

ICOs as Securities: The Exceptions

If ICOs are ruled to be securities, here are the options/exceptions for the SEC.



SEC FILING



WHO CAN **PURCHASE?**



ADVANTAGES



RESTRICTIONS

Reg. CF (Crowd funding)

General Public; unaccredited investors subject to income-based investment limit



UP TO \$1M

Can offer to the public through a platform

> Must not be reporting company or a fund and not disqualified

Reg. D

Accredited investors only; resale may be limited unless allowed under state law

No need to file full registration statement; only short Form D is required.

Available only to non-reporting companies and not otherwise disqualified

Reg. A, Tier I

The general public

Simplified Financial Statements

Required SEC review can

take several weeks

Reg. A, Tier 2

Accredited investors or investors subject to income-based investment limit

\$20 -\$50M

May "test the waters" before filing with SEC

Must be eligible issuer and not disqualified

S-1 Registration

Statement

No restrictions

NO LIMIT

Can sell securities publicly and/or offer on exchange

Requires full SEC review; can be lengthy and expensive

