**¿HOW INVEST IN ICO'S?**

**WHAT TO TAKE INTO ACCOUNT BEFORE INVESTING IN AN ICO?**

The ICO (initial offer of the currency) have been transformed into current investments in recent months, as many startups seek capital through the issuance of cryptocurrencies, instead of resorting to the capital market.

In this article, we will discuss what aspects should be taken into account to be sure that it is a serious company, and not a scam.

In the last two months, new ICO's are published every day, some with promising projects, and others that do not directly make sense.

The first thing you should keep in mind before investing in an ICO is what your project is about. For this, you must read carefully your Whitepaper, which in 99% of the cases is in English.

A Whitepaper is a summary document that allows you to understand what a specific topic is, in this case, the ICO.

Usually, the Whitepapers are downloaded in PDF format, if you do not understand English well, you can easily translate it with Google.

The most important aspects of a Whitepaper can be summarized in 3:

Understand what the project is about This is the most crucial point, to know where we are going to invest our money.

The benefit of buying the Token in advance. Usually, the new Startups give some bonus for buying their currency before it goes on the market.

Names of the people that make up the project. You can google them to verify that they are real, participation in media, etc.

The points mentioned above is the minimum you should consider before investing in an ICO. Then, the results will depend on the success of the Startup.

Another aspect that you should not neglect when analyzing an ICO is the total issuance of Tokens. The more currency a company issues, the lower it's future value.

How to detect if it is a Ponzi scheme?

While many Startups are legitimately funded, some scammers take advantage of the system to set up Ponzi schemes for the sole purpose of cheating.

Here are some tips to alert us to a possible scam:

* *Your project has nothing to offer.*
* *The system is based only on finding affiliates that recruit people.*
* *They offer profits in an insured manner. If this is the case, it flees directly from that ICO, since every investment has a risk, without exception.*

Finally, do not put all the money in a single ICO, because although the project is solid and promising, it may not end up being successful. At least you should diversify between 3 to 5 ICOs.

**7 TIPS FOR EVALUATING AN INITIAL OFFER OF COINS (ICO)**

***1 – Bitcointalk***

To begin, you should check the conversation of that ICO in BitcoinTalk. In fact, Bitcointalk is on the list of the most prominent Bitcoin forums where you can talk about related topics.

What you should do is read the messages of the conversation carefully. You will receive answers to your questions. All you have to do is ask in the similar conversations, and you will get answers from the team experts.

***2 - Stage of the project and investments in risk capital***

It is also essential to evaluate the stage of the project. Is this a beta version? Is it a technical document? Do you have limited functionality? The CV (Capital Venture-Investors) usually invest in projects that are in their early stages.

***3 - Composition of the team***

First, a thorough investigation of the equipment is necessary. Know as much as you can about the advisory board and the development team. You may also want to get more information about each team member to get the relevant experience.

All this information comes typically on the ICO website.

***4 - Media and community***

It is a good idea to benefit from a supportive community, such as a public Slack, especially if you are an investor. It is essential to understand the community environment.

For this, you need to look at the size of the community and its activities (An active community is a good sign)

***5 - The purpose***

In ICOs, a new token is created that will be used for the project. Each project has to answer some crucial questions, and one of the most critical issues is the purpose of the token. What distinguishes a good ICO from the crowd is that it has a dedicated token. What is it for? Does it solve a real need? Is there space in the market for this?

***6 – Limitation***

At the beginning, neither the minimum capitalization nor the maximum capitalization of the project had such an impact on the ICOs.

But now, they do it. With an open capitalization, investors can send unlimited funds to the ICO portfolio of the project. Generally if your strategy is short term, it is preferable that they have a small capitalization limit, so there is a shortage once you go to public exchanges, raising the price of the token.

***7 - Evaluation of the White Paper***

Most average investors do not take the time to review the whitepaper even though they know that the documents contain essential information regarding the ICO and the next project.

Therefore, it is essential to take your time to review the technical document. In fact, the whitepaper is considered the key to analyzing ICO's for investors.

Distinguishing a good ICO project from a fraud can mean the difference between making gold or losing everything you have ... Where to start in this new world of cryptocurrencies today? Do your own research, and invest safely.