

# JFSC Issues ICO Guidance Note

Friday 13 July 2018

The Jersey Financial Services Commission (JFSC) has issued a guidance note containing information about our approach to ICO activity.

ICOs are a digital way of raising funds from the public using distributed ledger technology. The guidance note details the JFSC's approach to businesses that wish to launch an ICO in Jersey. The note sits alongside the risk warning for potential investors in ICOs issued by the JFSC in 2017.

The guidance note represents an innovative and balanced approach to the treatment of this activity, enabling ICOs to be launched in Jersey with a number of controls in place to help reduce some of the risks associated with them. Whilst, under this framework, the JFSC does not regulate the ICOs or the companies that issue them, it does require the companies to satisfy certain minimum standards and to appoint a regulated Trust and Company Service Provider to administer the company.

In developing this guidance note, the JFSC has consulted with Government of Jersey and industry.

Mike Jones, Director of Policy commented:

*"This represents an innovative and pragmatic approach to the treatment of ICOs in Jersey. It illustrates our commitment to fintech developments more generally, but at the same time reflecting our guiding principles of consumer protection, countering financial crime and protecting the reputation and best economic interests of the Island."*

Quote from Minister for External Relations, Senator Gorst:

*"Jersey has been at the forefront of developing a framework for cryptocurrency regulation for some time and this guidance note marks a further step in our journey. We have worked with the JFSC to articulate a balanced regime: on the one hand, Jersey's treatment of exchanges and ICOs is permissive and promotes innovation and new enterprise. On the other hand, safeguards are in place to protect investors from harm and to mitigate some of the financial crime risks associated with cryptocurrencies. As things develop in this rapidly-moving industry we will monitor best practice and continue to update our regime in the future."*

Commenting on the guidance note Geoff Cook, Chief Executive, Jersey Finance Limited, said:

*"This innovative and balanced approach to the treatment of ICO activity further demonstrates Jersey's reputation as one of the most forward-thinking and coordinated jurisdictions for cryptocurrencies."*

*The Island's developed digital infrastructure, robust regulatory framework, collaborative relationships and proactive approach, are what sets Jersey apart from other jurisdictions and clearly keep it at the forefront of digital and crypto developments."*

*As digital innovation forms a key part of our jurisdictional strategy, we will continue to work with Government, the regulator and industry, as well as developers, experts and innovators, in order to ensure Jersey is ready to play a vital role in such a rapidly evolving space."*



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- with the [guidance](#) will be by way of self-certification. Should [Jersey Finance](#) become aware, on the basis of action taken either by the Government or the JFSC against a member firm, that a member firm has not complied with the terms of the [guidance](#) notes membership of [Jersey Finance](#) would be

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