# Stage six: the token generation event and distribution

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 token generation event is a technical act with legal consequences. The moment the tokens exist and are transferable, the AML duties attach in Switzerland, the PSA perimeter opens in Singapore, the prospectus or white paper is "live" and the tax clock starts. Four mechanics are used for distribution, each with a regulatory profile.

- A direct sale by the issuer to onboarded participants at a fixed price. Simplest, but the issuer is the seller for AML, PSA and tax purposes.
- An auction or bonding-curve sale through a smart contract. Reduces the issuer's role to that of a deployer, but FINMA and MAS look through the mechanics to the entity that benefits.
- An airdrop to addresses that meet criteria. No sale and no consideration, so no prospectus and usually no PSA dealing, but a taxable receipt for the recipient in both hubs and a market-abuse exposure if the criteria are manipulated.

© 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.

- A liquidity bootstrapping pool or launchpad operated by a third party. Shifts the regulated activity to the operator, which must itself be licensed where it serves customers.

Airdrops deserve a note on tax. A Swiss private holder receiving an airdrop has taxable income at the market value on receipt, which the FTA working paper confirms. A Singapore recipient has income only if the airdrop is received in return for services or in the course of a trade. Otherwise it is a capital receipt.[1] A project that airdrops to its community in both hubs creates very different results for its Swiss and Singapore recipients. The communications should say so.

## Notes

1. FTA working paper on cryptocurrencies, section on airdrops (taxable income at receipt for private holders); IRAS e-Tax Guide, "Income Tax Treatment of Digital Tokens", section 6.4 (airdrops received without consideration are not taxable unless the recipient is a trader or provided services). Part G, Chapter II, and Part M, Chapter I. ↩

## 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.

© 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.

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

© 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.