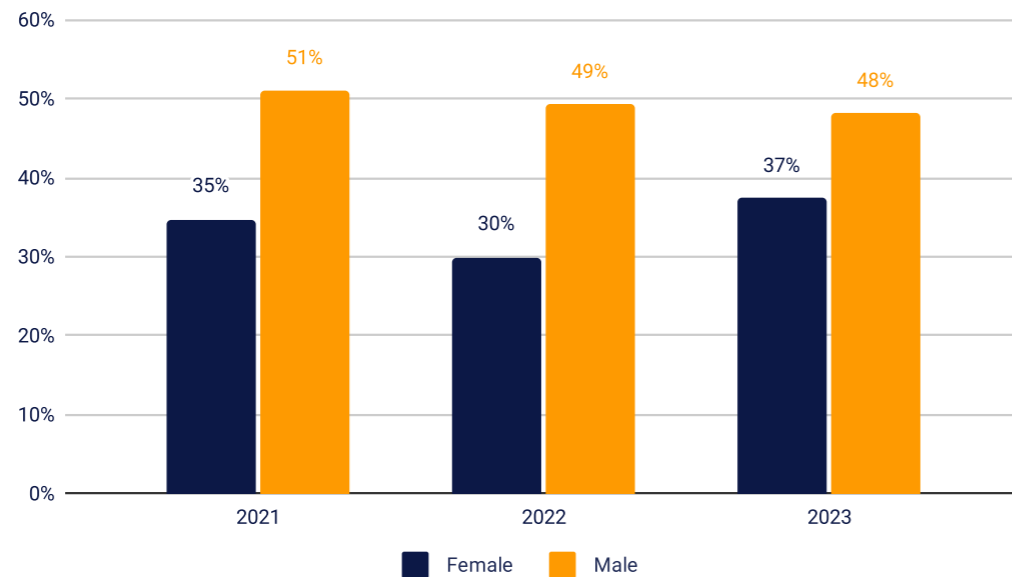
of females invested in crypto, up 7% from 2022.

Female investors are on the rise

Globally, there is a dramatic shift in females and their investment habits. Females are taking proactive steps to grow their wealth by embracing financial investments³.

The data from 2021 to 2023 indicates that the female investor growth is outpacing male user growth. 37% of females invested in cryptocurrency, up 7% pts since 2022. Whereas 48% of males invested in crypto, down 1% pt.

Female vs male crypto ownership



Female investors outperforming males

According to recent research, females have outperformed their male counterparts in investing.^{4,5} This is supported by the IRCI 2023 findings, which show that more females (76%) reported making money or breaking even than males (72%). Notably, this marks the first time since the launch of IRCI SG in 2021 that females have reported outperforming their male counterparts.

³ OCBC Bank. (2021, February 8). OCBC First Women's Index: How Asian female leaders fared in 2020. Retrieved March 6, 2023, from <https://www.ocbc.com/group/media/release/2021/ocbc-fwi.page>
⁴ NASDAQ. (2021, March 4). The Rise of Women in Investing: A Seismic Step Forward. Retrieved March 6, 2023, from <https://www.nasdaq.com/articles/the-rise-of-women-in-investing%3A-a-seismic-step-forward>
⁵ Reuters Brand Features. (2021, February 22). Closing the gender investment gap: why women typically trade less than men and why that may be changing. Retrieved March 6, 2023, from <https://www.reuters.com/article/sponsored/closing-the-gender-investment-gap-why-women-typically-trade-less-than-men-and-why-that-may-be-changing>

Social and ambitious

Women are more open to discussing and inquiring about investment opportunities with trusted people around them. According to our survey, 61% of female cryptocurrency investors reported that they were influenced by friends and family when deciding to invest in crypto, as compared to 48% of men.

Ambition plays a significant role in women's decision to invest in crypto. 56% of women said they invested in crypto to diversify their investment portfolio, compared to 53% of men. Moreover, 37% stated that getting rich was a part of their decision to invest.

Women are bullish on crypto

Compared with their male counterparts, female crypto investors are very bullish on the asset class. 24% of female investors have allocated more than 20% of their investment portfolio to crypto. Furthermore, over the next 12 months, 48% plan to further invest in their existing crypto portfolio, and 43% said they intend to diversify into other tokens, DeFi or NFT projects.

45% of female crypto investors allocate more than \$500 per month.

61%

of females cited family and friends an influence to invest in crypto.



24%

of investors spend between \$500 - \$1000 on cryptocurrency monthly.

How much do Singaporeans invest in crypto?

This year, there has been a noticeable shift in investment patterns among crypto owners. A higher percentage of investors (19%, up 3%) are now spending less than \$100 on crypto, while 23% of investors are investing more than \$1,000 per month (up 4% pts).

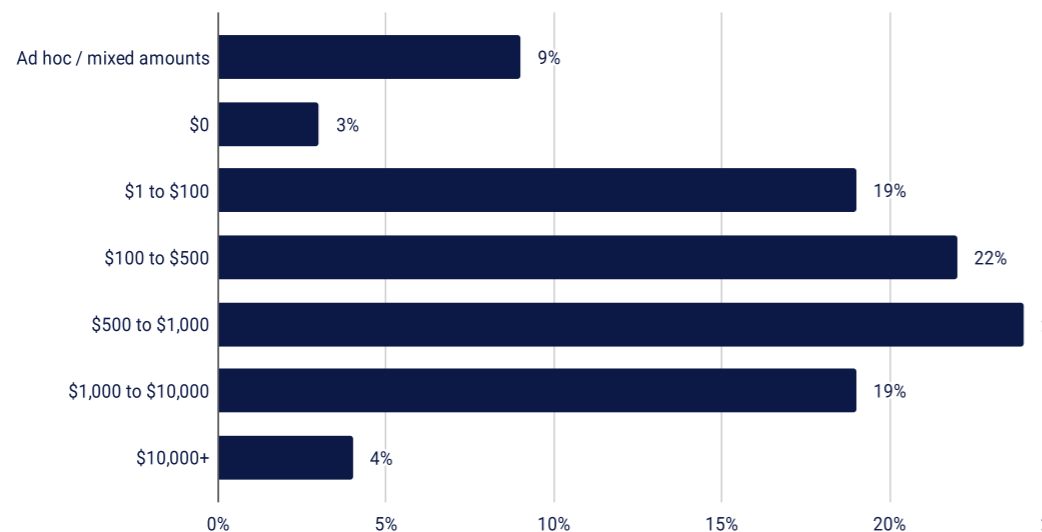
In contrast, the percentage of investors who are putting in between \$100 and \$1,000 has dropped by 9% pts to 46%. Although this group of investors remains the largest, the shift in the general investment behaviour could be attributed to two reasons: some investors took the opportunity to “buy the dip,” while others reduced their investments in crypto due to the increased uncertainty resulting from recent events.

