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FOR IMMEDIATE RELEASE

MAS WARNS DIGITAL TOKEN EXCHANGES AND ICO ISSUER

Singapore, 24 May 2018… The Monetary Authority of Singapore (MAS) has warned eight digital token exchanges in Singapore not to facilitate trading in digital tokens that are securities or futures contracts without MAS' authorisation. It also warned an Initial Coin Offering (ICO) issuer to stop the offering of its digital tokens in Singapore.

2 MAS has reminded the eight digital token exchanges to seek MAS' authorisation if the digital tokens traded on their platforms constitute securities or futures contracts under the Securities and Futures Act (SFA). Digital token exchanges commonly allow the buying and selling of digital tokens using fiat currency, and also facilitate the exchange of digital tokens between their clients. If the digital tokens constitute securities or futures contracts, the exchanges must immediately cease the trading of such digital tokens until they have been authorised as an approved exchange or recognised market operator by MAS.

3 MAS has directed an ICO issuer offering digital tokens to Singapore-based investors to stop doing so. MAS has assessed that the issuer had contravened the SFA as its tokens represented equity ownership in a company and therefore would be considered as securities under the SFA. The offer was made without a MAS-registered prospectus, which is a SFA requirement. The issuer has ceased the offer and has taken remedial actions to comply with MAS' regulations. It has also returned all funds received from Singapore-based investors.

4 MAS has reiterated that digital token issuers, intermediaries and platforms that offer, facilitate or trade digital tokens are responsible for ensuring that they comply with all relevant laws.

5 Mr Lee Boon Ngiap, Assistant Managing Director (Capital Markets), MAS, said "The number of digital token exchanges and digital token offerings in Singapore has been increasing. We do not see a need to restrict them if they are bona fide businesses. But if any digital token exchange, issuer or intermediary breaches our securities laws, MAS will take firm action. The public should be aware that there is no regulatory safeguard if they choose to trade on unregulated digital token exchanges or invest in digital tokens that fall outside the remit of MAS' rules."

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Additional Information

A digital token is a cryptographically-secured representation of a token-holder's rights to receive a benefit or to perform specified functions. For more information on digital tokens and the risks involved, please refer to MoneySENSE's consumer alerts: (http://www.moneysense.gov.sg/Understanding-Financial-Products/Investments/Consumer-Alerts/Virtual-Currencies.aspx)

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