

RENREN ICO SHUTSDOWN WITHIN A WEEK AFTER GOVERNMENT INTERVENTION

[Category] Social Media, Blockchains, ICO ,Regulation

Renren (NYSE:RENN) , formerly known as the Xiaonei Network, is a Chinese social platform that provided various services such as peer connection, games, and livestreaming. At the beginning of 2018, RenRen released its white paper, which addressed the adoption of blockchain technology and proposal of an ICO. Based on the whitepaper, the role of blockchain is to establish smart contracts, trading security, and tokenization. RRcoins, as tokens, would serve as rewards for content contributions and community building effort. Hence, any advertisement and business promotion in the platform would require RRcoins as payment method [1,2]. With market positive momentum towards blockchains, RenRen stock price shown estimate total 76% increase with closing price at \$18.32 in January 3rd (Fig. 1) . However, at January 8th, within a week after its announcement, the project was temporarily prohibited after the intervention Chinese regulatory agency according to wallstreetcn.com [3,4]. This is possible due the violation of the policy released in September 24th 2017 released by China insurance regulatory commission. [6]. Although there is currently no official statement about the current state of the project, the project was presumably terminated. Up until now ,the stock price has continuously experienced downfall since the peak, and the current closing price is \$8.91 (Fig. 2, 3).



(Figure 1, Source: Baidu)



(Figure 2, Source: Baidu)



(Figure 3. Source: Nasdaq [5])

References:

- [1] <http://tech.sina.com.cn/i/2018-01-04/doc-ifyginct9781590.shtml>
- [2] <http://finance.caijing.com.cn/20180108/4390502.shtml>
- [3] <https://wallstreetcn.com/articles/3054435>
- [4] http://www.cb.com.cn/wenhuayuyule/2018_0208/1224255.html
- [5] <https://www.nasdaq.com/symbol/renn/historical>
- [6] <http://www.circ.gov.cn/web/site0/tab6554/info4080736.htm>