

QUESTION ON NOTICE

Question: 17QW
Member: Thistlethwaite
Topic: ASIC processes to launch initial coin offering
Written

Question:

Can ASIC give an assurance to companies looking to undertake Initial Coin Offerings that they will work with them promptly to resolve regulator concerns to ensure Australian investors are not prevented from supporting funds such as the Ethereum Community Fund (ECF)?

Answer:

- Companies seeking to launch an initial coin offering (ICO) are not required to seek ASIC approval. It is the responsibility of the companies seeking to undertake an ICO to obtain their own professional advice about the legal status of their transaction. This is no different from other types of transactions such as establishing a managed investment scheme.
- Where companies come to ASIC with questions about their transaction or about specific aspects of their transaction, ASIC endeavours to respond in a timely manner.
- In guidance issued to industry, ASIC has emphasised that ASIC's risk-based focus is on potentially misleading or deceptive conduct, as such conduct can result in investors being deceived and losing their savings. ASIC considers that this approach focuses on our investor protection mandate while allowing industry flexibility to continue to develop innovative product offerings and ICO structures that would best meet investor interests.