

Digital assets and ICOs to get more clarity, face more rules in 2019

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This article was initially published by ThinkAdvisor on December 19, 2018 and heavily features corporate partner Clyde Tinnen.

What's ahead for the crypto space in 2019? More clarity, but also more guidance and stiffer fraud penalties, regulators and legal experts predict.

Digital assets and initial coin offerings (ICOs) will occupy a "significant" amount of the Securities and Exchange Commission's time in 2019, Jay Clayton, the agency's chairman, said during recent comments in which he laid out his regulatory priorities for next year.

ICOs, Clayton said, "can be effective ways for entrepreneurs and others to raise capital," but "the novel technological nature of an ICO does not change the fundamental point that, when a security is being offered," securities laws must be followed.

Pointing to the agency's new Strategic Hub for Innovation and Financial Technology (FinHub), Clayton said the SEC's "door remains open to those who seek to innovate and raise capital in accordance with the law."

Joseph Mencher, a partner in the Intellectual Property and Social Media Practice Groups at Haynes and Boone LLP in Austin, told ThinkAdvisor in an email that in 2019, he expects regulatory changes "that continue to signal increased governmental acceptance of the use of cryptocurrencies, similar to the state of Ohio beginning to accept state taxes in Bitcoin in 2018."

Full article: <https://www.thinkadvisor.com/2018/12/19/digital-assets-and-icos-to-get-more-clarity-face-m/>