The number of crypto owners investing \$10,000 or more has increased by 1% pt, signalling the growing interest in cryptocurrencies as a viable alternative asset class.

Higher incomes fuel investment in crypto

Unsurprisingly, income levels influence the amount Singaporean investors put towards cryptocurrency each month. For example, 8% of investors who earn up to \$4,999 report investing \$1,000 or more monthly in crypto. On the other hand, 53% of those earning over \$10,000 report investing \$1,000 or more per month in crypto.

Monthly expenditure on cryptocurrency



Portfolio diversification drives cryptocurrency adoption

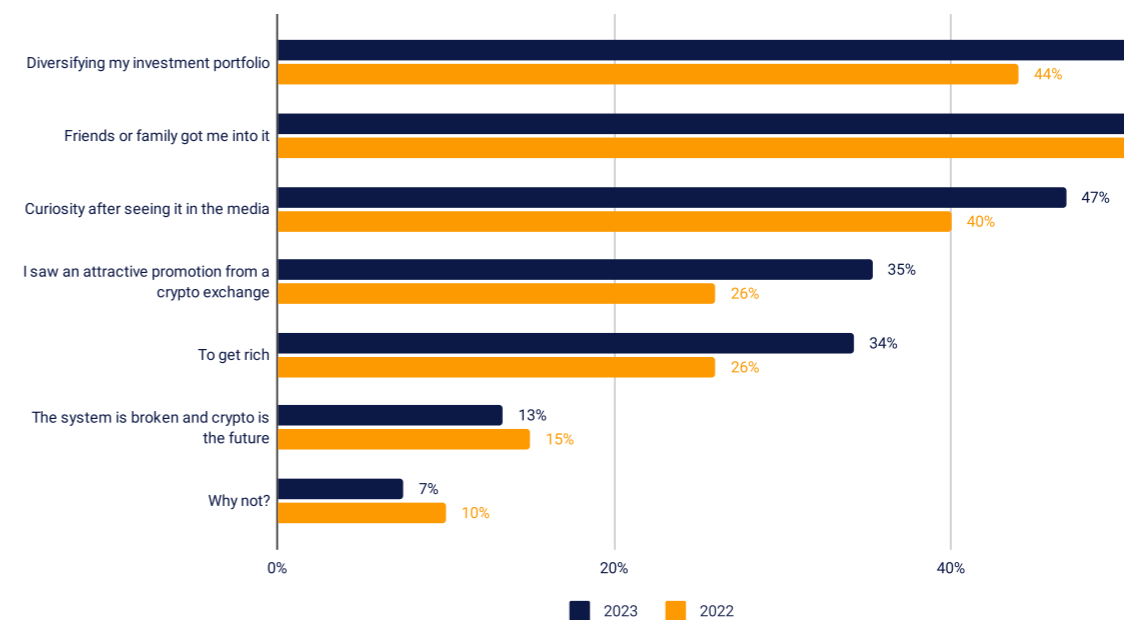
The primary reason for investing in crypto has shifted towards diversifying investment portfolios (54%, up 10% pts), marking a significant milestone for digital assets. This shift suggests that investors no longer see crypto as a novelty to invest a few dollars into. This was evidenced earlier in this report, with Singaporean investors allocating significant monthly investments into crypto.

Time in market influences decision making

Primary reasons for entering the cryptocurrency market vary greatly depending on experience. Seasoned crypto investors (5+ years) cited diversifying their investment portfolio (68%) and getting rich (48%) as primary reasons for investing in digital assets.

In contrast, fewer new investors (less than 12 months) cited diversification (32%) and more on getting rich (18%), suggesting that time in the market plays a significant role in how investors perceive digital assets. 50% of this cohort was primarily influenced by the media, family and friends.

Why Singaporeans chose to invest in crypto



54%

of investors entered into crypto to diversify their investment portfolio.

65%

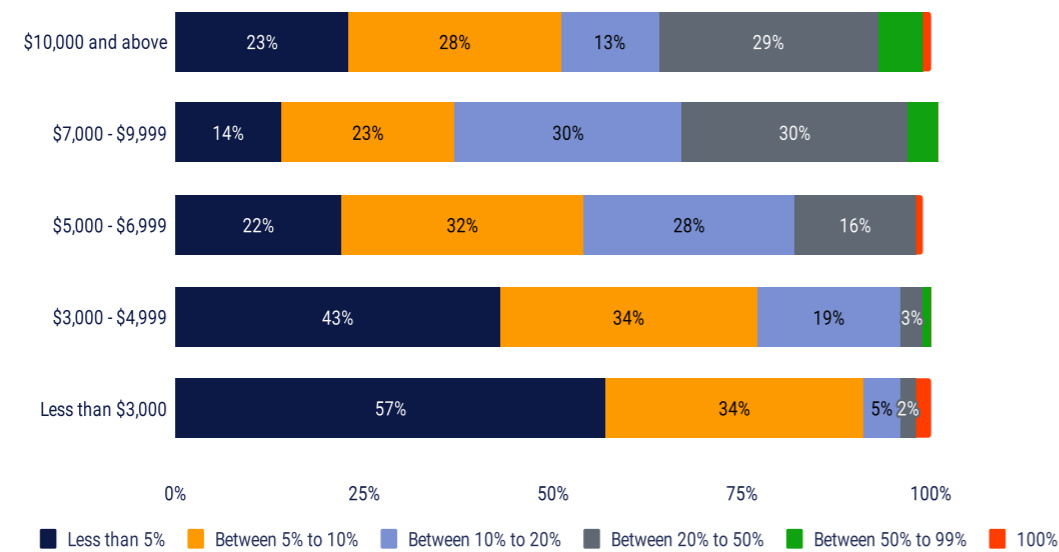
of Singaporean residents earnings \$5,000 or more per month have invest in crypto.

