



ASIC
Australian Securities &
Investments Commission

M01682107

INFRINGEMENT NOTICE

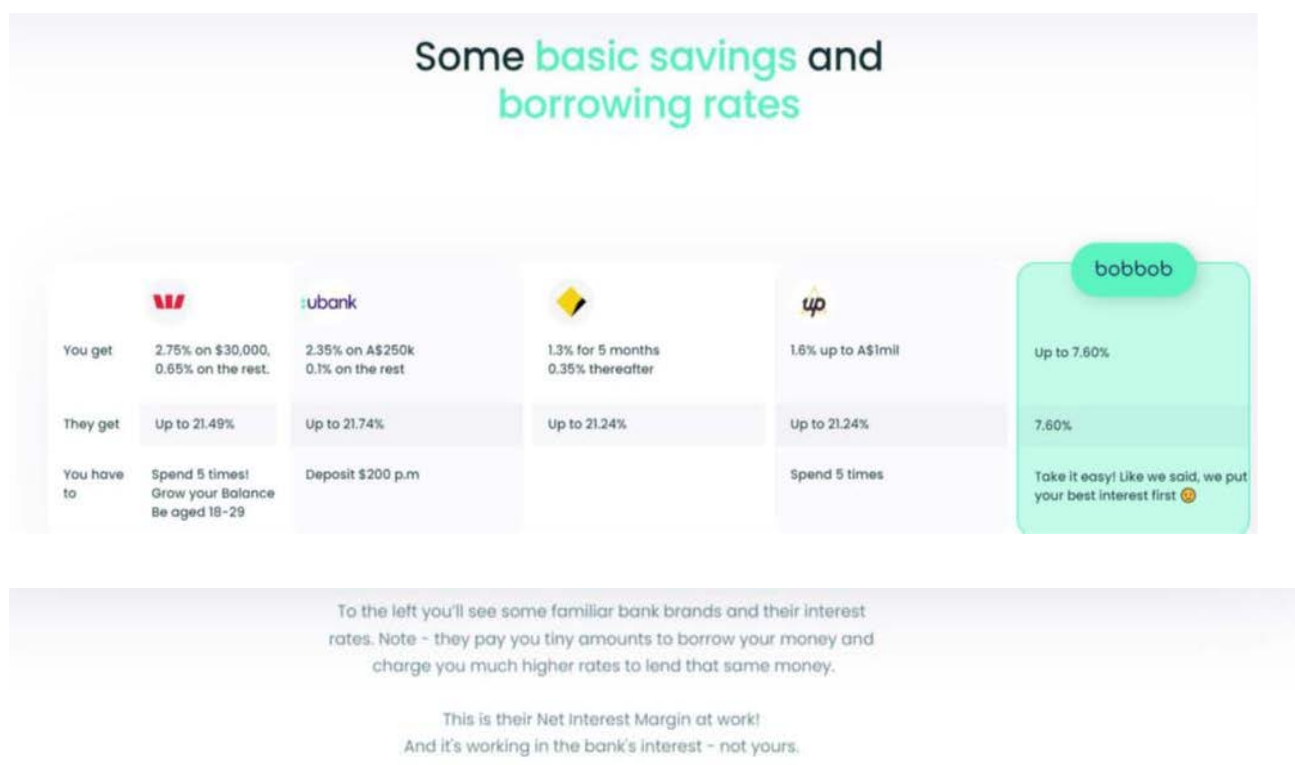
Section 12GX of the *Australian Securities and Investments Commission Act 2001* (Cth)

Date of giving this notice: 19 September 2023

Unique identification code: M01682107

To: Bobbob Pty Ltd
ACN 652 793 318

1. ASIC gives this infringement notice under section 12GX of the *Australian Securities and Investments Commission Act 2001* (Cth) (**ASIC Act**).
2. ASIC has reasonable grounds to believe that Bobbob Pty Ltd (**Bobbob**) has contravened an infringement notice provision of the ASIC Act as follows:
 - (a) From at least 28 September 2022 to at least 5 October 2022 (**Relevant Period**), Bobbob contravened section 12DB(1)(e) of the ASIC Act by, in trade or commerce, in connection with the supply or possible supply of financial services, or in connection with the promotion by any means of the supply or use of financial services, making a false or misleading representation with respect to the performance characteristics and/or benefits of services.
 - (b) During the period 1 April 2022 to 1 December 2022, Bobbob offered an interest earning crypto-asset based investment product to Australian consumers (**Investment Product**). To acquire the Investment Product, customers deposited Australian Dollars (**AUD**) into a Bobbob account. The AUD deposits were then exchanged for the crypto-asset USD Coin (**USDC**), which is said to be a "stablecoin" whose value is pegged to the United States Dollar. This USDC was transferred to Bobbob's lending partners, who in turn, could loan the crypto-assets to various third party borrowers in return for interest. A portion of the interest earned on those loans was passed on to Bobbob customers. When customers withdrew from the Investment Product, their investment (plus interest) was returned in AUD.
 - (c) Bobbob marketed its Investment Product through various channels, including its website at the address <https://www.bobbob.co> (**Bobbob website**).
 - (d) During the Relevant Period, the Bobbob website featured the following "infographic" comparing the interest rates available to customers through the Investment Product to those offered by various banks:



