Tokenised capital markets products and the 2025 Guide

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The 2025 Guide addresses the questions that the tokenisation of conventional securities raises and that the ICO-era Guide did not. It confirms that Part 13 SFA applies to offers of tokenised shares, debentures, business trust units and CIS units in the same way as to conventional offers.[1] It classifies tokenised products as complex or non-complex by reference to the underlying product and not to the digital wrapper. A tokenised unit in a plain equity fund is therefore a non-complex product even though it trades on a blockchain. A tokenised structured note is complex and requires the enhanced distribution safeguards, including an assessment of the customer's knowledge and experience.[2] It restates that AML/CFT obligations and suspicious transaction reporting apply to all the intermediaries involved.

The Guide also confirms the licensing map for a tokenised securities value chain. The primary market platform needs a CMS licence for dealing. The custodian needs a CMS licence for custodial services. The trading platform needs approval or recognition under Part 2. Anyone giving advice needs a financial adviser's licence or an exemption under the Financial Advisers Act 2001.[3] A single firm may hold several of these permissions, which is how ADDX and similar platforms operate, but each activity is separately assessed.

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Singapore perspective

You can tokenise a Singapore company's shares, a fund's units or a bond and offer them to accredited and institutional investors in Singapore without creating any new legal category. The SFA treats the token as the security it represents. What you cannot do is treat the blockchain as the register for a Singapore company, offer the tokens to retail investors without a prospectus or a recognised fund structure, or run the trading venue without RMO status. The platforms that have succeeded in Singapore chose their permissions early, built the custody and settlement around a licensed structure and limited their first products to accredited investors. Founders who want retail distribution of tokenised products should expect to need a fund structure authorised by MAS and a distributor with the relevant licence.

Notes

1. Rajah & Tann, 8 December 2025 (above): Part 13 SFA applies to offers of tokenised capital markets products that are securities, securities-based derivatives contracts or CIS units in the same way as to non-tokenised offers; CIS units also require authorisation or recognition. ↩
2. Rajah & Tann, 8 December 2025 (above): tokenised capital markets products are classified as complex or non-complex on product characteristics and not on their digital form; complex products require enhanced distribution safeguards. ↩
3. Rajah & Tann, 8 December 2025 (above), summarising the licensing requirements for primary market platforms, custody providers, trading platforms and financial advice in relation to tokenised capital markets products. ↩

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