

MAS-licensed Cryptocurrency Exchange Independent Reserve, A Safe Gateway for Wealth Managers

Raks Sondhi is Managing Director of Independent Reserve Singapore, the first regulated cryptocurrency exchange in Singapore available to all investors. Its Australian parent company was founded in 2013, expanding operations to Singapore in 2019 and obtaining its license from MAS in 2021. Independent Reserve today provides an order book crypto trading platform, mobile app and OTC desk, and supports Singapore, Aussie, Kiwi, and US dollar trading pairs. It also offers an API for active traders, companies, and financial institutions looking to integrate with a trusted partner.

Hubbis met up with Raks Sondhi to learn more about Independent Reserve's push to promote the industry's safe diversification into digital assets, which he believes will again flourish after the current crypto winter. As a platform that is regulated by the Monetary Authority of Singapore, Independent Reserve is well established in the local mainstream financial ecosystem, and that the investors and traders they work with can be reassured of integrity and operational excellence. Moreover, he reports that the firm steers clear of proprietary market-making services or other capital exposures, and studiously avoids counterparty risks. Additionally, he says they are extremely careful to conduct full due diligence on any digital tokens they list, and they spend a lot of time and effort on helping to educate actual or potential investors. He maintains that for the wealth management community, these capabilities and advantages all add up to a rather compelling proposition.

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RAKS SONDHI
Independent Reserve

“For the wealth management community here in Singapore and elsewhere, we represent a trusted and safe vehicle to get into digital assets,” he reports. “We work in a variety of ways to provide a secure and seamless trading solution. We are ISO 27001 certified, we segregate customer and company funds, hold digital assets in advanced and secure ‘cold storage’ facilities, customised safe guarding arrangements, either in-house or with approved third-parties, API integration, and so forth. In short, we provide a lot of the key services and solutions the wealth management incumbents need to handle digital assets for themselves or their end clients.”

Importantly, he explains that they are the first crypto exchange in Singapore that’s available to both retail and institutional investors, to obtain a license having been granted their Major Payment Institution License under the Payment Services Act in 2021.

Fit for the wealth management market

“We are very committed to regulation and want to see and to

Getting Personal with Raks Sondhi

Raks Sondhi is the Managing Director and Country Head of Independent Reserve, one of Singapore’s first regulated cryptocurrency exchanges. With over 22 years of experience in capital markets and finance, he is now responsible for growing the Independent Reserve business in Singapore and Asian markets.

His career began at Lehman Brothers, and he has held high-level leadership positions at organisations such as Nomura, Chi-X, and Bloomberg. His biography states he has played a pivotal role in electronic trading across the global finance sector for the last 15 years, and has extensive experience working with banks, brokers, exchanges, and trading firms in the high frequency, market-making arena, along with a history of building lasting relationships with traditional hedge funds and asset managers.

His keen interest in the future of cryptocurrencies and blockchain technology – along with his international experience in banking, trading, and finance - makes him a regular speaker and contributor at trade conferences, media interviews, and seminars.

He hails originally from London, and studied Computer Science at King’s College there. He has also worked previously in New York and Tokyo, before moving to Singapore in 2010.

He recalls life in Tokyo between 2005 and 2009 with some fondness, working for both Lehman and Nomura with asset managers, hedge funds, and proprietary trading firms in the field of equities and derivatives. “Many of those relationships are now active in or looking at the digital assets space, so my history there is very relevant,” he explains. “Moreover, my background in electronic trading technology and systems really helps in my current mission.”

Sondhi is currently single and spends a lot of his spare time watching sports, especially rugby and Aussie rules. “Harry, my 10-year-old brown Labrador and I spend a lot of time together,” he reports. “He is a constant companion on long walks and jogs in Singapore and he is well known around the restaurants and bar scene and is fun to hang out with.”

“We are spending a lot of time with Wealth Managers and advisors to explain what we do and to then tailor our services to their needs, depending on their level of sophistication and experience.”

help promote enhanced regulation in this industry,” he states. “We chose Singapore as our Asian base because of its rich ecosystem and infrastructure, ability to attract top international banking and investment businesses and MAS’ reputation as a world-class regulator. We have the policies, procedures, and robust security in place to offer a top-quality service to clients, from the retail investor to the most sophisticated traders or buyers.”

And in that regard, he adds that there is most definitely growing activity or interest from the private banks, merchant banks, and independent wealth managers. “We are spending a lot of time with Wealth Managers and advisors to explain what we do and to then tailor our services to their needs, depending on their level of sophistication and experience,” he reports.

The mass affluent investors

On the retail investor front, Sondhi refers to the annual Independent Reserve Cryptocurrency Index (IRCI) Singapore survey of 1,500 Singaporeans from all backgrounds, conducted in February this year. Within the IRCI, he reports that of the higher-income earners (HIEs) surveyed, those that might, for example, feature in the mass affluent segment of clients for wealth managers, 70% are already crypto owners, with most of them holding Bitcoin as their core cryptocurrency, followed by Ethereum.

He explains that this segment of individuals is also increasingly trying out crypto for the purchase of goods, services, and subscriptions, and Sondhi notes a rising

Key Priorities

Sondhi zooms in first on the need to keep ahead of the game regarding security for the trading and safekeeping of digital assets, and secondly, they plan to keep enhancing their ‘white glove’ service they provide to larger traders, wealth managers, companies, and others. “We need to make sure we have the right people with the right capabilities available at all times when wealth managers want to trade with us,” he states.

Sondhi closes the conversation by focusing on education as a lynchpin for expansion of the market and to improve confidence amongst investors. He explains that in Australia, the parent firm works with the Financial Planners Association of Australia (FPA), and runs accredited courses.

“We are looking at bringing that sort of model to Singapore as well,” he reports. “It is crucial to the development of our platform and to the wider industry that people properly understand what digital assets and cryptocurrency are, how things work, and also how to spot parties that are either not regulated, or potentially downright unscrupulous. This industry must develop with regulation, oversight, education and above all integrity.”

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trend in Singapore for real -life use of crypto those cryptos to be accepted as a mode of payment in the luxury goods segment, such as for Swiss watches or Italian sports cars.

“The survey found that 73% of these high-income crypto owners are likely to purchase more

crypto in the next 12 months, 92% of them claimed to have made money or broken even in those assets and 75% believe crypto will become mainstream,” he reports. “Moreover, 34% of HIE crypto owners claimed to invest more than SGD 1,000 per month, which is significant.” ■