

# What is an ICO?

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- An **initial coin offering (ICO)** or initial currency offering is a type of crowdfunding using cryptocurrencies;
- An ICO can be a source of capital for startup companies that offer investors some units of a new cryptocurrency or crypto-token in exchange against cryptocurrencies like Bitcoin or Ethereum;
- The first ICO (also known as token-sale) was held by Mastercoin in July 2013. **Ethereum raised money with a token sale in 2014**, raising 3,700 BTC in its first 12 hours, equal to approximately \$2.3 million at the time;
- **Who can launch an ICO? Literally anyone!** Currently, there's very little regulation on ICOs around the world, meaning as long as you can get the tech set up you're free to try and get your project funded;
- **Before launching an ICO it's mandatory to verify and obey the laws of the countries your investors are coming from!**

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- By the end of 2017, **ICOs had raised almost 40 times** as much capital as they had raised in 2016. According to industry newsletter Cointelegraph, companies raised around **\$6 billion via ICOs in 2017**; 37% of that amount was made by only 20 ICOs. Already by February, 2018, an estimated **46% of the 2017 ICOs had failed**;
- Even if at this moment many ICOs could be scam, in the future ICOs could become a tool that could revolutionize not just currency but the whole financial system. ICO tokens could become the securities and shares of tomorrow;