

Raising funds through Digital Securities is as easy as A(ccredited), B(lockchain) and C(ompliant)!



If you are a CEO of a corporation or a business owner, one of the few questions that keeps you awake at night is probably on how to raise funds cost effectively as you try to expand your business. This is a big concern as you are more vulnerable to deterioration in business conditions, given limited financial resources and limited access to financing.

There's a huge knowledge and experience gap in capital raising activities between bigger organisations and smaller corporations. While raising funds is one of the most challenging aspects of growing a business, it is actually not rocket science. It is about realising what options are available out there, talking to the experts and deciding on which direction to take.

Besides the availability of high-quality human capital and technology inputs, to sustain your competitiveness and growth, you will need appropriate financial resources to support your company especially in internationalisation efforts.

Many corporations often struggle to identify alternative sources of funding, particularly long-term funding. If you choose not to borrow money to raise capital, you may turn to the market to raise some cash instead. Depending on the size and readiness of your company, you may raise capital through angel investors and venture capitalists, or you may decide to go public through the issuing of an initial public offering (IPO). However, such investments usually involve intensive manual paperwork and high transaction costs, especially in the case of an IPO.

In recent years, more corporations are beginning to be aware of, and some may even be exploring, a new method of raising capital through the offering of digital securities. Digital securities improve a company's access to finance, allowing for the raising of capital at a lower cost, while providing investors wider access to investment opportunities.

But what exactly is Digital Securities?

Digital securities are the new and improved version of traditional securities. They represent ownership in financial instruments such as equity, debt or real assets. Through blockchain technology, this digital representation of securities is subject to traditional securities laws, while promising easier and possibly, fully automated compliance solutions, such that intermediaries are no longer needed.

Before digital securities, there was not much liquidity in the private market. As such, it was difficult for companies to offer equity shares for sale to investors. The same goes for investors, with equity ownership in a privately-listed company being hard to achieve. While it can be done, it will take a lot of effort, time and money.

Benefits of offering Digital Securities

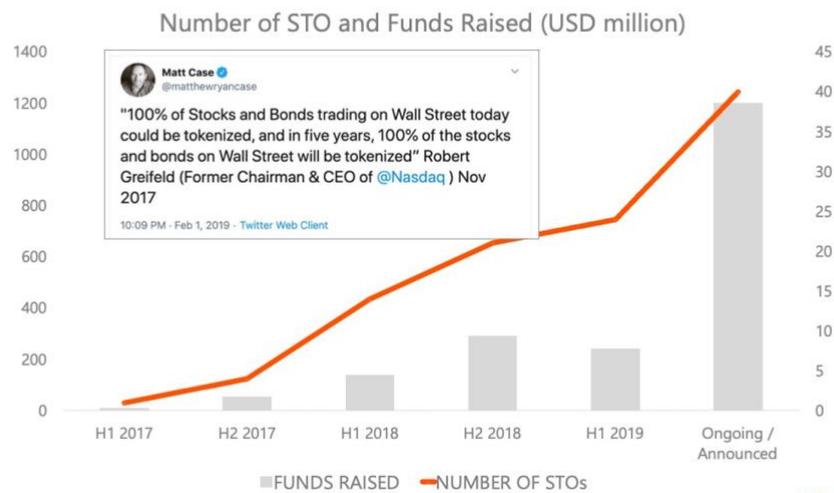
Even if your company is at a stage where you are considering IPO, you will realise that the fees required for raising capital through an IPO are exorbitant. In addition, the success rate is not very encouraging. The reality is that many have tried, but very few have succeeded. The good news is that the offering of digital securities may prove to be a more cost-effective way of raising funds and could possibly stand a higher chance of success.

Through digital securities, your company is not limited to conducting a private placement with just one or a few investors. Rather, you will be able to offer it to a larger group of investors, without any geographical limitations. This makes it significantly easier to raise capital as there is available access to international investors. Investors will be able to trade at any time across time zones, which could lead to higher interest from investors. It is almost like “going public” in the private market but without having the cons of an IPO (i.e. heavy costs and time-consuming process).

