Singapore Unveils Four Initiatives at The 9th Asia Pacific Precious Metals Conference

Opening Address by Guest-of-Honour
Mr Gan Kim Yong, Deputy Prime Minister and Minister for Trade and Industry, and Chairman of the Monetary Authority of Singapore

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The global economic landscape is becoming more contested and fragmented. Capital and goods continue to flow across borders, but amid greater geopolitical uncertainty, sharper policy divergence, and heightened concerns over resilience and security, trust has become a form of infrastructure. Investors are seeking not only yield and liquidity, but venues where assets can be held safely, transacted reliably, and governed transparently.

Gold sits squarely within this search.
A historic store of value and strategic reserve asset, it is increasingly used to preserve value, diversify risk, and strengthen portfolio resilience - with reserve diversification by central banks anchoring long-term demand.

Asia's growing weight, and the infrastructure gap

The centre of gravity for gold demand is shifting decisively towards Asia, which now accounts for roughly 70% of annual consumer demand. China and India were the top contributors to bar and coin demand in 2025, with Southeast Asian markets including Thailand and Vietnam also active.

Yet Asia's market infrastructure has not kept pace. Trading, liquidity and price discovery remain concentrated in London and New York, leaving a practical gap in the Asian time zone. Market participants want more efficient ways to access liquidity, manage risk, settle transactions, and securely store gold during Asian trading hours. Demand for Singapore-based solutions is already visible: the LionGlobal Singapore Physical Gold Fund, which invests in gold held in custody in Singapore, has attracted over S$600 million since launching in November 2025.

Singapore's ambition is not to replace established centres, but to serve as a complementary, trusted node - connecting regional demand with global liquidity during Asian hours, anchored by deep global connectivity, strong institutions, and a robust regulatory framework. The Gold Market Development Working Group, co-chaired by MAS and SBMA since January 2026 and building on SBMA's Project Lion 2 study, has driven progress across four fronts.

1. **OTC gold clearing for Loco Singapore**
SGX will establish an over-the-counter gold clearing system for Loco Singapore by end-2026, with interbank trading expected to build from 2027. Supporting both large bars and kilobars, the system will streamline trade processing, enhance transparency, and enable standardised settlement during Asian hours. Six bullion banks - DBS, Deutsche Bank, ICBC Standard Bank, J.P. Morgan, OCBC and UOB - are signing an MOU with SGX to participate as clearing members and deepen price discovery.

2. **Central bank gold vaulting services**
MAS will introduce central bank gold vaulting services by October 2026, complementing Singapore's existing commercial vaulting capacity of more than 2,000 tonnes. The service offers foreign central banks and sovereign entities secure storage backed by MAS' institutional standing. MAS will also extend gold accounts to a select group of Singapore-based bullion banks, enabling them to provide gold-related services and liquidity to these entities - allowing reserve assets to be held, actively managed, and connected to market liquidity in the Asian time zone.

3. **New capital market products**
SGX is exploring a physically deliverable gold futures contract to enhance price discovery and risk management in Loco Singapore. Banks are also developing tokenised gold applications, including through collaboration on the Gold Bar Integrity initiative by the World Gold Council and LBMA. These products will complement the OTC market, deepen liquidity, and broaden investment and hedging options.

4. **Tax incentive reform**
MAS will remove the 5% cap on physical investment precious metals under the tax incentive schemes for funds, giving eligible funds and family offices greater flexibility to deploy capital into physical gold in Singapore. Details will follow by September.

Aligning with global standards

To connect seamlessly across time zones, Singapore is aligning its market practices with the LBMA Good Delivery framework for large bars, and the kilobar delivery and settlement standards of the Chicago Mercantile Exchange and Shanghai Gold Exchange - reducing friction for participants operating across markets and bar formats.