

---

Technology, Media and Telecommunications

# Securities Commission Malaysia Seeks Public Feedback on Proposed Initial Coin Offering and Property Crowdfunding Regulatory Frameworks

## Introduction

In this Technology, Media and Telecommunications Update, we wish to bring your attention to two consultation papers issued by the Securities Commission Malaysia (“SC”) on 6 March 2019:

- (a) Public Consultation Paper No. 1/2019 - Proposed Regulatory Framework for the Issuance of Digital Assets Through Initial Coin Offerings (ICOs); and
- (b) Public Consultation Paper No. 2/2019 - Proposed Regulatory Framework for Property Crowdfunding.

(collectively “**Public Consultation Papers**”).

### **Public Consultation Paper No. 1/2019 - Proposed Regulatory Framework for the Issuance of Digital Assets Through Initial Coin Offerings (ICOs)**

An ICO is the creation and issuance of its own digital assets by an issuer in exchange for established digital currency (such as Bitcoin or Ether) or fiat currency where the proceeds will then be used to build and develop its venture.

Following the issuance of the Capital Markets and Services (Prescription of Securities) (Digital Currency and Digital Token) Order 2019, which came into force on 15 January 2019 and revised Guidelines on Recognized Markets on 31 January 2019, the SC has continued the phased approach in developing the regulatory framework for digital assets by issuing Public Consultation Paper No. 1/2019 - Proposed Regulatory Framework for the Issuance of Digital Assets Through Initial Coin Offerings (ICOs) (“**PCP for ICOs**”).

The PCP for ICOs provides information as to the nature of digital assets, risks involved in investment of digital assets and the proposed regulatory framework for ICOs. Specifically, the proposed regulatory framework for ICOs discusses, among others, the authorisation for the offering or issuance of the ICO by assessing the eligibility of issuers and the registration of a disclosure document (Whitepaper) which complies with prescribed minimum requirements set by the SC.

For your ease of reference, we provide below the link to the PCP for ICOs:

<https://www.sc.com.my/api/documentms/download.ashx?id=d3067bf4-ba39-4bce-8dc4-1b660ff37977>

### **Public Consultation Paper No. 2/2019 - Proposed Regulatory Framework for Property Crowdfunding**

Property crowdfunding is a form of fundraising which allows a homebuyer to obtain funds for payment of purchase price of a property through investments from relatively large numbers of investors, by publicising and facilitating such transactions via an online platform.

---

## Technology, Media and Telecommunications

The introduction of equity crowdfunding (ECF) and peer-to-peer (P2P) financing frameworks in February 2015 and April 2016 respectively have shown good progress in meeting the financing needs of the micro, small and medium enterprises. In view of this, SC has issued the Public Consultation Paper No. 2/2019 - Proposed Regulatory Framework for Property Crowdfunding ("**PCP for Property Crowdfunding**") to obtain feedback on the proposed regulatory framework which will facilitate property crowdfunding under the P2P financing framework.

The PCP for Property Crowdfunding seeks to obtain feedback on the requirements and obligations of the property crowdfunding platform operators, eligibility requirements of homebuyers, criteria of properties which can be listed on the platform and financing limits.

For your ease of reference, we provide below the link to the PCP for Property Crowdfunding:

<https://www.sc.com.my/api/documentms/download.ashx?id=9dfbcab6-b7ad-4493-8199-b7aa8e708b77>

Following the issuance of the Public Consultation Papers, the SC has also issued a statement that the public should submit their feedback and comments to [CPLawReform@seccom.com.my](mailto:CPLawReform@seccom.com.my) by 29 March 2019.

We trust that the above provides you with a quick update on the matter.

Should you require any assistance or clarification in respect of the above or in relation to any other matter pertaining to technology, media and telecommunications or capital markets, please feel free to get in touch with any of the individuals listed below.