Emerging asset class among the high-income earners

65% of Singaporean respondents with an income of \$5,000 or more invest in cryptocurrency (up 6% pts). Whether as a hedge against inflation, dollar debasement, or to improve a portfolio's Sharpe ratio, crypto has emerged as the go-to investment for middle and high-income earners.

72% of cryptocurrency owners hold more than 5% of their investment portfolio in crypto. Higher-income earners are more likely to allocate more of their investment portfolio towards crypto.

Portfolio allocation towards crypto vs income range



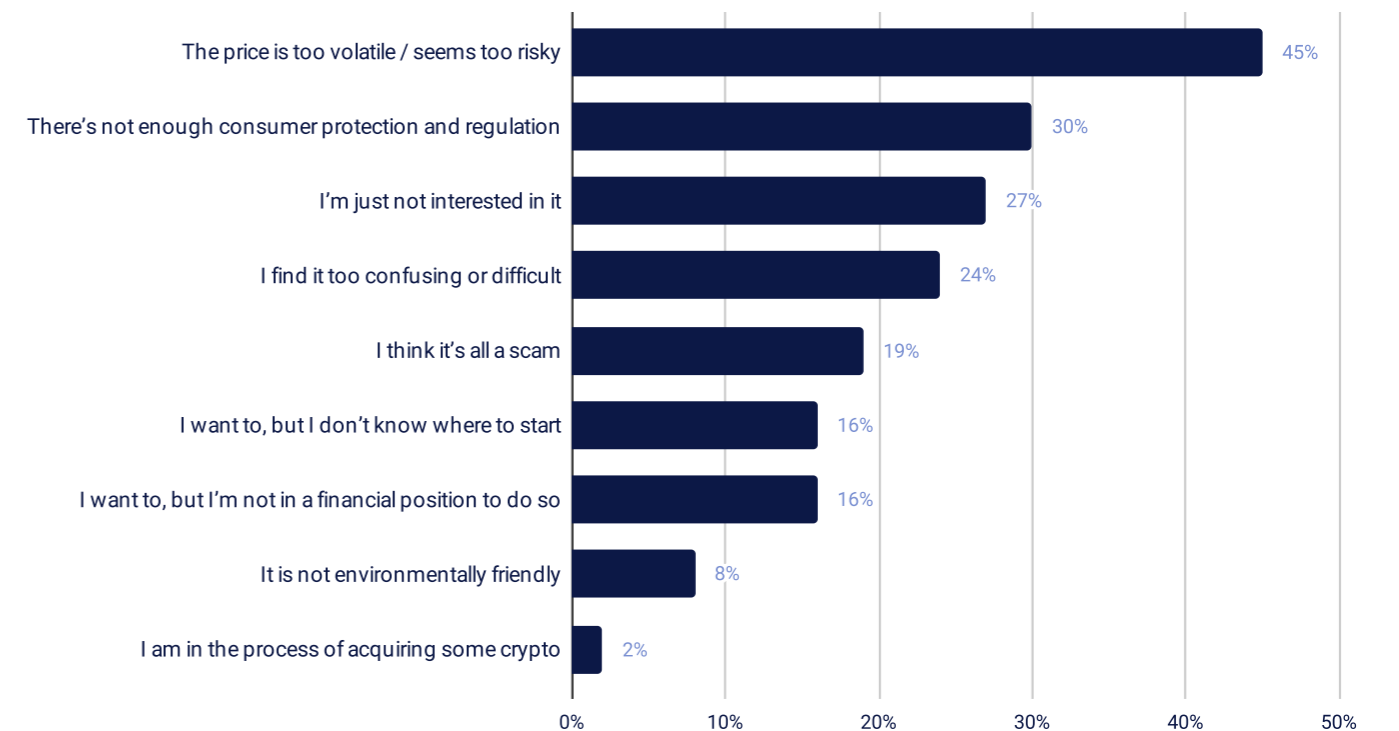
Generally, the higher income groups have reported that their cryptocurrency investments have made money or broke even.

The \$7,000-\$9,000 income segment is the most profitable, with 67% claiming to have made a profit. They are also the segment that is most confident of the long-term viability of the cryptocurrency market. They have also allocated the highest portion of the investment portfolio towards crypto.

Barriers to ownership

Similar to the previous year, price volatility is the top reason why Singaporeans are avoiding investing in cryptocurrency (45%). 30% said that there needs to be more consumer protection and regulation.

Why aren't some Singaporeans investing in crypto?



Confidence

A confidence hit

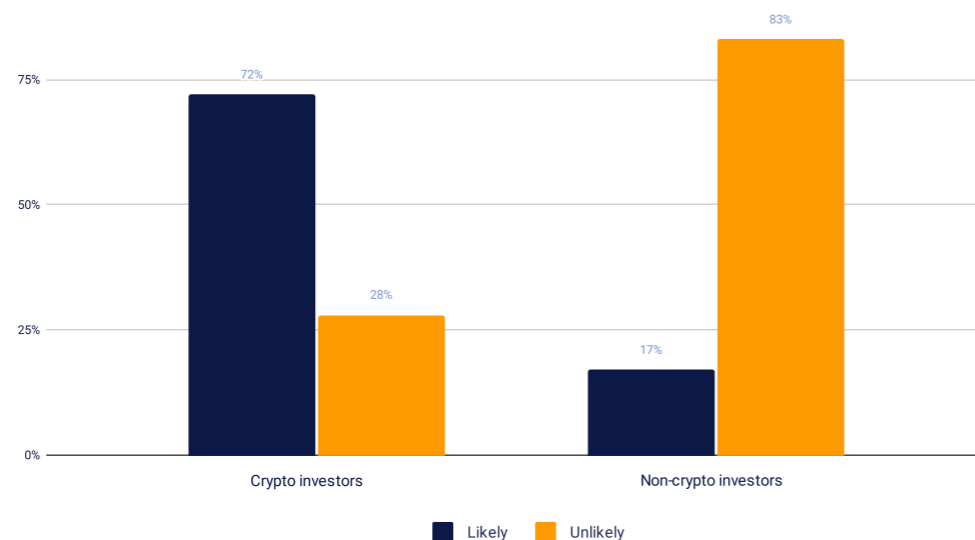
With several high-profile fallouts in the crypto industry over the last 12 months and the onset of the bear market, short-term confidence in digital assets has taken a hit. This is evidenced by people’s investing behaviour, short-term intent and feeling about the future:

