



Today, CyberTrust S.A., a company and ICO that offers the most efficient Bitcoin securities on the market today, made an announcement regarding the legal future of the CABS token in the US.

After consulting with legal firm Debevoise and Plimpton, Cybertrust has decided not to pursue CABS tokens as a federal U.S. security. This was the expected outcome, given the failure of the Winklevoss brothers' ETF fund bid - but the specific reasons are different, and will be of interest to anyone looking forward to crypto securitization on a global level.

CyberTrust's mechanism of choice for US securitization was the acceptance of CABS token as "investment contracts". To test whether this could happen or not, Debevoise and Plimpton applied the Howey test: the same test applied by the SEC during their investigative report into the Distributed Autonomous Organization.

The Howey test consists of checking for four key features:

- » An investment of money
- » A common enterprise
- » An expectation of profits
- » An income derived strictly from the efforts of others

The first problem for CABS is the common enterprise aspect. CyberTrust is a Luxembourg SPV, which means that, strictly speaking, it's not a common enterprise. This may seem like a technical difference - but given the gap between Luxembourg and US corporate laws, it still stops CABS from being a security.

The second issue with CABS as a US security is that it doesn't derive its profits strictly from the efforts of others. Put simply, owning a US security means having some kind of stake in a working enterprise. Since CABS is a holding company with cryptoassets locked in a vault, and not, say, a retail business, the SEC cannot approve its tokens as a security.

Due to these reasons, CyberTrust has decided not to pursue stateside securitization until the SEC adapts to the world's quickly changing financial landscape. Instead, the immediate focus will be on trading over-the-counter on the Irish stock exchange, as well as other major European and Asian exchanges.

About Cybertrust: Cybertrust is a group of companies that helps institutional investors get into crypto markets with efficient securitization. Crypto finance needs to integrate with traditional capital sources, and Cybertrust's crypto asset-backed derivatives help do that.