

Marketcap

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Altcoins

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Q

CCN

BTC/USD

01:12

Low

High

Marketcap

\$7,887.90

\$7,885.40

\$8,355.82

\$134.48

TOP GAINER

NEWB

NEWBIUM

+414.07%

\$0.0072

TOP LOSER

PHR

PHREAK

-62.01%

\$0.0064

Marketcap

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BITCOIN SCAMS

MAY 22, 2018 09:05

Chinese Watchdog Identifies 421 Cryptocurrencies as Outright Scams

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Of late, the digital assets space has without a doubt drawn extensive media coverage, with reports, for the most part, focused on two factors: the price rise of cryptocurrencies, and the scams involving cryptocurrencies. Notwithstanding, investors are fleeced to the tune of millions with the bait of high returns, or a fraudulent pyramid scheme camouflaged as a legitimate blockchain-based cryptocurrency.

China Issues Cryptocurrency Scam Warning in Public Interest

In a bid to educate its citizens on common cryptocurrency scams, China's financial cybercrime cell – the National Internet Financial Risk Analysis Technology Platform (IFCERT) – released a statement on May

ICO CALENDAR

Verv (VLUX)

ETHEREUM

\$

DeStream

ETHEREUM

6

CryptoRobotics

ETHEREUM

\$

Kleros

ETHEREUM

6

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https://www.ccn.com/chinese-watchdog-identifies-421-cryptocurrencies-as-outright-scams/

Page 1 of 4

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OPEN Announces Partnership with Kucoin

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Advanced Miners Develops Versatile Mining Equipment To Decentralize Bitcoin And Improve Earnings

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Blockchain Mobile Operator That Wants to Set New Standard and Tokenize Telecom Industry

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RSK and iExec Collaborate to Provide Off-Chain Computing to Bitcoin Applications

18, 2018, detailing the space's common scams and other misrepresented digital asset platform.

The IFCERT's also discovered a total of 421 digital currencies during investigations, all showing attributes of a fraudulent business model. However, the watchdog asserts that most of the platforms are hosted on overseas servers, making it difficult to track their exact location.

Overall, the fraud platforms were trifurcated into broad divisions.

Pyramid Scheme Cryptocurrencies

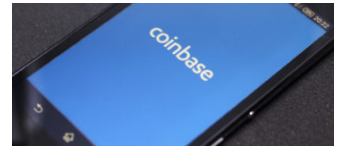
All attributes of a multi-level marketing (MLM) scheme mark the primary component of this kind of platform, as noted by the IFCERT. Furthermore, promoters of this scheme provide a bogus guarantee of significant yields and claim to offer handsome commissions to investors who can further bring in more investors.

As demonstrated below, the top-tier members make the most profits, with the incentives decreasing as one trickles down the pyramid. In terms of benefits, investors are offered both a "dynamic (rewards in proportion to money invested)" and "static (fixed)" incentives.



(Source – IFCERT)

Fraudulent 'Hard Forks'



A Giant Grows Larger: Coinbase Has Nearly as Many Customers as Fidelity Investments



Bitcoin, Ethereum Prices Drop 3% in Sluggish Crypto Market: Factors and Trends



1000 Bitcoins Seized in Landmark Israeli Money Laundering Case



Debunking \$5 Trillion Vanguard's Illogical Arguments of Bitcoin Price Going to Zero

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Blockchain Charity Fundraising Platform Cherr.io Launches Presale



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Decentralized Video Sharing Platform Viuly to Present at Block O2O and Fintech O2O Conferences

With Parksen, the Future Looks Greener Than Ever Before – PRE-ICO to Start Soon

20:23, Press Releases

Hotels: The Importance of Blockchain Technology

20:02, Press Releases

New Window of Opportunity to Sign up for the Essentia Whitelist

19:57, Press Releases

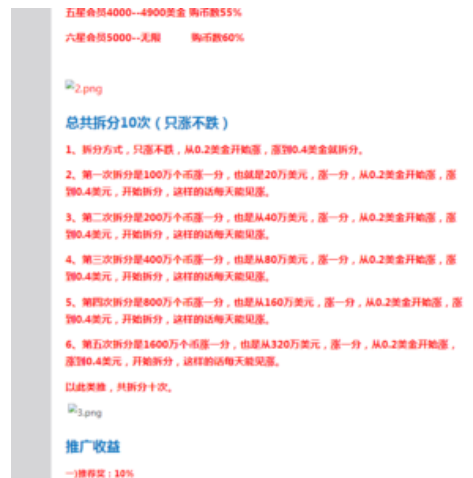
Crypto Micro Investment App Launches in Melbourne

19:47, Press Releases

BTA Summit | Ruff Founder Roy Li: Application Practice of Blockchain Technology at the Enterprise Level

19:40, Press Releases

For this kind of digital currency scam, the IFCERT has noted an absence of “genuine code,” apart from the complete lack of a technical framework to successfully run a blockchain. However, promoters deceive naive investors, and promise guarantee returns on the guise of a ‘hard fork’, that would pump the coin’s value, and “never fall.”



(Source – IFCERT)

OTC-Only Platforms

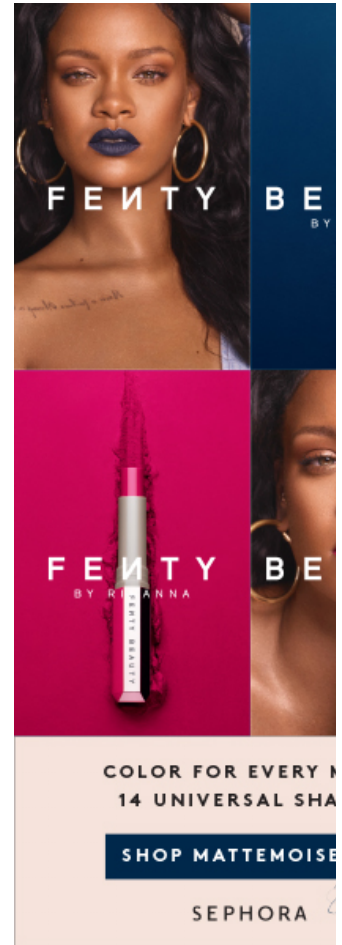
As observed by IFCERT, the digital currencies issued by these platforms are incredibly phony, and not tradable on any cryptocurrency-exchange apart from their own.

These specific coins are allegedly controlled by institutional investors, who manipulate the digital asset’s price by purchasing large amounts in quick succession, thereby causing a “pump,” and deceiving investors who can mistake it as an actual store-of-value.



(Source – IFCERT)

After all involved parties have “dumped” their tokens on unsuspecting investors, the latter finds out that withdrawing their money is either difficult or impossible.



Verv to Enable Consumers to Monetise Their Energy Data, Partners with Data Sharing Ecosystem Ocean Protocol

19:32, Press Releases

Digital Insurance Provider on Blockchain, Black Insurance Ropes in Professor Alex Norton as the Scientific Advisor

19:26, Press Releases

Benchmark to Join the Bancor Network

19:22, Press Releases



The IFCERT states:

The fake virtual currency issued by this platform can only be traded on its website. The trading system is rough and its security is extremely poor.

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Shaurya finds his true self in the world of decentralized ideologies. When not writing articles for CCN, he spends time building algorithms and contracts for his Hong Kong-based cryptocurrency hedge fund.