

Case Study: Philippines' CEZA Approves First Digital Asset Token Offering (DATO)



► About the Customer

Founded in 2017, [First Bullion Holdings Inc.](#) is a privately-owned next generation Crypto Investment Bank with a digital financial platform that leverage blockchain asset digitization technology to enable issuance, trading and management of digital securities. First Bullion portfolio companies include De La O Rural Bank, DLO International Credit Limited, a Hong Kong financial services company and [Cryptosx](#), a licensed and regulated digital asset exchange.

► Business Challenge

First Bullion's founders were senior executives from GE, HSBC, PwC and corporate finance veterans that set out to explore the new frontier in cryptocurrency. From the onset, it was clear that investors, traders and crypto exchanges across the world were having a hard time opening bank accounts.

Philip Tam, First Bullion CEO recalls, "The primary problem identified was that customers on exchanges could not convert crypto to fiat easily and back into crypto. If we can solve that than we will have a lucrative business." Tam expanded on their vision for a multifaceted financial service with cross border capabilities, "That's when Security Token Offering (STO) and trading came to our attention, which linked nicely into the IPO experience that we have as a group in traditional markets. How do you help companies that have a project that's operating reasonably well and with a legitimate asset worthy of raising funds but are not big enough for an IPO? The STO option seemed like a logical solution to bring in investment and provide liquidity for investors."

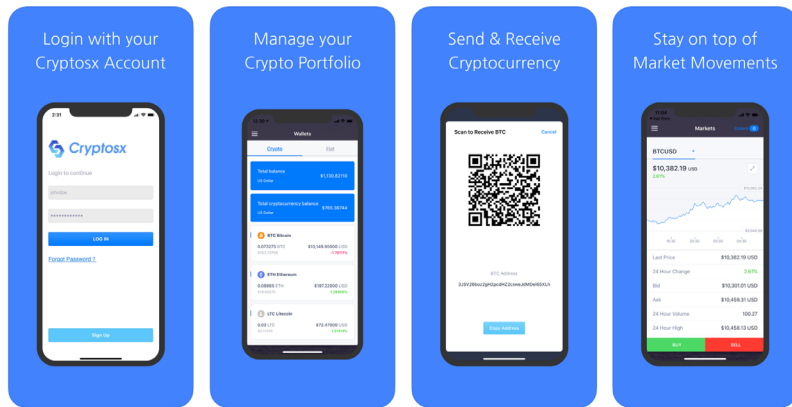
"After assessing a number of STO jurisdiction and regulatory framework including Malta and Gibraltar, we concluded that [Cagayan Economic Zone Authority \(CEZA\)](#) in the Philippines

offered the most attractive regulatory environment for operation, specifically within a global sandbox for financial technology and innovations poised to become ‘The Crypto Valley of Asia’”, Tam concluded. For First Bullion, compliance is a North Star and a key competitive differentiator. First Bullion’s team worked closely with CEZA regulators and legal experts to ensure that STO listing rules were robust and acceptable for project companies and investors.

► Solution

Using AlphaPoint’s [Asset Digitization Software](#), First Bullion completed the Flourish City Development Limited (FCD) STO within 3 months, the first asset-backed token offering approved by CEZA. [FCD](#) is a leading plantation owner, developer and producer of agarwood, oud oil and related products. Agarwood is a fragrant dark resinous wood used in incense, perfume, Chinese medicine and small carvings. First-grade agarwood is one of the most expensive natural raw materials in the world.

FCD’s token is assigned the trading symbol, AGWD, and is traded exclusively on the CEZA-licensed [Cryptosx](#) exchange. Each AGWD is backed by one common share of FCD and the shares are all under the custodian of an ABACA-accredited escrow agent. The net proceeds will be used to expand and develop FCD’s ag plantation.



First Bullion aims to attract experienced mid/high net worth investors to its platform and ecosystem, relying on AlphaPoint’s partner network for KYC, AML and accredited investor verification for all potential investors prior to granting access to DATO, as well as asset structuring and management of asset-backed token rules throughout the security lifecycle.

“At first we were considering an in-house development, but then we contacted AlphaPoint for an outsourced solution based on their reputation for quality software development and management’s background,” explained Tam, “Their team was already well-versed with Reg D, Reg S and Reg A compliance; who else in the market can say that? This was a major selling point in persuading potential customers to do their STO with us, along with AlphaPoint’s investment portal feature, which also helped build confidence in our business process.”

► Connect with First Bullion & Cryptosx

Download Cryptosx’s mobile exchange app available on [Google Play](#) and the [Apple Store](#).

Explore the [First Bullion Holdings](#) website.

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