Prospectus requirements and exemptions

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

An offer of securities or of units in a CIS to persons in Singapore must be made with a prospectus registered by MAS unless an exemption applies.[1] The prospectus must contain all information that investors and their professional advisers would reasonably require to make an informed assessment. For tokenised products the Guide requires that the prospectus address the tokenisation-specific features: the distributed ledger used, the governance of the smart contract, custody arrangements and the technology, cyber and legal risks.[2] Prospectus liability under s. 253 SFA extends to the issuer, its directors and the persons who made the offer, with both civil and criminal consequences for false or misleading statements.

Four exemptions carry almost all token offerings in practice. The small offers exemption in s. 272A permits offers raising up to S$ 5 million (or the equivalent in a foreign currency) in any twelve-month period, provided the offer is personal and the advertising restrictions are observed. The private placement exemption in s. 272B permits offers to no more than fifty persons in any twelve-month period. The institutional investor exemption in s. 274 permits offers to institutional investors without limit. The accredited investor exemption in s. 275 permits offers to accredited investors and certain other persons, subject to conditions including

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restrictions on resale.[3] The exempt offer cannot be advertised to the public, which means that an issuer relying on an exemption cannot run a public token sale website that is accessible from Singapore without geo-blocking and disclaimers that MAS will accept.

The twelve-month aggregation rules trap issuers that run several rounds. Two offers under the small offers exemption within twelve months are aggregated. An offer that pushes the total over S$ 5 million loses the exemption for the excess. Offers under the private placement exemption are aggregated with other private placement offers in the period, so an issuer that has sold to forty friends and family cannot then sell to twenty angel investors under the same exemption. Offers to institutional and accredited investors are not counted against the small offers or private placement limits. The usual structure for a token round is therefore to sell to accredited and institutional investors under ss 274 and 275 and to reserve the small offers exemption for a community round.

Practice note

Before a token round, write a one-page offer map that lists every planned sale of the token for the next twelve months, the exemption relied on for each, the maximum number of persons and the maximum amount. Then check the aggregation rules across the map. Consider a founder who sells to the community first under the small offers exemption and to venture investors later under the accredited investor exemption. If the community round was oversubscribed, the exemptions were used in the wrong order, because the excess over S$ 5 million cannot be rescued by the later exemption. The map also tells you whether any investor is in Singapore at all. If none is, the SFA offer rules do not apply, although Part 9 of the FSMA may (see Chapter V).

Notes

1. SFA, ss 240 (securities and securities-based derivatives) and 296 (units in a CIS), requiring a registered prospectus for offers in Singapore. ↩

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2. Rajah & Tann, 8 December 2025 (above): prospectuses for tokenised capital markets products should cover tokenisation-specific characteristics and risks such as the DLT used, smart contract governance, custody arrangements and technology, cyber and legal risks. ↩
3. SFA, ss 272A (small offers), 272B (private placement), 274 (institutional investors) and 275 (accredited investors and certain other persons), with the corresponding provisions for CIS units in ss 302B, 302C, 304 and 305. ↩

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