

[Securities Regulation Daily Wrap Up, INVESTOR EDUCATION—CFTC releases primer on emerging role for virtual currencies, \(Oct. 17, 2017\)](#)

Securities Regulation Daily Wrap Up

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In the first of series related to FinTech innovation, the Commodity Futures Trading Commission's LabCFTC released a primer which provides an overview of virtual currencies and their potential use-cases. The guide, aptly titled [A CFTC Primer on Virtual Currencies](#) sets forth the CFTC's role and oversight of virtual currencies. Importantly, it also underscores the potential risks associated with virtual currencies, and cautions investors and users of potential related pitfalls.

The primer [provides a useful one-stop shop](#) for a user to become familiar with various issues surrounding the rapidly expanding virtual currency landscape. Some of the topics specifically covered in the primer include:

- definitions of "virtual currencies" and Bitcoin;
- difference between public and private ledger systems;
- sample use cases for virtual currencies and blockchain technologies;
- associated risks;
- CFTC oversight and enforcement authority; and
- permitted activities and firms involved with virtual currency undertakings.

Daniel Gorfine, the director of LabCFTC, noted, "[a]s people worldwide try to understand and wrap their heads around the virtual currency ecosystem, we thought it timely and important for our first primer to help explain the space, identify how developments involve the CFTC, and highlight risks that investors or users of virtual currencies should carefully consider."

Gorfine, who also serves as the chief innovation officer, also stated, "LabCFTC believes that promoting education, understanding, and regulatory clarity around emerging technologies can help facilitate market-enhancing innovation and guard against risks." "We look forward to our ongoing engagement with innovators and market participants focused on enhancing our markets and benefitting the American public—we view the release of today's primer as a meaningful step in advancing that engagement" he added.

LabCFTC. In May 2017, LabCFTC was launched with a stated mission to facilitate market-enhancing FinTech innovation, fair market competition, proactive regulatory excellence and to further the understanding of emerging technologies. LabCFTC is designed to make the CFTC more accessible to FinTech innovators, and serves as a platform to inform the Commission's understanding of emerging technologies.

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