

Telegram Seeks Over \$1 Billion in Potentially Historic Initial Coin Offering

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Telegram Messaging, a private digital communication application boasting approximately [180 million users](#), is poised to raise more than a billion dollars in potentially the [largest ever I.C.O. \(Initial Coin Offering\)](#). Over the past two months Telegram has already raised \$850 million dollars for its newest concept, “Telegram Open Network” or “TON.” Moreover, over the next month Telegram plans to raise another \$850 million.

Initial coin offerings rely on the creation and sale of a cryptocurrency to allow young companies to [raise money](#). These digital vouchers can then be used in a secondary market to provide access to applications or services. As such, ICOs evade more traditional methods of fund raising, like relying on [venture capitalists or initial public offerings](#).

Accordingly, ICOs offer the advantage of allowing companies to maintain complete ownership of their technology. Moreover, the crowd-funding facet of ICOs could potentially allow companies that may provide useful services but are often ignored by more conventional sources of funding, to raise money. One such sector of companies are start-ups working on [open source](#) projects such as Wikipedia.

Despite these potential advantages the relatively untested and unregulated nature of ICOs has created growing concerns about their legality in the United States and [abroad](#). Many countries fear that ICOs may be used to defraud investors. That said, Telegram appears to be undeterred.

Telegram’s recent ICO comes on the heels of a 132-page white-paper released by Telegram that explains the company’s plans for “Telegram Open Network.” Telegram promises that “TON” will provide the support necessary to enable the creation of a new “third generation” digital currency Telegram calls “Grams.” Telegram insists “TON” will improve upon efforts made by predecessors in the cryptocurrency field, such as Bitcoin. According to Telegram “Grams” will offer a safer, more secure cryptocurrency, protected from the problems that have plagued other networks supporting virtual currencies. In particular, Telegram claims “TON” will address [theft via cyber-attacks](#) and an inability to keep up with the rate of transactions.

In order to accomplish these objectives, Telegram plans to rely in part on its already existing [private and secure](#) communication network, which already provides encrypted voice and text message transmissions. Telegram plans to use its encrypted network to insure exchanges and transactions involving “Grams” remain anonymous. Telegram also claims that users of “TON” will be able to use “Grams” to transfer money across borders with low transaction fees and to pay for third party services. Telegram plans to release “TON” either late this coming year or during the beginning of next year.