- Consolidation of cryptocurrency investment, only 5% of crypto investors hold more than 5 types of cryptocurrencies, down 10% pts.
- 26% of investors reported a loss, up 6% pts.
- 9% of investors plan to sell out their entire crypto position, up 2% pts.
- 40% of Singaporeans are likely to invest in crypto over the next 12 months, down 3% pts.
- 21% of respondents don’t like crypto, up 5% pts.
- 50% believe crypto will be widely accepted by people and businesses in the future, down 9% pts.

Come on in, the water’s fine

Despite the hit to confidence, the vast majority of crypto investors (72%) are likely to recommend investing in crypto to family and friends. Moreover, 84% of crypto investors who have been in the market for over 2 years would recommend investing in crypto.

How likely are you to recommend investing in crypto to family and friends?



Time in market, not timing the market

Keep calm and hodl

Hodl, originally a misspelling of the word “hold” and sometimes referred to as an acronym for “hold on for dear life”, is a term coined in the cryptocurrency community. Hodling refers to holding onto your crypto regardless of its price fluctuations.

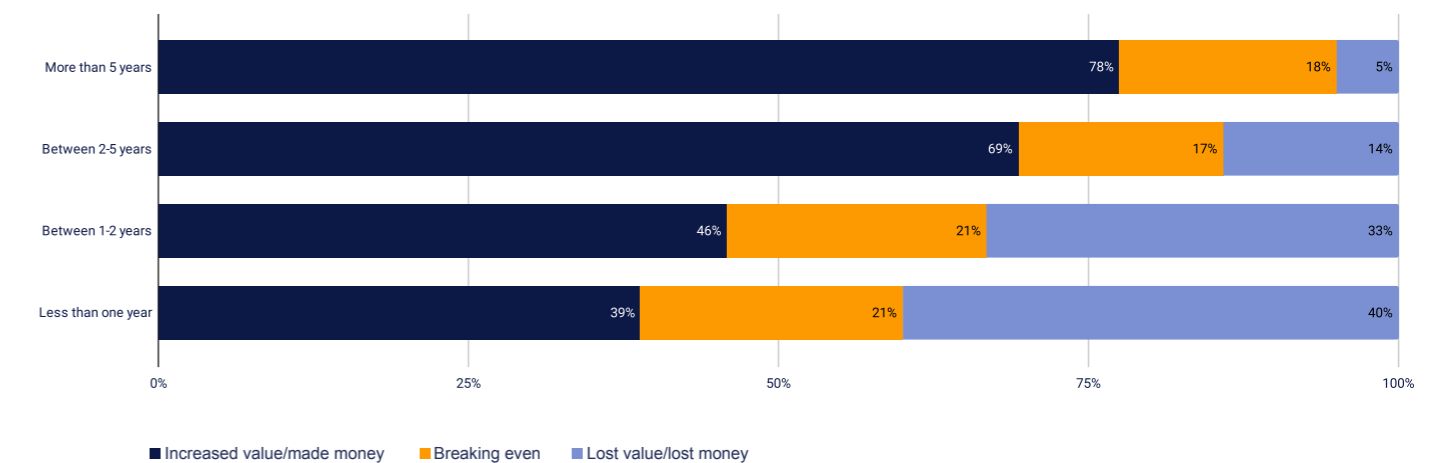
Hodling is often considered the best investment strategy for investors seeking to benefit from the potential long-term gains of cryptocurrencies rather than attempting to time the market⁶.

Hodling pays off

78% of crypto investors in the market for five years or more saw their crypto portfolio increase, with only 5% claiming to have lost money. By contrast, 40% of those who have invested in cryptocurrency for less than a year reported losses, as they would have entered during the emerging bear market⁷.

78%
of crypto investors that started more than 5 years ago report making a profit.

Crypto investment performance vs time in market



⁶ NerdWallet. (2022, September 29). HODL, a Typo Takes Hold as a Sound Cryptocurrency Strategy. Retrieved March 16, 2023, from <https://www.nerdwallet.com/article/investing/hodl-a-typo-takes-hold-as-a-sound-cryptocurrency-strategy>
⁷ Hougan, M. (2018, April 23). Bitcoin Hodling Is The Best Strategy, With One Big Caveat. Forbes. <https://www.forbes.com/sites/matthougan/2018/04/23/bitcoin-hodling-is-the-best-strategy-with-one-big-caveat/?sh=55ab9b463266>

