

ASIC acts against misleading Initial Coin Offerings and crypto-asset funds targeted at retail investors

As well, ASIC recently stopped the issue of a Product Disclosure Statement for a crypto-asset managed investment scheme.

Consistent problems identified by ASIC are:

- **the use of misleading or deceptive statements in sales and marketing materials;**
- **operating an illegal unregistered managed investment scheme (MIS);**
- **not holding an Australian financial services licence.**

Such problematic offers involve significant risks for investors.

ASIC Commissioner John Price said, 'If you raise money from the public, you have important legal obligations. It is the legal substance of your offer - not what it is called - that matters. You should not simply assume that using an ICO structure allows you to ignore key protections there for the investing public and you should always ensure disclosure about your offer is complete and accurate.'

As outlined on MoneySmart, ICOs are highly speculative investments that are mostly unregulated, and while there are genuine businesses using this structure many have turned out to be scams.