

STACS supports InvestaX as private blockchain protocol provider on PoC tokenization of Singapore eVCC

UBS, State Street, and CMS jointly explored the potential of tokenization of the Singapore Variable Capital Companies structure (Project e-VCC)

SINGAPORE, September 30, 2021 /EINPresswire.com/ -- Singapore-headquartered [FinTech](#) firm Hashstacs Pte Ltd ([‘STACS’](#)), focused on unlocking value for the financial industry and enabling Environmental, Social, and Governance (‘ESG’) finance, supported [InvestaX](#) as industry collaborator in their Proof-of-Concept (PoC) for tokenization of Singapore Variable

Capital Companies (‘VCC’). Project e-VCC, led by InvestaX, UBS, State Street, and CMS, involved examining the technological, legal, and practical feasibility of tokenizing the Singapore Variable Capital Company using a blockchain native structure. Hashstacs Pte Ltd (‘STACS’) and The Tezos



STACS, leading Singapore FinTech firm unlocking value in Asset and Wealth Management and Digital Securities, and enabling effective Sustainable Finance

Foundation were selected as private and public blockchain protocol providers respectively for this global first initiative. Through this proof-of-concept, industry participants were able to determine the lifecycle and workflow processes for efficiencies gained using an e-VCC by the relevant stakeholders (i.e. fund manager, fund administrator and investors), and the potential key considerations for tradability of such e-VCC securities on exchanges like InvestaX.

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Benjamin Soh, Managing Director at STACS

The project also explored VCC fund shares issued directly on either a permissionless/public blockchain or a permissioned/private blockchain. It also compared the

benefits of a blockchain-native security token design (‘one-tier’) as opposed to a tokenized

security (“two-tier”) design.

Globally recognised participants UBS, State Street, and CMS brought together practical industry insights across the fund value chain, and in particular, where the use of Distributed Ledger Technologies (“DLT”) could enable new market opportunities and operating models. STACS and The Tezos Foundation provided support via their live DLT platforms and domain expertise.

As a permissioned protocol, STACS provides an enhanced-Ethereum permissioned blockchain designed with a highly modular architecture, with additional features built directly at the node level to enhance processing capability and optimize enterprise access control. Utilizing the Solidity programming language for smart contract development, which is interoperable with other Ethereum-based enterprise blockchain protocols, STACS is able to support the use of well-established standards that are compliant with the industry for asset tokenization.

Benjamin Soh, Managing Director at STACS, said: “As a leading fintech firm in Singapore, STACS plays a key role in unlocking value for the financial industry via our live industry-wide DLT platform for Asset and Wealth Management, End-to-End Digital Securities, and Enhanced ESG Finance. This is a meaningful project and STACS is thrilled to be a technology partner of InvestaX and various partners in the VCC industry, to contribute our DLT solution expertise in ensuring the project’s practicality, scalability, and interoperability.”

Julian Kwan, CEO at InvestaX, said: “We are thrilled to have collaborated with UBS, State Street, CMS Holborn Asia, as well as our blockchain partners Tezos and STACS on this groundbreaking initiative to bring efficiencies to the fund investment and management industry. These funds in the real estate, private equity, and venture capital world, typically suffer from a lack of liquidity, high barriers to entry, and are burdened with paper-based processes that add to the costs of this competitive industry. By tokenizing the VCC, we hope to support Singapore’s ambition of

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Benjamin Soh, Managing Director at STACS

becoming the world's fund management center as well as the hub for capital markets innovations."

Project e-VCC also led to the conclusion that there is nothing explicit in Singapore's existing laws prohibiting issuance of blockchain-native securities. Such securities would come under the purview of digital tokens that constitute capital market products and be regulated under the Securities and Futures Act. However, the potential application of stamp duty was identified as a hurdle which must be addressed in order to enable secondary trading of e-VCC shares.

A full version of the public report of the PoC, which was awarded the PoC grant in September 2020, under the Financial Sector Technology and Innovation ('FSTI') scheme under the Financial Sector Development Fund administered by the Monetary Authority of Singapore (MAS), is available here: <https://investax.io/accessreport/#hubspot-form>

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About STACS (<https://stacs.io/>)

STACS (Hashstacs Pte Ltd) is a Singapore FinTech company providing Transformative Technology for the Financial Industry, with its live blockchain platform that unlocks value in Asset and Wealth Management and Digital Securities, and enables effective Sustainable Finance. Its clients and partners include global banks, stock exchanges, and asset managers. STACS is The Asset Triple A Digital Awards 2021 FinTech Start-Up of the Year, an Award Winner of the Monetary Authority of Singapore (MAS) Global FinTech Innovation Challenge Awards 2020, and also a two-times awardee of the Financial Sector Technology and Innovation (FSTI) Proof of Concept (POC) grant, under the Financial Sector Development Fund administered by MAS.

About InvestaX (<https://investax.io/>)

IC SG Pte Ltd (dba InvestaX) is a Singapore-licensed digital securities investment and trading platform that focuses on private market investments. InvestaX provides end-to-end services for digital securities, from tokenization technology to facilitating primary issuance to fund structuring and lifecycle management of tokens to secondary market trading and liquidity on one platform. At present, InvestaX holds a Capital Markets Services license to deal in securities, and is an Exempt Financial Advisor to provide advice on collective investment schemes (pooled investments), as well as an exempt Recognized Market Operator in the MAS sandbox to operate a digital securities trading platform. To date, the company has issued more than 28 private equity offerings that are jointly valued over US\$1 billion with 14 successful exits.

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