

# Alerts & Publications

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## Best Practices for Token Sales Released by the Token Alliance

July 30, 2018

Lack of clarity around applicable regulations in the United States and internationally has created uncertainty for token issuers and related companies seeking to sell or distribute cryptographic tokens. Token issuers and related companies now have access to an industry-created best practices guidance for the generation and distribution of tokens using blockchain technology.

On July 30, 2018, the Token Alliance, an industry-led initiative of the Digital Chamber of Commerce, released “Understanding Distributed Tokens: Market Overviews and Proposed Guidelines for Policymakers & Practitioners.” The report provides an overview of the legal and regulatory framework for tokens in the United States, Australia, Canada, and the United Kingdom, and specifically addresses best practices for the issuance and sale of tokens that are not intended to be regulated as securities (so called “utility tokens”). It also addresses principles and guidelines for token trading platforms and summarizes token fundraising trends. The report is intended to encourage a healthy dialogue among regulators, token issuers, and other actors about the responsible promotion and regulation of token offerings.

A global working group of experts from throughout the blockchain ecosystem contributed to the report, including O’Melveny’s Eric Sibbitt, whom the Token Alliance named an expert contributor. O’Melveny is a member of the Token Alliance.

The best practices reflected in the report do not carry the weight of law or constitute specific legal advice, but may be helpful for prospective token

## Related Practices

Corporate & Transactional  
Capital Markets

## Related Industries

Technology  
Fintech

issuers and associated parties, in consultation with their legal counsel and other advisors.

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