



**U.S. Securities and
Exchange Commission**

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PRESS RELEASE

eToro Reaches Settlement with SEC and Will Cease Trading Activity in Nearly All Crypto Assets

Firm charged with operating unregistered broker, clearing agency in connection with its crypto asset trading platform

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Washington D.C., Sept. 12, 2024 — The Securities and Exchange Commission today announced that eToro USA LLC has agreed to pay \$1.5 million to settle charges that it operated an unregistered broker and unregistered clearing agency in connection with its trading platform that facilitated buying and selling certain crypto assets as securities. eToro has agreed to cease and desist from violating the applicable federal securities laws and will make only a limited set of crypto assets available for trading.

The SEC's order finds that, since at least 2020, eToro operated as a broker and clearing agency by providing U.S. customers the ability, through eToro's online trading platform, to trade crypto assets being offered and sold as securities, but eToro did not comply with the registration provisions of the federal securities laws.

eToro publicly announced that, going forward and subject to the provisions of the SEC's order in this matter, the only crypto assets that U.S. customers can trade on the company's platform will be Bitcoin, Bitcoin Cash, and Ether. eToro publicly announced that it will provide its customers with functionality to sell all other crypto assets for only 180 days after the issuance of the SEC's order.

“By removing tokens offered as investment contracts from its platform, eToro has chosen to come into compliance and operate within our established regulatory framework. This resolution not only enhances investor protection, but also offers a pathway for other crypto intermediaries,” said Gurbir S. Grewal, Director of the SEC’s Division of Enforcement. “The \$1.5 million penalty reflects eToro’s agreement to cease violating applicable federal securities laws as it continues its U.S. operations.”

Without admitting or denying the SEC’s findings, eToro agreed to the entry of a cease-and-desist order, to pay a penalty of \$1.5 million, and, within 187 days of the order, to liquidate any crypto assets being offered and sold as securities that eToro is unable to transfer to its customers, and return the proceeds to the respective customers.

The SEC’s investigation was conducted by Jon Daniels, Alison Levine, and Tiantong Wen, with assistance from Samuel Wasserman, Ben Kuruvilla, and Lisa Knoop. The case was supervised by Mark R. Sylvester and Jorge G. Tenreiro of the Crypto Assets and Cyber Unit.

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Last Reviewed or Updated: Sept. 12, 2024

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