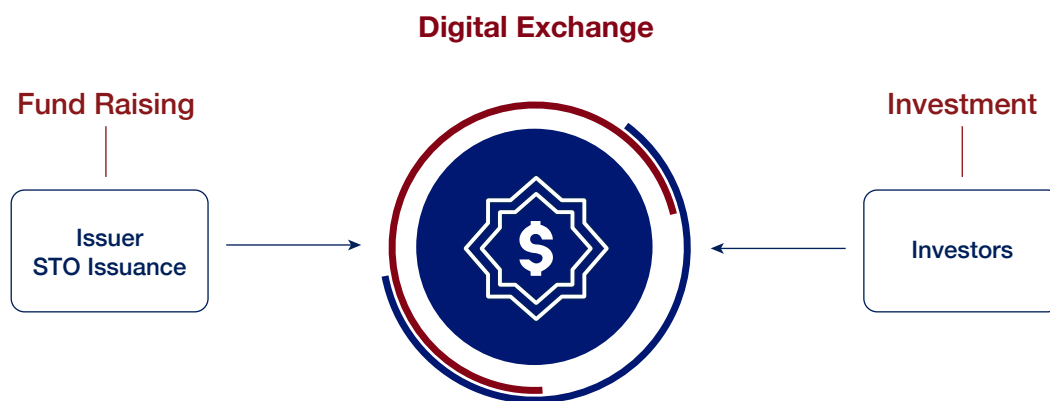


ISSUANCE OF LABUAN SECURITIES TOKEN OFFERING FRAMEWORK

Labuan FSA has issued the Guidelines on Labuan Securities Token Offering (STO) which is effective immediately from the date of its issuance. The Guidelines apply to any person that intends to issue or offer securities token as a method of raising funds in Labuan IBFC. This includes Shariah-compliant STOs (known as RAMZ in Arabic) and Environment, Social and Governance STOs.

Labuan FSA recognises the innovative potential of distributed ledger technology (DLT) in the financial sector and is highly supportive of fintech-related initiatives in Labuan International Business and Financial Centre (Labuan IBFC).



Labuan FSA defines a securities token as “securities” that are represented in digital format and recorded on a distributed digital ledger whether cryptographically-secured or otherwise. This includes:

- i) Shares, debentures, funds, units, interests in a limited partnership or limited liability partnership or unit trust or foundation or PCC or corporation;
- ii) Debentures, bonds, or notes of or issued by anybody (incorporated or unincorporated), government, local government, or public authority; and
- iii) Certificates of interest or participation in, temporary or interim certificates for, receipts for or warrants to subscribe to or purchase any of the investments described above in items (1) and (2).

ISSUANCE OF LABUAN SECURITIES TOKEN OFFERING FRAMEWORK

Comparison between Private STO and Public STO

Areas	Private STO	Public STO
Classification of STO	<ul style="list-style-type: none">i) An offer or invitation of securities where the number of persons to whom the offer or invitation is communicated does not exceed 50:<ul style="list-style-type: none">a. Addressed to an identifiable category of persons directly by issuer or appointed agent; orb. The members of that category are the only persons who may accept the offer or invitation and they are in possession of sufficient information to be able to make informed investment decision.ii) An offer or invitation of debentures where the first-time investment of each of the initial debenture holders:<ul style="list-style-type: none">a. Is not less than MYR 250,000; orb. Is less than MYR 250,000 and the number of persons to whom the offer or invitation is communicated does not exceed 50.iii) An offer or invitation of private funds.iv) An offer or invitation of securities pursuant to a take-over offer which complies with the relevant law applicable to such offer.	Other than private STO.

**ISSUANCE OF LABUAN
SECURITIES TOKEN
OFFERING FRAMEWORK**

Comparison between Private STO and Public STO

Areas	Private STO	Public STO
Issuance requirements	Submit a notification to Labuan FSA prior to issuance.	<ul style="list-style-type: none">i) Submit application for approval to Labuan FSA prior to issuance.ii) Have minimum capital of MYR 500,000 or equivalent in any foreign currency and must be always maintained.iii) The issuers, issuers' directors, Chief Executive Officer, controller, and any person who is primarily responsible for operations or financial management shall be fit and proper persons.iv) The issuers shall have sufficient financial, human, and other resources for their operation at all times.v) The issuers shall be able to manage risks associated with their business and operation including demonstrating the processes and contingency arrangement in the event the issuers are unable to carry out their operations.vi) The issuers shall have the appropriate security arrangements which include maintaining a secured environment.

ISSUANCE OF LABUAN SECURITIES TOKEN OFFERING FRAMEWORK

Comparison between Private STO and Public STO

Areas	Private STO	Public STO
Appointed intermediaries	May appoint any competent agent, trustee, custodian, fund manager, fund administrator or other service providers which may not necessarily be licensed or approved by Labuan FSA but are registered or licensed by other competent Authority.	<ul style="list-style-type: none">i) The agent shall be a Labuan bank licensee or a Labuan trust company.ii) The trustee shall be a Labuan trust company. Any other person may be appointed as a trustee together with Labuan trust company subject to prior approval of Labuan FSA.iii) Appoint and have at all times in place the following functionaries:<ul style="list-style-type: none">a. an IT Auditor;b. a Tokenisation Technology Provider; andc. a Compliance Officer, where applicable.
Prospectus requirements	Yes.	Yes.

For details, please visit the following link:

Guidelines of Labuan Securities Token Offering

VIEW PDF

Frequently Asked Questions

VIEW PDF