Capital markets, soon to be fully tokenized

There has been considerable uncertainty in the past, as to how digital securities should be considered within the law. Today, there are clear signs that traditional market infrastructure is adapting to token economy. Large institutions like HSBC, World Bank, NASDAQ, DBS, Standard Chartered, and many more are embracing the new reality of capital markets that are on a steady march to be fully tokenized.

WALL STREET IS BEING TOKENIZED



Challenges

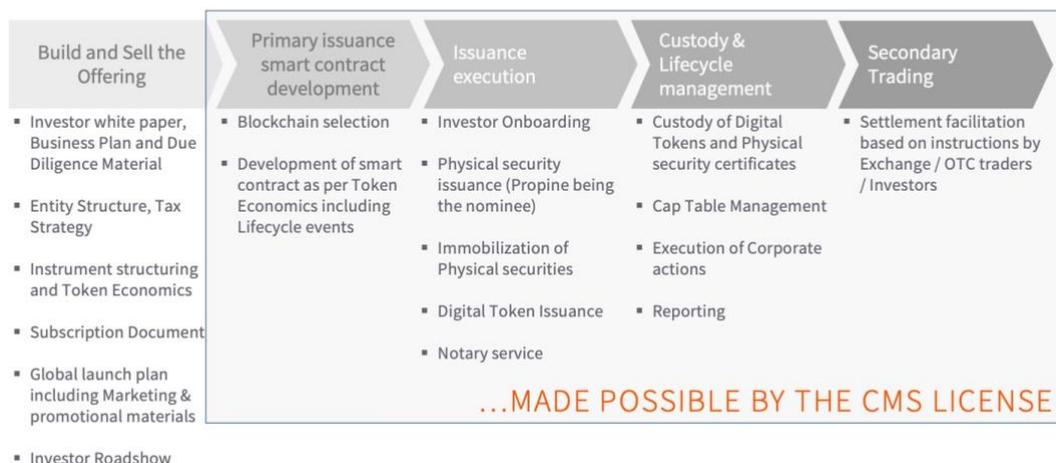
In recent years, a number of global regulators including Monetary Authority of Singapore (MAS) have shown commitment and enthusiasm for developing and regulating the growth of the digital assets industry, including digital securities, by building an ecosystem for it. With the ecosystem, corporations can rest assured that the solutions provided by licensed digital securities facilitators such as Propine, are safe, secure and regulatory compliant.

How does Propine come into play in helping you to raise funds?

Propine is the first licensed digital securities provider in the world by the Monetary Authority of Singapore. From the traditional route of raising funds through an IPO, to smaller series of funding rounds and debt financing, nothing is quite like the offering of digital securities, which makes it more accessible and efficient using blockchain technology.

We work within a legally compliant framework to develop and issue a security token, take custody of your digital securities and have a means through our extensive network for you to raise capital through internationally accredited investors, broker dealer and distribution through our digital securities exchange partners.

COVERING MAJOR ASPECTS OF DEAL CYCLE



Before launching a digital securities offering, there is a lot of preparation work required for the building and selling of your offering, that you may or may not have the resources in hand. If you don't, Propine is able to introduce to you, our strong network of experienced team of professionals from areas such as legal, accounting, development, sales and marketing. They can assist you in determining the entity structure, tax strategy and how regulations should be followed; writing of the investor whitepaper and business plan as well as introducing and marketing your digital securities offering to the market.

Our one-stop, end-to-end solution covers full scope of the lifecycle, starting with issue services like tokenization, cap table management, issuer authentication service, as well as custody, asset servicing, reporting and finally, secondary trading facilitation through our partner exchanges.

To enable corporations like yours to have a better and brighter future ahead, let's progress along your digital transformation journey with Propine, in embracing the technological advancements of digital securities in your next private placement.

Email us at contact@propine.com to find out how you can realise your fundraising dream through digital securities today!