



STATEMENT ON FUNDRAISING TRANSACTIONS THROUGH INITIAL COIN OFFERINGS (ICOs)

26 March 2019

In view of the information published in the last few days in some of the media with regard to potential fundraising transactions carried out through ICOs (initial coin offerings, whereby investors would receive tokens, that is, vouchers representing certain rights registered under blockchain technology, which is often also used within the sphere of the so-called “cryptocurrencies”, the Spanish National Securities Market Commission (CNMV) would like to clarify the following:

1. To date, the CNMV has not authorised any prospectus, nor has it exercised any authorisation or verification power for any transaction of this nature.
2. The action taken by the CNMV in relation to some projects of this nature (known as tokens, which could be equivalent to transferable securities) has been to simply confirm that in the event of complying with the requirements laid down in Article 35(2) of the Spanish Securities Market Act (a total issue of less than five million euros, addressed to less than 150 retail investors or for a minimum investment of less than 100,000 euros per investor), the transaction would not require the approval of a prospectus nor would it be subject to verification or prior intervention by the CNMV. Naturally, this is regardless of whether the participation of an investment firm is necessary, in accordance with the provisions of Article 35(3) of the Spanish Securities Markets Act, and under the terms and conditions indicated in the criteria published in this regard by the CNMV.

In line with the foregoing, the CNMV has been requesting that any documentation to be delivered to potential investors must state that the document “is not a prospectus nor has it been subject to any type of review by the CNMV or any other administrative authority”, or a similar sentence.

Accordingly, any statement to the effect that the CNMV has given its tacit authorisation, or similar, is inappropriate unless the CNMV has authorised a prospectus in relation to the transaction.

Furthermore, what was stated in the [joint statement by the CNMV and the Bank of Spain dated 8 February](#) should be noted: “it is vital that whoever decides to purchase or invest in these types of assets or similar assets considers all the inherent risks and assesses whether they have sufficient information to understand what is being offered”. Among other aspects, the statement referred to the lack of regulation in this area, the cross-border nature of the phenomenon, the high risk of loss of the capital invested, potential liquidity problems, as well as the extreme volatility that may affect these types of assets and the possibility of the information being inadequate.