



# Responsible Blockchain Report **RBR**

## **Weekly Briefing**

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FinTech4Good aims to provide business leaders with the most up to date blockchain business insights through our Weekly Briefing. We will feature some of the most exciting projects and influencers in the space.

——Xiaochen Zhang  
President of FinTech4Good

## Responsible Blockchain Reports

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*Our Weekly Briefing, Monthly Report and Special Issues are prepared by FinTech4Good Fellows in collaboration with some of the world most influential scholars.*

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# STO WATCH

## Security Token Trading



**SPiCE VC, a venture capital firm founded in Singapore, announced that its SPiCE tokens will start trading on the Open Finance Network on November 19, 2018.**

### ❖ Facts:

- SPiCE VC launched its STO in the U.S. in December 2017, under the SEC exemption Reg D 506(c) rules.
- The SPiCE token represents the economic right to the performance of the fund portfolio. It raised around \$15 million by March 2018 and became the world's first fully tokenized VC fund.
- Open Finance Network (OFN) is a regulated trading platform for alternative assets and security tokens based in the U.S.
- According to the SEC rules, non-US investors are able to trade their SPiCE tokens immediately while accredited U.S. investors will have to wait until March 2019 to trade.

### ❖ Significance:

This marks the first asset of its kind to list on a US-regulated trading platform.

### ❖ Opinion:

The partnership that the Open Finance Network has developed has attracted more token issuers to advance liquidity on this platform. OpenFinance is setting the standard for security token trading practice, with SPiCE VC token only as a beginning.

# STO WATCH

## STO Partnership



KoreConX announced recently that they have partnered with an Australian start-up, known as SME Brokers.

### ❖ Facts:

- KoreConX is the world's first highly-secure permissioned blockchain ecosystem for fully-compliant tokenized securities.
- In recent weeks, KoreConX has announced similar partnerships with both Evoke Capital, and BlockchainAgility. Those that have come on board to utilize the KoreConX platform are parts of 'KorePartner Ecosystem'.
- SME Brokers are part of an international group of business advisers currently servicing in excess of 60,000 small to medium-sized enterprises worldwide. SME Brokers has access to leading-edge management and development programs that are backed by technology solutions designed to improve business performance from startup phase all the way to exit phase.

### ❖ Significance:

This partnership entails SME Brokers exclusively using the platform offered by KoreConX. By doing so, they will bring the benefits made possible through digital securities to their network of small and medium-sized companies.

### ❖ Opinion:

The partnership releases a positive sign for STO Market.

# STO WATCH

## Regulation Actions (U.S.)

As of November 16th, 2018, the SEC has charged two companies with operating ICOs that committed securities registration violations.

- ❖ **Facts:**
  - AirFox and Paragon Coin were the two entities who received such charges. According to the SEC's orders, of critical importance was how both companies launched ICOs in 2017 after the SEC released its DAO Report, which the commission says "warned that ICOs can be securities offerings".
  - In response to the violations, the SEC imposed \$250,000 penalties to each company. The SEC also required the companies to compensate harmed investors who purchased tokens "in the illegal offerings".
  - The companies will now be required to register their tokens as securities with the SEC, and file routine reports to the commission for a minimum of one year.

- ❖ **Significance:**

These penalties are the first non-fraud related civil penalties against two different ICOs that violated the commission's securities registration laws.

- ❖ **Opinion:**

A potential result of the ongoing increased SEC activity could be an industry-wide turn towards security tokens.



# Upcoming Events



## 2018 RBWC DC Summit

### Time & Location

Time: December 5th, 2018

Location: 3F, UNIVERSAL NORTH, 1875  
Connecticut Ave NW, Washington, DC

The RBWC DC summit is one of the sections of the Responsible Blockchain World Championship (RBWC) program. The RBWC brings together top blockchain leaders from academic, policy, business, investment and technology backgrounds to identify, build, implement and help scale the most impactful blockchain initiatives in advancing global digital transformation.



# About Us

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FinTech4Good (FT4G) is a global network which connects start-ups, investors, industry leaders and public sectors to introduce impactful fintech and blockchain solutions to frontier markets through incubation, acceleration and investment.