

Initial Coin Offering (ICO) vs Security Token Offering (STO)

- **Blockchain.** Built on a native blockchain. Hence the term 'coin'.
- **Initial offering.** Typically, utility token sales.
- **Ownership.** Investors often have limited rights and rely on the project's success for returns.
- **Asset-backing.** Not backed by tangible assets nor represent ownership.
- **Regulation.** Operate in unregulated legal grey area and can be deemed illegal sales.
- **Price stability.** Trade on cryptocurrency exchanges leading to extreme price volatility.
- **Liquidity.** More liquid due to unrestricted public participation.



- **Blockchain.** Built on some other existing blockchain. Hence the term 'token'.
- **Initial offering.** Typically, security offerings.
- **Ownership.** Investors typically have more rights and protections e.g ownership shares and potential dividends.
- **Asset-backing.** Backed by real assets, offering a clear value proposition to investors.
- **Regulation.** Operate under securities laws.
- **Price stability.** Enjoy a more stable price due to their asset-backed nature.
- **Liquidity.** Less liquid due to regulated status of investment.