## Contacts



**Deepak Pillai**  
Head  
Technology, Media &  
Telecommunications; Data  
Protection

D +60 3 2275 2675  
F +60 3 2273 8310  
[deepak.pillai@christopherleeong.com](mailto:deepak.pillai@christopherleeong.com)



**Intan Haryati Binti Mohd Zulkifli**  
Partner  
Technology, Media &  
Telecommunications; Data  
Protection

D +60 3 2675 2674  
F +60 3 2273 8310  
[intan.haryati@christopherleeong.com](mailto:intan.haryati@christopherleeong.com)



**Yon See Ting**  
Partner  
Corporate  
Capital Markets

D +60 3 2267 2647  
F +60 3 2273 8310  
[see.ting.yon@christopherleeong.com](mailto:see.ting.yon@christopherleeong.com)



**Yong Shih Han**  
Senior Associate  
Technology, Media &  
Telecommunications; Data  
Protection

D +60 3 2273 1919  
F +60 3 2273 8310  
[shih.han.yong@christopherleeong.com](mailto:shih.han.yong@christopherleeong.com)



**Looi Zhi Min**  
Senior Associate  
Corporate  
Capital Markets

D +60 3 2273 1919  
F +60 3 2273 8310  
[zhi.min.looi@christopherleeong.com](mailto:zhi.min.looi@christopherleeong.com)



**Michelle Wu**  
Associate  
Technology, Media &  
Telecommunications; Data  
Protection

D +60 3 2273 1919  
F +60 3 2273 8310  
[michelle.wu@christopherleeong.com](mailto:michelle.wu@christopherleeong.com)

## Our Regional Contacts

RAJAH & TANN | *Singapore*

**Rajah & Tann Singapore LLP**

T +65 6535 3600  
F +65 6225 9630  
sg.rajahtannasia.com

CHRISTOPHER & LEE ONG | *Malaysia*

**Christopher & Lee Ong**

T +60 3 2273 1919  
F +60 3 2273 8310  
www.christopherleeong.com

R&T SOK & HENG | *Cambodia*

**R&T Sok & Heng Law Office**

T +855 23 963 112 / 113  
F +855 23 963 116  
kh.rajahtannasia.com

RAJAH & TANN NK LEGAL | *Myanmar*

**Rajah & Tann NK Legal Myanmar Company Limited**

T +95 9 7304 0763 / +95 1 9345 343 / +95 1 9345 346  
F +95 1 9345 348  
mm.rajahtannasia.com

RAJAH & TANN 立杰上海  
SHANGHAI REPRESENTATIVE OFFICE | *China*

**Rajah & Tann Singapore LLP  
Shanghai Representative Office**

T +86 21 6120 8818  
F +86 21 6120 8820  
cn.rajahtannasia.com

GATMAYTAN YAP PATACSIL  
GUTIERREZ & PROTACIO (C&G LAW) | *Philippines*

**Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law)**

T +632 894 0377 to 79 / +632 894 4931 to 32 / +632 552 1977  
F +632 552 1978  
www.cagatlaw.com

