

Renren Halts Initial Coin Offering Following Pressure from Chinese Regulatory Body

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Renren Inc. (NYSE ticker [RENN](#)), a Beijing-based social network company, saw rapid growth in its stock price following the release of a [whitepaper \(in Chinese\)](#) and publicity over its intention to engage in an Initial Coin Offering (ICO) of cryptocurrency dubbed RRcoin. However, last week Renren [announced](#) it has cancelled its ICO plans, following reports of meetings between the company and Chinese regulatory bodies. China [banned ICOs](#) back in September, but Renren, along with other overseas-listed Chinese companies, had planned to engage in the ICO on a technicality, as it is unclear if the ban applies to Chinese-owned companies that are listed on foreign stock exchanges.

This move was not a huge surprise for those familiar with Chinese treatment of ICOs over the past year. China has one of the most aggressively negative stances on ICOs. But this crackdown may not end in China, as ICOs have been drawing scrutiny in many countries. The lack of adherence to traditional securities disclosure regulations, the corresponding lack of protections for investments in ICOs and the rapid growth of ICOs in 2017 have prompted regulatory bodies from many countries, including the [United States](#), [Singapore](#) and [Canada](#), to warn that ICOs are risky investments and that they may be deemed securities offerings subject to regulation.

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