



# News & Media

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## Cautionary Statement on Initial Coin Offerings

The Securities Commission Malaysia (SC) and Bank Negara Malaysia (BNM) wish to draw the public's attention to initial coin offering (ICO) schemes which may involve activities that are subject to laws administered by the SC and BNM. Carrying on such activities without proper authorisation is an offense.

Issuers of ICOs should be mindful that the launching of an ICO, the offering of digital tokens in exchange for digital currency or any form of payment and incidental activities thereof, may trigger regulatory requirements under securities laws. In addition, no person is permitted to carry out any regulated activities such as fundraising, fund management and dealing in capital market products without obtaining necessary approval or authorisation from the SC.

Further, ICO operators are prohibited from undertaking regulated activities such as deposit taking and banking business, foreign exchange administration activities and remittances, without the necessary authorisation under financial services laws administered by BNM.

Members of the public are reminded to exercise caution before participating in an ICO and are advised to refer to the list of institutions that are licensed or approved to carry out regulated activities under the laws administered by the SC and BNM.

Both authorities will continue to monitor these developments, and will not hesitate to take action against any person conducting illegal or unauthorised activities.

**SECURITIES COMMISSION MALAYSIA**

**BANK NEGARA MALAYSIA**

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