ASSEGAF HAMZAH & PARTNERS | *Indonesia*

**Assegaf Hamzah & Partners**

**Jakarta Office**

T +62 21 2555 7800  
F +62 21 2555 7899

**Surabaya Office**

T +62 31 5116 4550  
F +62 31 5116 4560  
www.ahp.co.id

RAJAH & TANN | *Thailand*

**R&T Asia (Thailand) Limited**

T +66 2 656 1991  
F +66 2 656 0833  
th.rajahtannasia.com

RAJAH & TANN LCT LAWYERS | *Vietnam*

**Rajah & Tann LCT Lawyers**

**Ho Chi Minh City Office**

T +84 28 3821 2382 / +84 28 3821 2673  
F +84 28 3520 8206

RAJAH & TANN | *Lao PDR*

**Rajah & Tann (Laos) Sole Co., Ltd.**

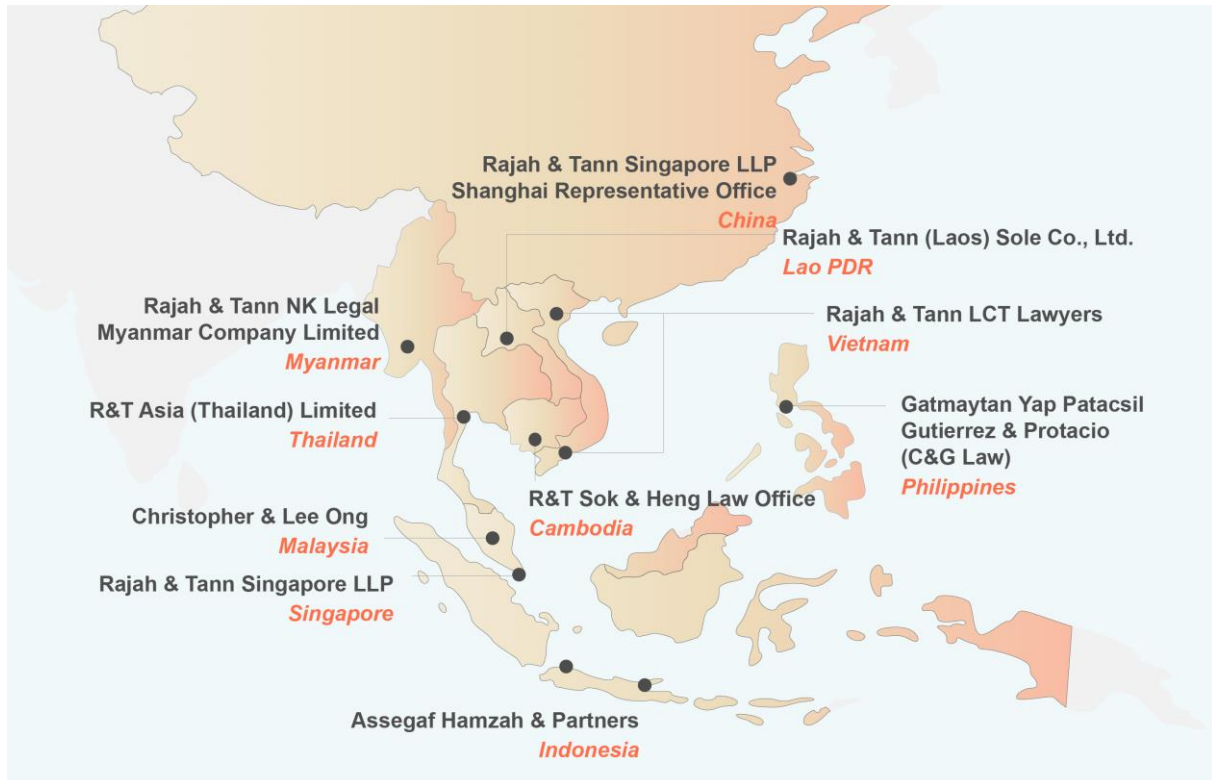
T +856 21 454 239  
F +856 21 285 261  
la.rajahtannasia.com

**Hanoi Office**

T +84 24 3267 6127  
F +84 24 3267 6128  
www.rajahtannlct.com

Member firms are constituted and regulated in accordance with local legal requirements and where regulations require, are independently owned and managed. Services are provided independently by each Member firm pursuant to the applicable terms of engagement between the Member firm and the client.

## Our Regional Presence



Christopher & Lee Ong is a full service Malaysian law firm with offices in Kuala Lumpur. It is strategically positioned to service clients in a range of contentious and non-contentious practice areas. The partners of Christopher & Lee Ong, who are Malaysian-qualified, have accumulated considerable experience over the years in the Malaysian market. They have a profound understanding of the local business culture and the legal system and are able to provide clients with an insightful and dynamic brand of legal advice.

Christopher & Lee Ong is part of Rajah & Tann Asia, a network of local law firms in Singapore, Cambodia, China, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Thailand and Vietnam. Our Asian network also includes regional desks focused on Japan and South Asia.

The contents of this Update are owned by Christopher & Lee Ong and subject to copyright protection under the laws of Malaysia and, through international treaties, other countries. No part of this Update may be reproduced, licensed, sold, published, transmitted, modified, adapted, publicly displayed, broadcast (including storage in any medium by electronic means whether or not transiently for any purpose save as permitted herein) without the prior written permission of Christopher & Lee Ong.

Please note also that whilst the information in this Update is correct to the best of our knowledge and belief at the time of writing, it is only intended to provide a general guide to the subject matter and should not be treated as a substitute for specific professional advice for any particular course of action as such information may not suit your specific business or operational requirements. It is to your advantage to seek legal advice for your specific situation. In this regard, you may call the lawyer you normally deal with in Christopher & Lee Ong.