

US Corporate Law News: SEC chief accountant delivers remarks on initial coin offerings

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At the American Institute of Certified Public Accountants' National Conference on Banks & Savings Institutions, SEC Chief Accountant Wesley Bricker commented on financial reporting implications of initial coin offerings (sometimes called token sales). Referring to the SEC's investigation of an offering of digital tokens by an unincorporated virtual organization known as "The DAO," Mr. Bricker stated that the SEC's report on such investigation is clear that federal securities laws apply to decentralized autonomous associations who offer and sell securities in the U.S. and to securities that are purchased using virtual currencies. Mr. Bricker reminded attendees that SEC registration requirements cover filings of audited financial statements. He went on to say that entities involved in initial coin offerings must consider necessary accounting, disclosure and reporting guidance based on their involvement in such offerings. For more information, see <https://www.sec.gov/news/speech/speech-bricker-2017-09-011>.