



INTEGRUM

Regulatory Update

14 November 2025

www.integrum-sg.com

GUIDE ON THE TOKENISATION OF CAPITAL MARKETS PRODUCTS

14 November 2025

INTRODUCTION

The Monetary Authority of Singapore (“MAS”) has issued an [updated Guide](#) on the Tokenisation of Capital Markets Products (“CMPs”) that consolidates and refreshes its [former digital token guidance](#). In the updated Guide MAS reaffirms a technology-neutral, substance-over-form approach. MAS affirms that ‘tokenised instruments’ that constitute CMPs under the Securities and Futures Act (“SFA”) will be regulated in the same way as their non-tokenised equivalents. The Guide clarifies prospectus and distribution obligations, licensing expectations across the tokenisation value chain (issuance, trading, custody, and advice), disclosure standards, AML/CFT responsibilities, and the extra-territorial reach of MAS rules. It also includes case studies illustrating when tokens are, and are not, CMPs, and how the Payment Services Act may separately apply.

This regulatory update sets out summary of the key requirements from the Guide applicable to entities that facilitate activities in relation to tokenised CMPs.

This publication is provided by Integrium for educational and informational purposes only and is not intended and should not be construed as providing legal or other advice.

APPLICABILITY

This update is relevant to:

- issuers considering tokenised shares, debentures, units in collective investment schemes, and derivatives;
- platform operators facilitating primary offerings or secondary trading of tokenised instruments;
- custodians and wallet/key-management providers with control over tokenised CMPs;
- financial advisers providing recommendations on tokenised instruments; and
- firms exploring tokenisation within MAS-regulated activities considering sandbox support.

CORE REGULATORY POSITION

MAS will assess the legal character of a token holistically by its characteristics, intent, and bundle of rights. If a token confers or evidences rights and liabilities that fall within the SFA definition of CMP, such as ownership interests in a corporation (shares), indebtedness (debentures), rights or interests in a collective investment scheme, or exposures referencing underlying assets (derivatives), the full suite of securities law requirements will apply, irrespective of the token's technical design, label, or the use of distributed ledger technology. Tokenisation does not change regulatory obligations.

OFFERING TOKENISED PRODUCTS

Offers of tokenised securities, securities-based derivatives contracts, or units in a collective investment scheme are subject to the SFA prospectus regime unless an exemption applies. Where tokens represent units in a collective investment scheme ("**CIS**") and are offered to retail investors, the scheme is also subject to authorisation or recognition and the applicable investment and business conduct rules.

Prospectus exemptions remain available for offers and include where the offer is:

- a small (personal) offer that does not exceed S\$5 million (or its equivalent in a foreign currency) within any 12-month period (subject to certain conditions);
- a private placement offer made to no more than 50 persons within any 12-month period (subject to certain conditions);
- made to institutional investors only; or
- made to accredited investors (subject to certain conditions which include advertising restrictions).

Prospectuses should provide clear, token-specific information so investors can make informed decisions. Summarized below are the focus areas MAS expects issuers to cover.

Category	What Issuers Should Disclose?
Technologies Underpinning Deployment	<ul style="list-style-type: none"> • Type of Digital Ledger Technology (“DLT”) (or other technologies) used, accessibility features of the DLT network (private or public, permissioned or permissionless), measures relating to network and/or application security (including identity and access management) • Use of smart contracts on the DLT network and their governance and operation (e.g., whether a smart contract audit has been conducted before deployment) • Processes and controls for minting, issuing, transferring, redeeming and burning of tokens • Key intermediaries involved in the set-up and operation of the DLT network and their roles (e.g., operator of the DLT network)
Rights and Liabilities	<ul style="list-style-type: none"> • Bundle of rights and liabilities attaching to or derived from the token (e.g., whether the token confers legal or beneficial title to a CMP), as well as its characteristics, intent and structure • How ownership rights in the tokenised CMP are recorded (on- or off-DLT), mechanisms for transfer of ownership rights and when such transfers are considered final • Where there is more than one ownership record (e.g., on-chain and off-chain), which record is definitive of legal ownership; rights of the issuer or other entities to amend or override records on the DLT network (if any) and the specific circumstances under which such rights may be exercised • The legal and regulatory frameworks governing the overall arrangement and the characterisation thereunder (e.g., regulated as a debenture under the SFA)
Custody of Tokenised CMPs	<ul style="list-style-type: none"> • Custody arrangement for the tokenised CMP (whether held directly by the investor, safeguarded by the issuer or its related corporations, or by a third-party custodian), including processes for management of private key(s) used to access the token; for tokenised CMPs safeguarded by the issuer or its related corporations, the processes in place to ensure investors’ tokenised CMPs are distinguishable and maintained separately from the issuer’s or its related corporations’ own assets • Where there are assets backing the tokenised CMP, the custody arrangement for such assets (e.g., custody of the underlying debenture)
Technology and Cyber Risks	<ul style="list-style-type: none"> • Risks relating to malfunctioning of the DLT network and/or smart contracts (e.g., coding errors and connectivity issues) which may impact issuance and transfer of tokenised CMPs and subsequent access by investors • Risks relating to security breaches (e.g., cyber-attacks on the DLT network and exploitation of smart contract vulnerabilities) which may result in theft or loss of investors’ tokenised CMPs or ownership records • Risks associated with use of certain types of blockchains like public-permissionless blockchains (e.g., forking where the DLT network may be split into competing versions or 51% attack where the DLT network is manipulated)
Operational Risks	<ul style="list-style-type: none"> • Arrangements with third-party service providers (e.g., providing DLT infrastructure/network or tokenisation-related services) and risks that may arise in the event of failure of these arrangements (e.g., unanticipated disruptions, slower response times)
Legal and Regulatory Risks	<ul style="list-style-type: none"> • Risks relating to current and future legal or regulatory frameworks that may impact issuance, trading or redemption of tokenised CMPs on the DLT network (e.g., legal status of tokenised CMPs under property law) • Risks to the value of the tokenised CMP as a result of legal or regulatory uncertainties or reforms
Custody Risks	<ul style="list-style-type: none"> • Risks relating to custody arrangements for tokenised CMPs, such as loss/theft of private key(s) used to access such CMPs, and how materialisation of such risks would impact investors • Risks relating to custody arrangements for assets (if any) backing the tokenised CMPs, and how materialisation of such risks would impact investors
Other Applicable Risks	<ul style="list-style-type: none"> • Pricing or liquidity risks in relation to the lack of an active trading market for tokenised CMPs

