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More Crypto Sheriffs from the SEC



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The Securities and Exchange Commission ("SEC") [has renamed and expanded](#) a unit within its Division of Enforcement to address protection of investors in crypto markets. The "Crypto Assets and Cyber Unit," which also has responsibility for addressing cyber-related threats to investors, will now have 50 people working on these issues in Washington, D.C., as well as in several regional offices. The SEC intends to step up its monitoring and address several areas in crypto markets, including crypto asset offerings and exchanges; lending and staking products based on crypto assets; decentralized finance ("DeFi") platforms; non-fungible tokens ("NFTs") and stablecoins. Increasing staff dedicated to crypto markets is in line with SEC Chair Gary Gensler's viewpoint on crypto markets, which he says have a value of "roughly \$2 trillion." In his [recent speech on crypto markets](#) to the Penn Law Capital Markets Association Annual Conference, Gensler opined that crypto trading and lending platforms all need to be registered and regulated like traditional securities exchanges, discussed public policy concerns about stablecoins, and demonstrated that the SEC still views "tokens" as involving only "a group of entrepreneurs raising money from the public in anticipation of profits," despite the plethora of alternative use cases that NFTs have demonstrated in the market today. What is certain is that with these developments, the SEC will definitely be more active in crypto markets than it has been in recent years.
