



AUTORITÉ
DES MARCHÉS FINANCIERS

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The AMF publishes the summary of responses to the public consultation on initial coin offerings (ICO)

Among the 82 responses made to the Autorité des marchés financiers' consultation, a large majority of respondents expressed support for setting up an appropriate legal framework for this new type of fundraising. The AMF Board has decided to continue work on definition of a specific legal framework for ICOs.

In view of the recent development of fundraising based on the use of crypto assets and blockchain technology, and the risks associated with these transactions, the Autorité des marchés financiers (AMF) conducted a public consultation on possible supervisory options. The AMF received 82 responses from digital economy players, individuals, finance professionals, market infrastructures, academics and law firms.

The respondents agree essentially with the findings of the regulator's preliminary legal analysis, as presented in the discussion paper, on the difficulty of providing a unique response to the qualification of tokens issued in ICOs given their diversity.

The AMF had also presented three possible regulatory options:

- Promote a best practice guide without changing existing legislation (**option 1**);
- Extend the scope of existing texts to treat ICOs as public offerings of securities (**option 2**);

— Propose new legislation adapted to ICOs (**option 3**).

Option 3, that of an ICO-specific regulation, received the strongest support among the respondents that voted on these options, at nearly two-thirds of the responses. One-third of respondents expressed a preference for option 1, alone or in combination with another option. Only three responses supported option 2.

Respondents unanimously consider that an information document is necessary to inform buyers of tokens and that it should include, at a minimum, information on:

- The project related to the ICO and its advancement;
- The rights conferred by the tokens;
- The accounting treatment of funds raised during the ICO.

For almost all respondents, this document should also allow for the identification of the legal entity responsible for the offer, its managers and founders, and their competences. Moreover, it could be the subject of approval granted by the AMF or a special-purpose institution.

Finally, the vast majority of respondents favour the establishment of rules making it possible to ensure the escrow of funds raised, and the setting up of a mechanism to prevent money laundering and terrorist financing.

The AMF Board has decided to continue work on the definition of a specific legal framework for ICOs providing for the appropriate guarantees, particularly in terms of information, which will be necessary for this new type of offer. This work will be carried out in coordination with the other public authorities concerned.

About the AMF

The AMF is an independent public authority responsible for ensuring that savings invested in financial products are protected, that investors are provided with adequate information and supervising the orderly operation of markets. Visit our website www.amf-france.org.


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