



HIGH COURT OF AUSTRALIA

17 June 2026

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION v WEB3 VENTURES
PTY LTD ACN 655 090 869
[2026] HCA 21

Today, the High Court unanimously allowed an appeal from the Full Court of the Federal Court of Australia. The appeal concerned whether a product ("the Earner Product") issued by the respondent was a "financial product" within the meaning of Div 3 of Pt 7.1 of the *Corporations Act 2001* (Cth) ("the Act").

Under the respondent's Terms of Use, a user would first transfer an Australian dollar ("AUD") amount to a bank account in the respondent's name ("the Account") and then nominate an "Eligible Cryptocurrency" and the amount of AUD to be invested. The respondent would then take the AUD amount nominated by the user to be invested from the Account and "convert" it to the nominated cryptocurrency. The respondent, through the Earner Product, offered users a fixed rate of return ("the APY") on and paid in the relevant cryptocurrency, rather than interest on the AUD amount contributed. When a user sought to withdraw from the Earner Product, the respondent would "convert" the relevant cryptocurrency, including the APY earned, back to AUD. The user could then withdraw the AUD by requesting a bank transfer to a third-party bank account or nominate for the funds to be placed into the same or a different product issued by the respondent.

Section 763A(1)(a) of the Act relevantly provides that a financial product is a facility through which a person makes a financial investment. By s 763B(a)(i) and (iii), an "investor" makes a financial investment if "the investor gives money or money's worth (the *contribution*) to another person" and "the other person uses the contribution" or "intends that the contribution will be used" to "generate a financial return, or other benefit, for the investor". Section 764A(1)(c) provides that a derivative is a financial product. A "derivative" is defined in s 761D and requires, among other things, that "the amount of the consideration, or the value of the arrangement, is ultimately determined, derived from or varies by reference to (wholly or in part) the value or amount of something else".

The appellant instituted proceedings in the Federal Court of Australia, relevantly contending that the Earner Product was a financial product within Div 3 of Pt 7.1 of the Act because it was a facility through which a person made a financial investment within the meaning of s 763B of the Act, and because it was a derivative within the meaning of s 761D of the Act. The primary judge found that the Earner Product was a facility through which users made a financial investment within the meaning of s 763B(a)(i) and (iii) but did not consider that it was a derivative due to his Honour's other findings. The Full Court held that the Earner Product was neither a facility through which a person makes a financial investment within the meaning of s 763B(a)(i) and (iii) nor a derivative within the meaning of s 761D.

The High Court found that the Earner Product was a financial product as defined in s 763A(1)(a) of the Act as it was a facility through which a person made a financial investment within the meaning of s 763B of the Act. The Court found that the Earner Product involved the respondent using an investor's contribution (the AUD) to generate a financial return for the investor (the APY), as well as to generate a profit for itself. The Court also found that the Earner Product was a derivative within the meaning of s 761D of the Act, because the amount of consideration the user received when the term of the Earner Product ended was the amount of AUD to be paid by the respondent, which was derived from or varied by reference to the exchange rate between AUD and the Eligible Cryptocurrency.

This statement is not intended to be a substitute for the reasons of the High Court or to be used in any later consideration of the Court's reasons.