57%

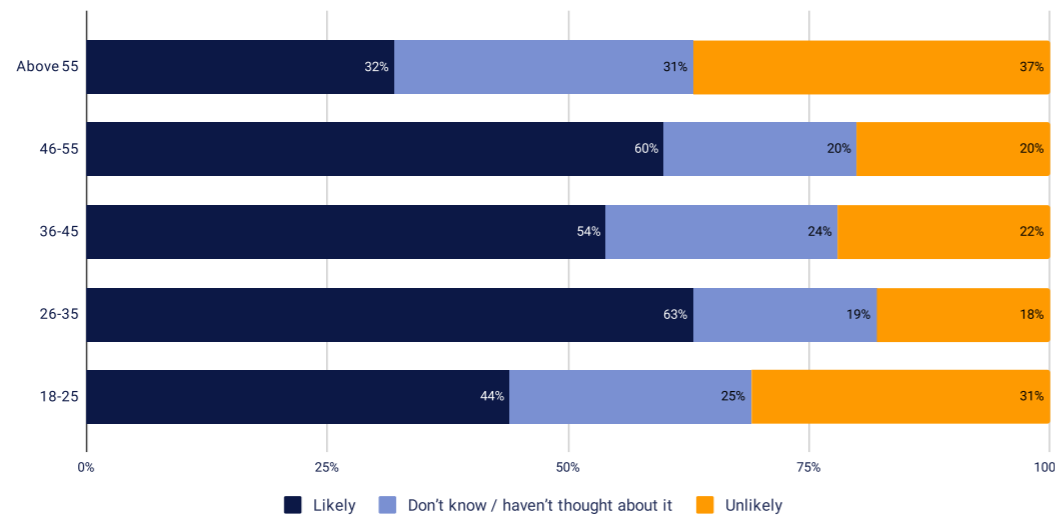
of Singaporeans under the age of 55, believe crypto will be widely accepted by people and businesses.

The future of crypto is looking bright

A more significant portion of Singaporeans under 55 believe that in the future, the majority of people and businesses will accept crypto.

There are reasons for optimism, the adoption of crypto as legal tender is gaining momentum globally. El Salvador made history in 2021 by making Bitcoin a legal tender, followed by the Central African Republic in April 2022⁸. Following this trend, several countries are signalling their plans to adopt crypto as legal tender. Moreover, in 2023, more than 20 countries are testing Central Bank Digital Currencies (CBDCs), which represents a significant step towards the mainstream adoption of cryptocurrencies⁹.

Will crypto be widely accepted by people and businesses?



⁸ CoinMarketCap. (n.d.). Legal Tender Countries. Retrieved March 16, 2023, from <https://coinmarketcap.com/legal-tender-countries/>
⁹ Atlantic Council. (n.d.). CBDC Tracker. Retrieved March 16, 2023, from <https://www.atlanticcouncil.org/cbdctracker/>



Sunshine after the storms? The outlook for crypto and digital assets in Asia's wealth markets

By: Michael Stanhope, Founder & CEO, Hubbis

Last year, cryptocurrencies experienced a major price drop when news of the FTX collapse broke, with Bitcoin falling roughly 75% in 2022. The developing market for the tokenisation of real-world financial and physical assets also suffered collateral damage as general confidence waned.

However, many advocates remain optimistic that this is a somewhat predictable phase of bloodletting that will result in the consolidation and strengthening of the digital assets industry. Similar debacles are not uncommon in the world of traditional finance, often with more severe consequences.

The general sentiment is that the current flight to quality is in fact very timely and a huge positive turn for the entire emerging landscape of cryptos and digital assets. Regulators and every committed participant in this expanding ecosystem are now focusing on greater prudence, deeper due diligence, better oversight, improved governance and operational discipline, and far more rigorous risk management.

There will be a shift towards better quality jurisdictions. As stronger self-governance and self-regulation will be introduced in these markets, this

will help to identify and weed rogue players out. Overall, these changes are expected to benefit both retail and institutional investors.

In Asia, the number of mass affluent, high-net-worth (HNW) and ultra-HNW investors who have been dipping their toes in the crypto markets in the last few years is steadily rising - either for portfolio diversification or purely for returns. Private banks and independent wealth managers in the region who are 'believers' consider this to be the start of a global financial revolution, and that they should therefore be positioning themselves in the market for clients and new business opportunities.

On the other hand, plenty of private clients in Asia still shun cryptocurrencies and remain extremely wary of any type of digital assets. Crypto detractors argue that this is all far worse even than Tulip Mania and should be spurned by any sensible wealth management advisor.

However, the reality is that the world's leading asset managers and institutional investors will increasingly drive these markets in the future. In a recent Hubbis interview, a leading global crypto and digital assets data and services platform stated that virtually every major institutional investor worldwide is taking cryptocurrencies seriously and building dedicated in-house expertise.

Virtually all of these leading institutional asset managers and investors are also positioning themselves for the next major phase in the form of tokenisation of real-world financial and physical assets. This institutionalisation, combined with the impact of the FTX and other crises, is helping drive better regulation, improved oversight and enhanced operational protocols and practices.

In addition, other specialists we spoke to believe that market activity must and will in the future be driven far more by transparent price and liquidity discovery, particularly around crypto, which otherwise defies traditional valuation metrics.

At the same time, market proponents believe that 'good' players in the market have a responsibility to work harder to provide better education and awareness of what crypto is and what tokenisation might represent. They also report that the institutionalisation of these markets - far from being derailed by market events - has actually been surprisingly rapidly reinforced, refocused and re-energised.

All these developments will improve the transparency and solidity of the emerging crypto sector and provide a stronger springboard for the nascent tokenisation markets. Many argue that tokenisation will rapidly

expand to dwarf crypto as the perfect digitised complement to the world of mainstream public and private financial assets.

For Asia's private clients and wealth management industry, this means that their future decisions around crypto and other digital assets will, in the future, very likely be based on a far more institutional marketplace. And that can only be a major and very positive step forward.

About Hubbis

Hubbis focuses on the Asian wealth management industry and produces high-quality, localised content that is practical and independent; This includes news, articles, white papers, thought leadership and conference-linked content, and is available in multiple formats including video, web and print.

Hubbis provides a unique access point to the key decision makers, management and front office personnel of a significant segment of the wealth management industry in Asia. We connect with over 30,000 contacts at International and Local Private Banks, Retail Banks, IFAs, Family Offices, MFOs, Independent Wealth Managers, Insurance Companies, Asset Management and Professional Services firms. We arrange 19 flagship wealth management forums each year and curate 70+ bespoke events for our clients.

33%

of 18 to 25-year-old Singaporeans want to invest in crypto, but are not in a position to do so.

Young investors, an optimistic paradox

Singapore's 18-25-year-old segment (Gen Z) is cautiously optimistic about cryptocurrency, with a wait-and-see attitude, a desire for more education and a close eye on the media. They're not in a financial position to invest heavily into crypto, although many want to do so. Gen Z is the least likely to consider Bitcoin a scam but is also the most neutral when it comes to crypto preferences.