- (e) By comparing the Investment Product with interest rates applicable to accounts held with authorised deposit taking institutions, the infographic represented that the Investment Product shared some attributes of bank accounts, including the risk profile (**Representation**). The Representation concerned the performance characteristics and/or benefits of the Investment Product.
- (f) The Representation was false or misleading in contravention of s12DB(1)(e) of the ASIC Act because:
- i. the Investment Product exposed customers to crypto-assets which were loaned to various third parties to generate interest. The Investment Product involved greater risks than funds deposited in a bank account and exposed customers to potential capital losses; and
 - ii. deposits of up to AUD 250,000 in each of the licensed banks to which the Investment Product was compared are guaranteed by the Federal Government's Financial Claims Scheme (**FCS**). The FCS did not apply to the Investment Product.

Amount payable under this notice

3. The amount payable under this notice in relation to the alleged contravention is **\$13,320**. This amount can be paid using the method detailed in the covering letter accompanying this notice.
4. The payment period for the notice will be 28 days, beginning on the day after this notice is given, unless the period is extended, an arrangement is made for payment by instalments or the notice is withdrawn.
5. Bobbob may, in writing, apply to ASIC to have the period in which to pay the amount extended or for an arrangement to pay the amount by instalments.

Consequences of paying the amount payable under this notice

6. If Bobbob pays the amount stated in this notice within the time for payment mentioned above then (unless this notice is withdrawn):
 - (a) any liability of Bobbob for the alleged contravention is discharged;
 - (b) Bobbob will not be liable to be prosecuted in a court, and proceedings seeking a pecuniary penalty order will not be brought, in relation to the alleged contravention of the infringement notice provision; and
 - (c) Bobbob will not be regarded as having contravened the infringement notice provision or having been convicted of an offence constituted by the same conduct.
7. Payment of the amount payable under this notice is not an admission of guilt or liability.

Consequences of not paying the amount payable under this notice

8. Bobbob may choose not to pay the amount specified in this notice.
9. If Bobbob does not pay the amount specified in this notice within the time for payment mentioned above, and the notice is not withdrawn, Bobbob may be prosecuted in a court, or proceedings seeking a pecuniary penalty order may be brought, in relation to the alleged contravention of the infringement notice provision.
10. The maximum pecuniary penalty that a court may order Bobbob to pay for the alleged contravention is the greatest of:
 - (a) \$11,100,000; and
 - (b) if the Court can determine the benefit derived and detriment avoided because of the contravention – that amount multiplied by 3; and
 - (c) either:
 - i. 10% of annual turnover of the body corporate for the 12-month period ending at the end of the month in which the body corporate contravened, or began to contravene, the civil penalty provision;
 - ii. if the amount worked out under subparagraph (i) is greater than an amount equal to \$555 million - \$555 million.
11. The maximum criminal penalty that a court may order Bobbob to pay for the alleged contravention is \$4,440,000.

Applying for more time to pay the amount payable under this notice

12. ASIC may at its discretion, extend the time to pay the amount payable under this notice if ASIC is satisfied that it is appropriate to do so.
13. If Bobbob wishes to apply for an extension of time to pay the amount specified in this notice, Bobbob must do so in writing within 28 days after the day the notice is issued (see paragraph 20).

Applying to pay the amount payable under the notice by instalment

14. ASIC may at its discretion, make an arrangement for Bobbob to pay the amount payable by instalments if ASIC is satisfied that it is appropriate to do so.

15. If Bobbob wishes to apply for an arrangement to pay the amount payable under the infringement notice by instalments, Bobbob must do so in writing within 28 days after the day the notice is issued (see paragraph 20).

Applying to have this notice withdrawn

16. Within 28 days after the day on which this notice is given, Bobbob may apply to have this notice withdrawn by making written representations to ASIC (see paragraph 20).

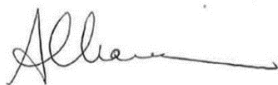
Withdrawal of this notice

17. ASIC may at its discretion, by written notice given to Bobbob, withdraw this notice if ASIC is satisfied that it is appropriate to do so, whether or not Bobbob has applied to have this notice withdrawn (**withdrawal notice**).
18. If the withdrawal notice is given after Bobbob has paid the amount specified in this notice, ASIC will refund to Bobbob the amount paid under the notice.
19. If this notice is withdrawn, then Bobbob may be prosecuted in a court, or proceedings seeking a pecuniary penalty order may be brought, in relation to the alleged contravention of the infringement notice provision.

Requirements for applications

20. An application to have this notice withdrawn, for more time to pay the amount payable under this notice or to pay by instalments:
- (a) must be in writing;
 - (b) must include the unique identification code set out at the top of this notice;
 - (c) must include Bobbob's reasons for making the application; and
 - (d) may be made by forwarding Bobbob's application to ASIC at the address in paragraph 21.
21. Bobbob may contact ASIC in relation to this notice by contacting:

Molly Choucair
Australian Securities and Investments Commission
GPO Box 9827
BRISBANE QLD 4000
or by email: ACLInfringementNotices@asic.gov.au



Molly (Amal) Choucair
as a delegate of the Australian Securities and Investments Commission