



Federal Financial
Supervisory Authority

Consumers



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Onecoin Ltd (Dubai), OneLife Network Ltd (Belize) und One Network ...

Topic **Unauthorised business**



Onecoin Ltd (Dubai), OneLife Network Ltd (Belize) und One Network Services Ltd (Sofia/Bulgaria): BaFin issues cease and desist orders holding the companies to stop own funds trading in “OneCoins” in Germany

Date: 27.04.2017

The German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) issued cease and desist orders against Onecoin Ltd, Dubai, and OneLife Network Ltd, Belize, holding the companies to dismantle their internet based “OneCoins” trading system and to end all sales promotion activities in Germany immediately.

Today’s cease and desist orders are based on the conclusion that the way Onecoin Ltd, Dubai, and OneLife Network Ltd, Belize have “OneCoins” traded as virtual currency in Germany comes down to Eigenhandel (own funds trading) of financial instruments in the meaning of § 1 (1a) sentence 2 no. 4 of the German Federal Banking Act (“KWG”). Eigenhandel as financial service would have required prior authorization by BaFin according to § 32 (1) KWG.

At the same time, BaFin issued a cease and desist order against One Network Services Ltd, Sofia/Bulgaria for the latter’s involvement in the unauthorized trading of “OneCoins” by Onecoin Ltd, Dubai, and OneLife Network Ltd, Belize.

The cease and desist orders are based on § 37 (1) sentences 1 and 4 KWG. They are by law immediately enforceable; they may still be subject to judicial review, however.

The administrative actions follow the [5 April 2017](#) order against IMS International Marketing Services GmbH,



holding IMS to immediately cease and desist from passing on money from “OneCoins” investors, and the [18 April 2017](#) cease and desist order against Onecoin Ltd, Dubai, holding the latter to immediately end any involvement of it in IMS’ unauthorized money remittance business.

Background

Onecoin Ltd, Dubai, OneLife Network Ltd, Belize and One Network Services Ltd, Sofia/Bulgaria, are part of a network of companies that market units of a virtual currency, which they declare to be a cryptocurrency, under the "OneCoin" brand using a multi-level marketing structure both in Germany and around the world.

On 5 April 2017 [BaFin](#) ordered IMS International Marketing Services [GmbH](#), a German limited liability company based in the city of Greven, to immediately cease the unauthorized money remittance business conducted with "OneCoins" investors for Onecoin Ltd, Dubai and not to further execute any pending business of this. Prior to that, as of 17 and 20 February 2017, the authority had imposed an account freeze on IMS' known active accounts in Germany pursuant to § 4 (1) sentence 4 [ZAG](#), with the freeze also being immediately enforceable by law. Between December 2015 and December 2016, IMS had accepted in total approximately 360 million euros on the basis of the agreement concluded with Onecoin Ltd, Dubai. Approximately 29 million euros of this remains in the currently frozen accounts. For more details, see the [BaFin](#) press release of 10 April 2017.

Following the 5 April 2017 cease and desist order against IMS, [BaFin](#) issued on 18 April 2017 a direct order to Onecoin Ltd, Dubai holding the company to immediately cease and desist from its involvement in the unauthorized money remittance business conducted by IMS through the execution of payments to IMS' accounts and the issuing of payment instructions to IMS.

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