

Initial coin offerings in Jersey : An introduction

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The rise of blockchain technology has been headline news across the globe and with the market value of cryptocurrency approaching \$1 trillion, investor interest in the digital asset classes has never been higher. At the forefront of the digital revolution in financial services is the emergence of initial coin offerings or "ICOs".

An ICO is a new method of raising capital through blockchain technology. It is often said to be comparable to a traditional initial public offering (known as an "IPO") or to crowdfunding.

Instead of issuing debt or equity as you would expect in a traditional capital raise, the issuer/operator issues digital tokens, often referred to as "coins", in exchange for consideration in the form of fiat currency, crypto currency or both.

Mindful of concerns raised by regulators across the globe, recent statements from the Jersey Government and the Jersey Financial Services Commission (the JFSC) have warned potential investors of the risks involved in investing in an ICO.

At a recent Fintech Update, the Jersey Government announced that they are working with the JFSC on a joint set of ICO guidance notes that we expect to be issued very soon. As a founding member of the Jersey Digital Assets Working Group, we have been working with our fellow members, the Government, the JFSC and Jersey Finance, in relation to the Island's response to the risks and opportunities in relation to ICOs, and we look forward to the release of the guidance note when we will issue a further briefing.

In the meantime, [click here for our briefing in which we highlight some of the key Jersey regulatory issues that should be considered in relation to structuring an ICO through Jersey.](#)

For more information please contact:



Sam Sturrock

Partner // Jersey

t: +44 (0) 1534 601742 // **e:** sam.sturrock@collascrill.com

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