



DFSA ISSUES GENERAL INVESTOR STATEMENT ON CRYPTOCURRENCIES

13 SEP 2017

The Dubai Financial Services Authority (DFSA) wishes to draw investors' attention to certain new and evolving online offerings. These product offerings tend to involve the issuance of some form of virtual coin, token or other symbol of virtual currency in return for payment of a subscription price. They are often referred to as cryptocurrencies. These types of offerings are increasingly being made available to the public by way of an initial fundraising event referred to as an 'Initial Coin Offering,' 'Initial Token Offering', or 'Token Sale'.

The tokens or coins involved in these product offerings are structured in different ways and linked to different business propositions. For example, some are seeking to develop a new digital platform or provide access to an online platform; others offer an opportunity to invest in properties, businesses and assets, with promises of certain benefits or monetary returns; others are backed by particular types of assets.

The DFSA wishes to highlight that these types of product offerings, and the systems and technology that support them, are complex. They have their own unique risks, which may not be easy to identify or understand; such risks may increase where offerings are made on a cross-border basis. These offerings should be regarded as high-risk investments.

The DFSA would like to make it clear that it does not currently regulate these types of product offerings or license firms in the Dubai International Financial Centre (DIFC) to undertake such activities. Accordingly, before engaging with any persons promoting such offerings in the DIFC, or making any financial contribution toward such offerings, the DFSA urges potential investors to exercise caution and undertake due diligence to understand the risks involved.

The DFSA encourages potential investors to refer to the list of regulated Firms and Authorised Individuals licensed by the DFSA which is available on the DFSA's PUBLIC REGISTER.

Additionally, the DFSA issues alerts about scams and other potentially fraudulent practices on its website. All alerts issued by the DFSA can be accessed by going to: ALERTS.

The DFSA has also issued warnings and guidance about the common types of scams perpetrated on consumers. For more information, please go to: HOW TO AVOID BEING SCAMMED.

If you have any concerns about the authenticity of any correspondence or documents that purport to be issued by the DIFC, DFSA or a DFSA regulated Firm, you should direct your concerns to the DIFC on Telephone:+971 4 362 2222 and to the DFSA via the DFSA Complaints function on: COMPLAINTS.

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