

ASIC issued a stop order on bitcoin group ipo



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The Australian Securities and Investments Commission has issued a temporary stop order on the planned initial public offering of Bitcoin Group.

The website of the company states that the Bitcoin Group operates a mining pool from where the investors can earn bitcoins. The layout of the website used to be quite similar to Bitcoins Reserve, which has claimed to offer “crypto currency arbitrage”, merchant services, insured cold storage, and “crypto currency creation.” The crypto currency arbitrage service was claimed to have initiated a return of over 205.8 per cent.

The website stated,

“ A stop order is an administrative mechanism that allow ASIC to prevent offers being made under a disclosure document where we believe it contains:

A misleading or deceptive statement

An omission of information required to be provided under the legislation, or

A new circumstance has arisen since the disclosure document was lodged.”

As stated in a press release on 8th of July, 2015, the exposure period for the company’s prospectus was extended by 7 days. After a short time, the stop order was issued by the company.

The company’s website further stated,

“ If we impose a stop order on your disclosure document, your company is not allowed to offer, issue, sell or transfer its shares while that order is in force. An interim stop order may be made for up to 21 days, during which time a hearing must be held to give your company a chance to put its view to an independent delegate. After the hearing we may lift the interim stop order or place a final stop on the disclosure document.”

On February, after the Bitcoin Group tried wooing investors on WeChat, a Chinese social media platform, the Australian Securities and Investments Commission has warned the company against the further public statements over intended public offering.

Last October, Bitcoin Group made an announcement that the company is seeking to raise \$20 million through an IPO.

Commissioner of Australian Securities and Investments Commission explained,

“ ASIC will often review pre- prospectus advertising or publicity to ensure legal requirements are being met. This is because any statements made about a potential offer may influence the investment decisions of consumers who will not have the benefit of all material information that would be included in a prospectus.”

He gave a warning that if these requirements are not observed,

“ ASIC will take necessary action so that investment decisions are made in a confident and fully informed environment.”