

## Facebook Follows Trend Away from Cryptocurrencies, Banning Advertisements By Reid Wells, J.D. Candidate 2020 | February 12, 2018

Amidst growing pressure to protect the integrity of Facebook’s advertising, Mark Zuckerberg has banned all cryptocurrency ads on the social media platform. According to Facebook’s product management director Robert Leathern, Bitcoin and cryptocurrency ads are frequently associated with “[misleading](#) or deceptive promotional practices.” This ban targets ads such as those that read “Use your retirement funds to buy bitcoin!” or other “[get-rich-quick](#)” schemes that appear to have no legitimate business behind them.

Fraudulent ads have emerged amidst the wave of Bitcoin’s successful, although volatile, growth. As have a number of new currencies and Initial Coin Offerings (ICO’s), which encourage people to buy into cryptocurrencies before they launch in hopes of high future growth. Many companies have used ICO’s to get access to [unregulated capital](#) and regulators are noticing. South Korea and China have banned raising money through ICOs and other countries have warned against getting involved with ICOs at all. At home, the SEC recently cracked down on an ICO scam by [AriseBank](#) which asked people to fund the world’s first [decentralized bank](#).

Many of the ads Facebook is targeting with its new regulation are that of James Altucher, a [self-described](#) “crypto genius.” Altucher’s ads have been frequently associated with bad faith companies and scams. The public criticism surrounding Altucher’s ads likely inspired Zuckerberg to rethink his statement made at the beginning of this month, which hinted at admiration for cryptocurrency’s ability to decentralize power. Facebook now claims that Altucher’s ads, as well of those from other well-known cryptocurrency exchanges, will be banned in an effort to protect Facebook users. Leathern stated that Facebook’s intention was to allow users to continue to explore new products on Facebook without “fear of scams or [deception](#).”

Facebook’s advertising ban extends to other company-owned platforms such as Instagram, and is just the start of their review of the positives and negatives of cryptocurrencies. While the social network admits that it won’t catch every fraudulent ad, they have also said that the policy will evolve over time. This update in policy rides the tail of Facebook’s recent changes to its News Feed aimed at limiting the reach of untrustworthy sources. Facebook already attempts to ban many sorts of [deceptive ads](#), such as those that redirect users from seemingly trustworthy news sites to those asking for credit card details. It remains to be seen how Facebook will enforce this new policy along with others recently implemented. More significantly, it seems to be an attempt from Facebook to regain trust following Russian meddling and fake news exploitations on its site.