

Telegram May Delay Coin Launch as SEC Halts U.S. Sales

By [Bloomberg](#)

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Telegram's digital coins will be called Grams. **Alexander Avilov / Moskva News Agency**

Telegram, a popular encrypted messaging app with about 300 million users, may postpone plans to launch its own cryptocurrency after the Securities and Exchange Commission (SEC) obtained a restraining order to stop the sale of the tokens in the U.S.

The company, which raised more than \$1.7 billion last year for its project, told investors it's evaluating ways to resolve the agency's concerns, including potentially delaying the issuance of the tokens beyond its October 31 target, according to a note sent to investors and seen by Bloomberg News.

Investors bought rights for Grams — the digital coins — at a steep discount, with the opportunity to resell them at a “reference price” of \$3.62, almost three times the maximum cost of the rights, according to the [SEC complaint](#).

Related article: [Telegram Messenger Could Start Testing Crypto Platform in September](#)

The agency said that the fund-raising was illegal in the U.S. because Telegram never registered its offering with the regulator, according to a filing made public October 11. Telegram raised more than \$425 million from U.S. investors.

The company told investors that it has been in talks with the U.S. regulator for the past 18 months regarding its project.

“We were surprised and disappointed that the SEC chose to file the lawsuit under these circumstances,” the letter said. Telegram didn’t respond to Bloomberg’s request for comment. The SEC has had long-standing concerns regarding the industry.

The regulator has proven to be a major obstacle for the digital-token market in the past, preventing many from making ground in the U.S.

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