INVESTOR PROTECTION & SAFEGUARDS

Under the complex products framework, the MAS classifies investment products as either Excluded Investment Products (“EIPs”) or Specified Investment Products (“SIPs”) based on their complexity and whether they are generally understood by retail investors. Tokenised CMPs should be assessed under the same “complex product” rules as non-tokenised CMPs. If a token is classified as a complex product, firms must apply stronger safeguards, such as checking investor knowledge and experience, under the usual SFA or Financial Advisers Act (“FAA”) notices.

LICENSING & APPROVALS BY ACTIVITY

Licensing and approvals from the MAS shall depend on the activity the entity performs, not the use of tokens.

- **Primary issuance platforms:** operating a platform that issues tokenised CMPs can be a regulated activity requiring a capital markets services licence.
- **Secondary trading venues:** running a venue for secondary trading of tokenised securities, derivatives, or fund units may amount to operating an organised market and require approval or recognition.
- **Custody of tokenised products:** if the entity can access or co-authorise transactions via private keys (i.e., have ‘control’), they may be providing custodial services and need a capital markets services licence.
- **Financial advice:** giving advice requires a financial adviser’s licence or an exemption.

AML/CFT IMPLICATIONS

Firms covered by MAS AML/CFT Notices must apply risk-based controls such as know-your-customer checks, screening, monitoring, suspicious transaction reports, record-keeping, and value-transfer rules when sending or receiving tokenised CMPs. They must also comply with suspicious transaction reporting laws under section 45 of Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (“CDSA”) and sanctions rules pursuant to Terrorism (Suppression of Financing) Act (“TSOFA”) and United Nations (“UN”) Regulations.

EXTRA-TERRITORIAL CONSIDERATIONS

SFA rules can apply when issuance or offering of tokenised CMPs are done partly in Singapore or even outside Singapore if it has a meaningful, foreseeable effect in Singapore.

INTERACTION WITH PAYMENT SERVICES ACT

If tokenised CMPs or activities fall under the Payment Services Act (“PSA”), for example, e-money or Digital Payment Tokens (“DPTs”), or exchange/transfer services, PSA rules may apply alongside or instead of SFA/FAA rules. MAS does not treat e-money tokens as CMPs (such as shares or debentures) but careful classification should be done when features overlap. For specific unique cases where a token may fall within the definition of both a CMP and a DPT, the issuer may reach out to MAS with their assessment on the appropriate regulatory treatment of the token. The entity should however seek legal advice from a Singapore-qualified lawyer first before reaching out to the MAS in such cases.

CONCLUSION & PRACTICAL IMPLICATIONS

If the entity is considering tokenisation, it would be prudent to first classify the token under the SFA/FAA and then assess the resulting implications for offering requirements, distribution safeguards, licensing, custody arrangements, and AML/CFT controls. Disclosures should be updated to include token-specific disclosures and risks, with clear articulation of legal ownership and the point at which transfers become final, for offers that are not exempted from the prospectus requirements.

Platforms should determine whether their activities amount to operating an organised market, establish appropriate smart-contract governance and audit processes, and ensure operational resilience. Custody frameworks should prioritise key-management controls, segregation, and oversight bearing in mind that even partial control over private keys (either directly or through a third-party) may trigger custodial licensing obligations.

For cross-border arrangements, it is advisable to reassess Singapore nexus considerations and any advertising restrictions applicable under relevant exemptions. Additionally, the entity should also review whether the PSA is engaged where token features intersect with payments, e-money, or DPTs.

Contacts

Mark Jacobsen
Founder
Integrum

E mark@integrum-sg.com

Dewansh Raheja
Senior Manager
Integrum

E dewansh.raheja@integrum-sg.com

Integrum Pte. Ltd.
63 Chulia Street
#15-01
Singapore 049514
www.integrum-sg.com