As a cohort, Gen Z has spent the least amount of time in the crypto market. Some respondents would have only been 4 years old when the genesis Bitcoin block was mined. 40% of Gen Z investors have lost money in crypto, the most of any age group, but they are also among the most optimistic about Bitcoin's long-term price.

Welcome to the paradoxical world of Gen Z.

Low adoption rate despite high awareness

Despite the high awareness of cryptocurrency at 91%, the adoption rate among the 18-25 is relatively low at 39% (down from 45% in 2022). This age group is highly influenced by the news and media, with 62% citing it as a reason for entering the market (and perhaps the reason for leaving it).

When it comes to why this group hasn't entered the crypto, there are two main factors:

1. 44% cited price volatility.
2. 33% expressed a desire to enter the crypto market but not having the financial means to do so.

As this age group is at the start of their professional careers, they're consequently not earning as much, which can make it difficult for them to enter the market. Nevertheless, this might mean that there is pent-up future demand as they progress in their careers.

Extreme investors

Gen Z has the lowest cryptocurrency allocation of any age group, with 56% holding less than 5% in their investment portfolio. However, a small percentage (3%) of crypto-investing Gen Zers has an investment portfolio consisting entirely of crypto, which is the highest percentage among all age groups.

Cautiously optimistic

This age group remains one of the most optimistic groups. Only 2% of Gen Z cryptocurrency owners want to sell out entirely, while 21% want to take on a 'wait and see' approach. 62% want to use cryptocurrency to save for the future, and 57% want to trade for financial gains. 44% believe that cryptocurrencies will achieve widespread adoption.

Increased savviness in crypto news sources

This year, young investors are getting savvier with their cryptocurrency news sources. They are increasingly relying on trusted sources of information, with 45% getting news from friends, family, or colleagues (compared to 40% in 2022) and 61% using search engines to proactively seek out information (compared to 59% in 2022).

Gen Zers were the most likely to cite the media as an influence for investing in crypto (62%).

41%

of respondents believe that responsible behaviour from crypto companies will improve their trust.

Trust

The most critical factor for increasing trust in cryptocurrency is clarity regarding government regulation, according to survey respondents. Additionally, a growing number of respondents (54%, up from 50% in 2022) want to see stability in cryptocurrency prices.

Interestingly, 59% (up from 53% in 2022) of those in the 18-25 age group believe education is the top factor for gaining the trust of cryptocurrency, ahead of clarity around government regulations. This suggests that while this age group views cryptocurrencies with scepticism, they are also the most interested in learning more about them, including being receptive to various types of cryptocurrencies.

What would increase Singaporean's trust in crypto

	2023	2022	2021
Clarity around Government regulation	59%	62%	65%
Stability in price	54%	50%	53%
Education about how it works	44%	47%	48%
Crypto companies behaving responsibly in ensuring the safety of your assets	41%	-	-
Businesses using it	35%	40%	48%
Ease of access and ease of use	33%	38%	43%
An option to insure your crypto	28%	29%	35%
Uptake by friends, colleagues and community	21%	18%	24%





From Volatility to enhanced regulation: How Singapore and Hong Kong are addressing the crypto industry

By: Grace Chong

**Head Of Financial Services Regulatory, Singapore, Gibson Dunn
Board Member Of Women In Payments, IAPP & ACCESS Singapore**

Singapore has seen ongoing regulatory tightening in the cryptocurrency space over the last year, which was mired by global fallouts and bank failures. After these events, regulators globally have accelerated their push for enhanced guardrails, and the industry will need to prepare for a wave of enhanced regulations.

There are currently only eleven licensed digital payment token service providers in operation in Singapore, clearly reflecting the high bar set by the authorities in this space. The Monetary Authority of Singapore (MAS) continues to reiterate the volatility and dangers of cryptocurrency trading by retail investors amidst two consultation papers published in October 2022 detailing further intent to reduce the risk of consumer harm.

Similarly, as Hong Kong pivots to a pro-crypto stance as part of a wider effort to restore its credentials as a financial centre, it is also working from the ground up to create a mandatory licensing framework that will

woo new entrants whilst protecting investors. Hong Kong's proposed licensing regime is very rigorous and introduces comprehensive standards on virtual asset service providers vis-à-vis corporate governance, token admissions, client suitability assessments and disclosure obligations. A key feature is allowing retail access to crypto trading under the Hong Kong regime.

From a Singapore perspective, this will have a positive impact in encouraging Singapore regulators to continue their support towards crypto innovation, notwithstanding recent events. While many media commentaries speak of Hong Kong and Singapore as competing crypto hubs, Hong Kong's licensing regime should be welcomed as a complementary framework to Singapore's existing regime; together, the two jurisdictions can attract global resources and propel Asia into the crypto limelight.

Companies looking to operate across jurisdictions should bear in mind the unique benefits each market brings to the table. For instance, Hong Kong will always remain as a gateway to China, with one of the strongest environments for financial services, while Singapore's various grants for fintech encourage the development of the ecosystem.

While the crypto industry itself also recognises the need for enhanced risk management and regulatory oversight, regulatory approaches should be balanced and not exclude retail investors from access to crypto and the Web3 ecosystem more broadly. Ultimately, regulators and industry players must work together to tread the fine line between balanced regulation and preparing for the possibility of mass-scale adoption.

In this vein, the Association of Crypto Currency Enterprises and Start-ups Singapore (ACCESS) has, in its response to MAS' consultations, suggested that the focus of regulation should not be to issue outright bans on services and products, but a nuanced approach that involves customer knowledge assessments, customer education, the enhancement of digital assets service providers' credit risk management, and practices such as identifying and mitigating conflicts of interests. In the present climate, the digital assets community will have to rebuild trust with regulators and their users. However, it is important to remember and emphasise the technology's underlying potential and the commitment to build new use cases that could bring wider benefits.

