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## **World's First Regulated Multi-Asset Digital Securities Platform iSTOX Signs MOU Agreement With Chongqing Monetary Authority, Sets Sights On China Expansion**

*Agreement outlines steps towards building a Chongqing-Singapore Financial Services Hub, including a digital securities exchange by iSTOX to serve the Chinese market and a potential tie-up between iSTOX and Chongqing state-owned investment companies*

**SINGAPORE – 23 Nov 2020** Singapore-regulated financial technology company iSTOX has taken a major step towards expanding into the China market with the signing of a memorandum of understanding (MOU) today with Chongqing, one of China's fastest growing cities by population and economic output.

[iSTOX](#) is a multi-asset digitised securities investment platform that graduated from the Monetary Authority of Singapore's (MAS) Fintech Regulatory Sandbox in February 2020 to become a fully-regulated provider of issuance, custody, and secondary trading of digitised securities.

In the strategic agreement, the Chongqing monetary authority<sup>1</sup> pledged to support the setting up of an iSTOX digital securities exchange in Chongqing to serve the Chinese market. The MOU signatories also committed to working together to establish a broader Chongqing-Singapore Financial Services Hub. Noting iSTOX's "technological advantage and market experience" in the digital securities space, the MOU says the new digital securities exchange will bring innovative financial products to the Chinese city and attract technology companies to Chongqing by providing an international platform for raising funds.

The MOU signing was part of the Third China-Singapore Financial Summit<sup>2</sup>, and was witnessed by Chongqing Mayor Tang Liangzhi and MAS Managing Director Ravi Menon. Also at the signing ceremony were officials from China's Ministry of Commerce, the People's Bank of China, China Banking and Insurance Regulatory Commission, China Securities Regulatory Commission, China's State Administration of Foreign Exchange, as well as Singapore's Ministry of Trade and Industry.

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<sup>1</sup> The [Chongqing Local Financial Supervision and Administration Bureau](#) (重庆市地方金融监督管理局) is the local monetary authority in Chongqing and reports to the Chongqing Municipal Government.

<sup>2</sup> The two-day summit is being held on 23 and 24 November 2020.



To build the Chongqing-Singapore financial hub, the MOU outlines concrete steps to be taken, including a potential tie-up between iSTOX and two state-owned investment companies under the Chongqing Municipal Government – namely, the [Chongqing Development Investment Co Ltd](#), which makes investments in strategic infrastructure and development projects on behalf of the city of Chongqing, and the [Chongqing Share Transfer Center](#), which was formed to develop the city’s private capital market.

On its part, the Chongqing monetary authority says it will play a coordinating and advocacy role on matters that require approval by China’s national financial regulatory agencies.

### **First major venture abroad**

**Mr Darius Liu, Co-Founder of iSTOX**, said, “China is the world’s fastest growing private capital market and Chinese investments have been an important enabler of economic growth, world-class companies and higher living standards – both globally and in China. With today’s agreement, the Chinese authorities are signalling their confidence in the regulated cutting-edge technology that underpins our digital securities platform. Together with our Chongqing partners, iSTOX can provide Chinese companies access to international capital by issuing digital securities to fund their expansion. Through iSTOX, Chinese investors can also gain access to high-quality global investments and a chance to diversify their investments geographically.”

“This is the first overseas expansion by iSTOX, and it won’t be our last,” Mr Liu added. “In a digital age, investments across borders should be seamless. Regulated platforms like iSTOX will work with governments and regulators everywhere to build the safe and efficient infrastructure needed for capital to flow freely between countries.”

With a population of more than 30 million and a GDP the size of Norway’s<sup>3</sup>, Chongqing is a major economic powerhouse in China’s western region, and one of only four cities on the Chinese mainland<sup>4</sup> that report directly to the central government due to their importance. Chongqing and Singapore are close economic partners and work together through the government-to-government Chongqing Connectivity Initiative (CCI)<sup>5</sup>, which aims to boost regional connectivity under China’s Belt and Road Initiative. The China-Singapore Financial Summit is a major CCI pillar. Besides finance, the CCI also seeks to enhance cooperation in trade, transport and logistics.

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<sup>3</sup> Chongqing’s GDP for 2019 was RMB 2.4 trillion.

<sup>4</sup> The other three cities reporting directly to China’s central government are Beijing, Shanghai and Tianjin.

<sup>5</sup> The full name of the Chongqing Connectivity Initiative (CCI) is the China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity.



Backed by Singapore Exchange (SGX) and Temasek Holdings subsidiary Heliconia Capital Management<sup>6</sup>, iSTOX is on a mission to democratise the private capital markets, putting previously out-of-reach investments in the hands of underserved investors. iSTOX uses digitised securities, blockchain technology and smart contracts to do away with manual processes in the issuance and investment space. The platform allows multi-asset issuances of fractionalised securities, such as stocks and bonds, making them accessible to a much larger pool of investors, not just institutions or private banking clients. The proprietary exchange that iSTOX has built also allows the secondary buying and selling of securities among investors, enhancing the liquidity and value of those investments.

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### **About iSTOX**

iSTOX is a future-ready capital markets platform set to usher in a new era for capital fundraising and investment. Through digitised securities, iSTOX offers a more innovative, flexible, inclusive, and efficient system for an emerging generation of investors and issuers. As part of its mission, iSTOX seeks to enable all users to transact exactly the way they want to and extends capital markets access to a wider segment of the community. iSTOX is owned and operated by ICHX, which has been approved by MAS as a recognised market operator (RMO) and has a capital markets services (CMS) license to deal in securities and collective investment schemes and to provide custodial services.

For more information, visit [www.iSTOX.com](http://www.iSTOX.com)

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<sup>6</sup> Besides SGX and Temasek, iSTOX investors include Japan's Tokai Tokyo Financial Holdings, Thailand's Kiatnakin Phatra Financial Group and South Korea's Hanwha Asset Management.