Phase two, 2017–2019: the ICO wave and the Guide

Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland and Germany),
Solicitor (England & Wales and Hong Kong)
Of Counsel, KGP Legal LLC
alexander.ressos@kgplegal.com.sg
www.ressos.com.sg

The initial coin offering boom of 2017 reached Singapore quickly, and several of the largest token sales of that year were conducted through Singapore entities. MAS responded in two steps. On 1 August 2017 it issued a short clarification that an offer or issue of digital tokens would be regulated if the tokens constituted products regulated under the Securities and Futures Act. On 14 November 2017, on the opening day of the FinTech Festival, it published "A Guide to Digital Token Offerings". The Guide explained when a token is a security, a unit in a collective investment scheme or a derivative, which prospectus exemptions might apply, which intermediaries need licences and how the anti-money-laundering rules reach the activity.[1] A consumer advisory issued jointly with the Commercial Affairs Department in August 2017 and a public caution against cryptocurrency investment in December 2017 completed the picture. Together these documents established the doctrine of the period: the token's function decides its regulation, while the public is warned that unregulated tokens carry unprotected risk.

The Guide's method deserves a moment of attention because it persists. Each case study describes a hypothetical token and states whether it is a capital markets product. A token that gives a share in a company's profits is a security. A token that

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.

gives nothing except access to a platform is outside the Securities and Futures Act. A token that is sold to fund a scheme in which the proceeds are pooled and managed for the holders' benefit is a unit in a collective investment scheme. The Swiss reader will notice that FINMA's ICO Guidelines of 16 February 2018, published three months later, reached the same place by a different road. The Singapore Guide gives more weight to the collective-investment analysis than the Swiss one, because Singapore's definition of a collective investment scheme is wide and has no de minimis exemption of the Swiss type.[2]

MAS enforced the Guide selectively. In May 2018 it warned eight digital token exchanges that they must not facilitate trading in tokens that were securities without authorisation. It also ordered one issuer to stop an offering and return the proceeds to investors in Singapore because the offering had not complied with the prospectus requirements.[3] Those actions were few, because the period's main legislative work went into the Payment Services Bill. The Bill was passed on 14 January 2019 and received assent in February, creating the licensing framework for "digital payment token services" that Chapter II described. MAS set 28 January 2020 as the commencement date and allowed existing operators a grace period to apply.

Notes

1. MAS, "A Guide to Digital Token Offerings", 14 November 2017, building on the MAS clarification of 1 August 2017; the Guide was updated on 30 November 2018 and on 26 May 2020 with additional case studies. ↩
2. Compare MAS, "A Guide to Digital Token Offerings" (2020 edition), case studies 1–11, with FINMA, "Guidelines for enquiries regarding the regulatory framework for initial coin offerings (ICOs)", 16 February 2018; on the Singapore definition see Securities and Futures Act 2001, s. 2(1), definition of "collective investment scheme". ↩
3. MAS media release of 24 May 2018, "MAS warns Digital Token Exchanges and ICO Issuer". ↩

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.

Disclaimer

This article is provided for general information only. It is based on publicly available sources as at its date of publication. These sources have not been independently verified against licences, regulatory registers or the records of the entities concerned. It is not legal, tax, financial or investment advice. Nor is it a recommendation to invest in, transact with or use the services of any entity mentioned. Law and regulation change frequently, so the content may be incomplete or outdated. To the fullest extent permitted by law, Dr Alexander Ressos and the publisher of SingaporeIQ exclude all liability for loss or damage arising from the use of or reliance on this article. Readers should obtain advice on their specific circumstances before acting or refraining from action.

Names and trademarks of the entities discussed belong to their owners and are used for identification only. Their mention implies no endorsement, affiliation or allegation of wrongdoing. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. Corrections and updates: contact@ressos.com.

© 2026 Dr Alexander Ressos. This article may be quoted with attribution to SingaporeIQ (SingaporeIQ.com). Reproduction in full and any commercial use require prior written consent. The Legal Terms at https://singaporeiq.com/legal-terms apply.

Author contact: Dr Alexander Ressos, TEP · contact@ressos.com