About ACCESS

The Singapore Cryptocurrency and Blockchain Industry Association (ACCESS) was founded on 30 May 2014 and is a fully registered society with the Registry of Societies under the Ministry of Home Affairs. Our members, representing a spectrum of businesses within the Singapore cryptocurrency and blockchain space, abide by a Code of Conduct that is in line with its mission.

ACCESS envisions Singapore as a premier global hub for businesses driven by digital currencies and blockchain technologies. ACCESS supports the efforts of its members by partnering with other organisations to promote members' interests across multiple industries through advocacy, engagement, and education programmes.

Investors prefer Bitcoin amid market volatility

Bitcoin: Where reputation meets returns

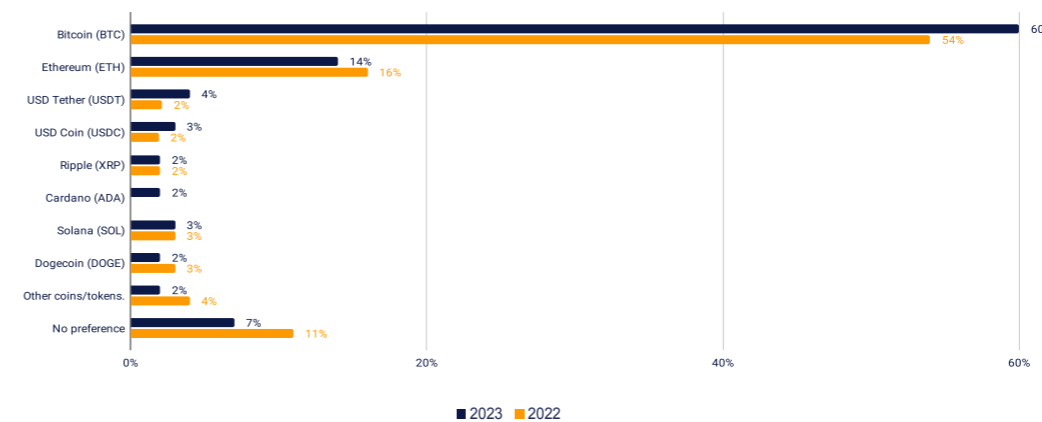
This year, there is a significant increase in the preference for Bitcoin compared to 2022. In 2023, 60% of respondents preferred Bitcoin, an increase of 6% pts compared to the previous year.

The increased preference for Bitcoin over altcoins could be due to Bitcoin's reputation and its strong track record of value appreciation over the years. Bitcoin is the largest and most established cryptocurrency, with a market capitalisation that far exceeds that of any other cryptocurrency¹⁰. Investors are showing a growing interest in assets such as Bitcoin, whose scarcity can be verified to safeguard against inflation and currency devaluation.

Altcoins are often considered less attractive than Bitcoin due to their smaller market capitalisations and greater vulnerability to market volatility, making them less reliable as investment options, especially in times of extreme market uncertainty. This trend is reflected in the declining popularity of altcoins like Ethereum (14%, dropped from 16% in 2022) and Dogecoin (2%, dropped from 3% in 2022), which saw a drop in preference from respondents in 2023 compared to the previous year.

39%
of respondents prefers Bitcoin.

Investor's preferred cryptocurrencies

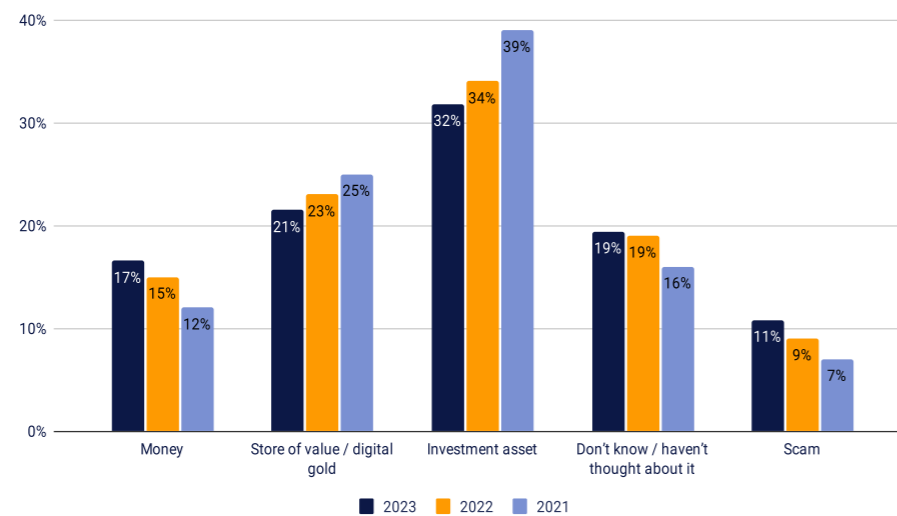


¹⁰ CoinMarketCap. (n.d.). Cryptocurrency Market Capitalizations. Retrieved March 7, 2023, from <https://coinmarketcap.com/charts/>

What's Bitcoin?

This year, a higher percentage of respondents (11%) consider Bitcoin to be a scam compared to last year (9%). Of those who view Bitcoin negatively, 51% belong to the lowest income group, which also happens to be the group with the highest percentage of respondents who reported losing money in cryptocurrency investments.

Singaporean's perception of Bitcoin since 2021



What will the price of Bitcoin be by 2030?

The majority of respondents (57%) believe that Bitcoin will be worth under \$50,000, compared to last year when most respondents thought Bitcoin would reach between \$50,000 and \$250,000.

Bitcoin price predictions for 2030

	2021	2022	2023
\$0 / close to nothing	17%	12%	17%
Under \$50,000	33%	18%	40%
\$50,000-\$100,000	26%	30%	32%
\$100,000-\$250,000	14%	31%	9%
\$250,000+	9%	9%	3%



43%

of crypto investors believe Bitcoin will reach between \$50,000 to \$100,000.

