

Crypto Firms Brace for Intensified SEC, CFTC Action After Regulator Warning

Media Mentions

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The United States Commodity Futures Trading Commission (CFTC) has warned that more enforcement actions will be taken against the crypto ecosystem in the coming six months to two years.

On May 6, during the 27th Annual Milken Institute Global Conference, CFTC Chair Rostin Behnam said that with the rise in the price of cryptocurrency and the inflow of new, inexperienced retail investors, there will be another cycle filled with crypto-centered scams and frauds.

With no legal framework presently in place to regulate crypto service providers, the CFTC chair expects watchdogs to crack down on crypto firms.

This lack of a legislative framework and enforcement jurisdiction for different agencies has created more complexities for crypto firms and law enforcement agencies alike.

Bracewell's **Keith Blackman** told [Cointelegraph](#) that in the past, the CFTC chair has often expressed concern about the lack of a comprehensive regulatory framework governing cryptocurrencies in the US, starkly contrasting to US Securities and Exchange Commission (SEC) Chair Gary Gensler's eagerness to proceed with enforcement actions without the need for crypto-specific regulations.

According to Blackman, Behnam's comments suggest that "the CFTC is gradually aligning its perspective with the SEC."

He added that new crypto companies would be "deterred from entering the market with the added threat of CFTC enforcement without clear-cut regulations. Existing companies, meanwhile, will need to invest more resources in legal and compliance counsel, increasing costs and potentially stifling innovation."

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