

MAS NOTICE ON WARNINGS ISSUED TO DIGITAL TOKEN EXCHANGES

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On 24 May 2018, the Monetary Authority of Singapore ("**MAS**") announced that it has issued a warning to eight (8) digital token exchanges (also known as cryptocurrency exchanges) in Singapore which allow the buying and selling of digital tokens on their platform. In line with the MAS Notice of 14 November 2017, MAS included a reminder that digital tokens or cryptocurrencies may constitute "securities" under the Securities and Futures Act (Cap. 289) (the "**SFA**"), and if any exchanges allow digital tokens to be traded on their platform, they should seek MAS' authorization. Consequently, the exchanges must cease the trading of such digital tokens until the MAS has given them approval or recognition to continue trading. Click [here](#) to access the MAS Notice of 24 May 2018.

In addition, MAS also directed a token-issuing entity (the "**issuer**") to cease their Initial Coin Offering which has contravened the SFA as their tokens represented equity ownership in a company and therefore constitutes "securities" under the SFA. MAS reiterated that ICO issuers will need to comply with all relevant laws and applicable regulations, in particular, any offering of securities will need to fulfil the prospectus requirements under the SFA (unless exempted).

MAS is also looking at expanding the existing category of Recognised Market Operators ("**RMOs**") to three (3) tiers in a consultation paper released on 22 May 2018 (viz. RMO Tier 1, RMO Tier 2 and RMO Tier 3). Please follow this [link](#) to the consultation paper on RMOs. (We

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note, that a [separate consultation paper](#) was also released on 22 May 2018 by MAS which relates to the notification regime for products that list and delist on Approved Exchanges and RMOs).

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