Bitcoin halving in 2024

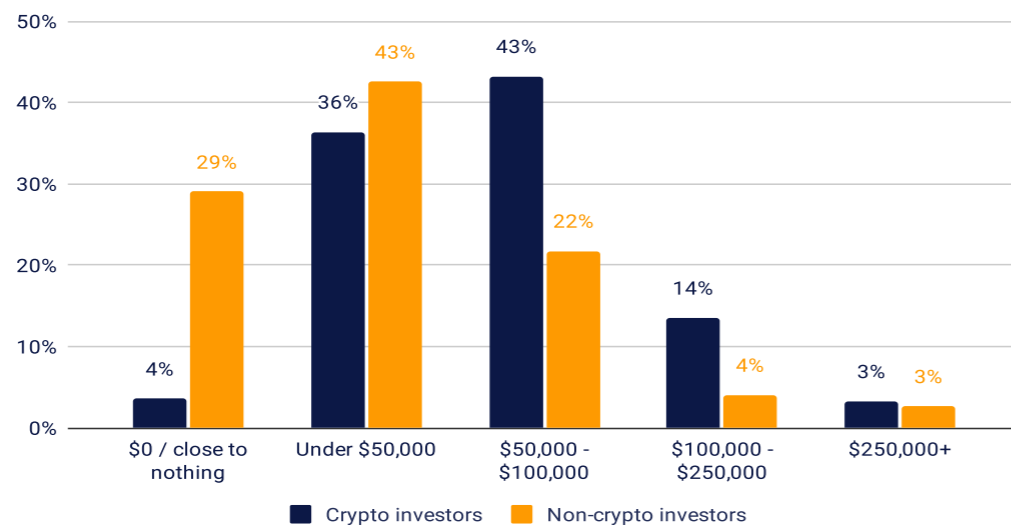
Bitcoin halving occurs approximately every four years, and the next halving event is expected to happen in May 2024¹¹. During halving, the block reward for mining new bitcoin is cut in half, which decreases the supply of new bitcoin coming into the market. This has historically led to a surge in the price of bitcoin, as demand stays constant or increases while the supply is reduced.

As of March 2023, the price of Bitcoin is approximately S\$33,000, representing an increase of approximately 240% since its third halving on May 11 2020, when it was valued at S\$9,700.

Eyes on the prize

In anticipation of at least two halving events by 2030, crypto investors are more optimistic about the future value of Bitcoin. Specifically, 57% of crypto investors predict a value of \$50,000 to \$250,000 for Bitcoin in 2030, while only 26% of non-crypto investors share this sentiment. In contrast, 71% of non-crypto investors expect Bitcoin to be valued below \$100,000 in 2030.

Bitcoin predictions: Crypto investors vs non-crypto investors



¹¹ Bitcoin Block Half. (n.d.). Retrieved March 15, 2023, from <https://www.bitcoinblockhalf.com/>

Future of cryptocurrency

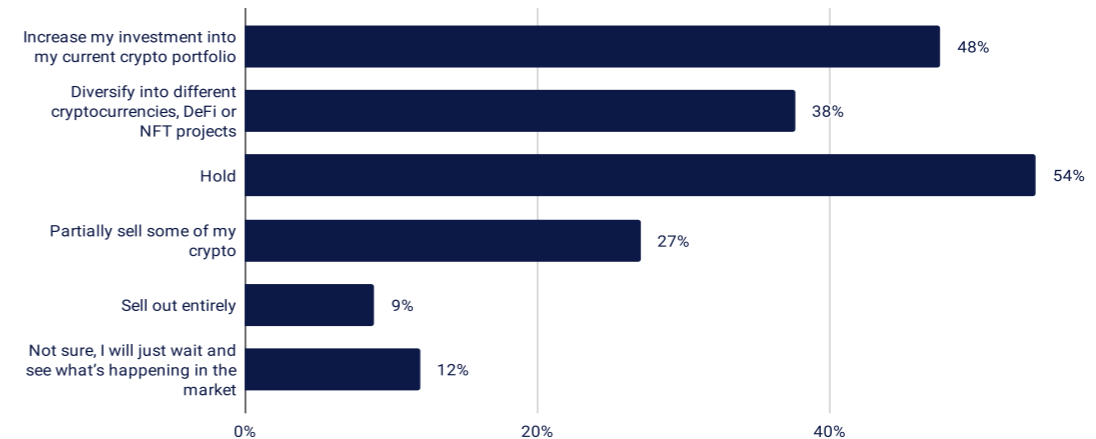
Despite the ongoing crypto winter, rising inflation, and higher interest rates, Singaporeans are still actively investing in crypto. They plan to use it as a portfolio diversifier in the next 12 months. 48% of cryptocurrency investors planning to increase their cryptocurrency investment in the next 12 months, and more than half of the respondents will hold their positions.

Notably, among individuals aged 18-25, 33% do not have a preferred cryptocurrency, indicating they may be more receptive to various forms of cryptocurrencies.

15%

of non-crypto investors are likely to invest in crypto in the next 12 months.

Crypto investors' plans for the next 12 months



Conclusion

The crypto sector is expected to face ongoing challenges in the next 12 months, as it contends with the enduring ripple effects of the previous year's market fallout and recent global banking crises.

Despite this gloomy outlook, there is a clear indication that demand and desire to invest in cryptocurrencies remain strong. Institutional and high-net-worth investors increasingly see cryptocurrencies as a portfolio diversifier to hedge against inflation, currency debasement, and instability in traditional markets. Long-term crypto investors have demonstrated that cryptocurrencies can offer significant returns to those willing to withstand the ups and downs of this emerging asset class.

We believe 2023 will be a pivotal year for global crypto policy. Policymakers are beginning to recognise the popularity of cryptocurrencies as a financial product or service among investors, and regulators in APAC, the EU, and the UK are developing more robust regulatory frameworks to protect investors from bad actors^{12,13,14}. The implementation of fit-for-purpose regulatory safeguards will provide a confidence boost to crypto investors and encourage more mainstream adoption.

The much-anticipated Bitcoin halving event is scheduled for 2024. Historically, this event has lifted the sentiment for cryptocurrency, along with the value of Bitcoin and many altcoins.

Despite the challenges, spring beckons from the depths of the harshest winter, and there is much to look forward to.



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