

## [Securities Regulation Daily Wrap Up, CFTC NEWS AND SPEECHES](#) [—Chairman Tarbert names LabCFTC director, confirms ether is a commodity, \(Oct. 11, 2019\)](#)

Securities Regulation Daily Wrap Up

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By [Brad Rosen, J.D.](#)

At a major industry conference, the CFTC chairman announced a new director for the agency's fintech innovation hub and shared his views on cryptocurrency regulation and other Commission agenda items.

In his first appearance at the popular Yahoo Finance All Markets Summit, Chairman Heath P. Tarbert engaged in a far-flung [interview](#) with Yahoo Finance reporter [Scott Gamm](#). With the theme of [this year's program](#) being generational opportunities, Tarbert focused his remarks on cryptocurrency regulation, as well as other agency agenda items.

**Breaking news on ether.** In an item of [breaking news](#), the chairman stated that the cryptocurrency ether is a commodity, and therefore it will be regulated under the Commodity Exchange Act. He also indicated his belief that in the near future, ether-related futures contracts and other derivatives will be traded. When asked whether there will be enough demand for these products, Tarbert indicated that the markets will determine that. He also indicated that he thought bitcoin futures trading was going very well. Tarbert's comments on ether faintly echoed those made at last year's Yahoo All Markets Summit by SEC Corporate Finance Director William Hinman, where his remarks [woke up the market](#) for the cryptocurrency. At the time, Hinman said that in his view, offers and sales of ether were not securities transactions, and therefore not subject to SEC jurisdiction.

**A new LabCFTC director.** Tarbert also took the opportunity to announce the new director for LabCFTC, the Commission's fintech innovation hub. Noting that you can't really be a good regulator unless you are hiring people who actually know and understand these markets, Tarbert announced that [Melissa Netram](#) will be joining the agency to helm [LabCFTC](#). In her role, Ms. Netram will be responsible for coordinating closely with international and U.S. regulators and Capitol Hill to facilitate market-enhancing innovation, inform public policy, and ensure that the CFTC has the understanding to keep pace with the ever-changing financial services industry.

Ms. Netram brings to the CFTC more than 15 years of experience developing and executing policy strategy regarding technology and financial services issues. Prior to joining the CFTC, she was the director of global public policy and regulatory affairs for Silicon Valley-based Intuit, where she led the development of the company's government strategy. As part of her role, Ms. Netram led efforts to position Intuit to successfully capitalize on fintech innovations.

Earlier in her career, Ms. Netram served at the U.S. Department of the Treasury, with a rotation through the Office of the Comptroller of the Currency. Following her government service, she joined The McGraw-Hill Companies and then the Financial Services Roundtable, where she worked extensively on the Dodd-Frank Act. Ms. Netram holds a bachelor's degree, *cum laude*, from Villanova University and a law degree from The Catholic University of America Columbus School of Law.

**In case you missed it.** Tarbert also weighed in on a number of other topics which included the following.

- **Treatment of forked assets.** Tarbert noted that it stands to reason that similar assets should be treated similarly. Accordingly, if the original digital asset hasn't been determined to be a security and is therefore a commodity, most likely the forked asset will be the same—unless the fork itself raises some securities law issues under that classic Howey Test.

- **The importance of U.S. leadership for fintech innovation.** Tarbert wants the United States to lead in fintech innovation because, in his view, whoever leads in this area is going to end up writing the rules of the game. Tarbert believes that the CFTC's role is to ensure that there is integrity in the markets and that the markets develop in way that have integrity.
- **Volcker Rule amendments.** Chairman Tarbert confirmed his view that the Volcker Rule is one of the most well-intentioned, but poorly designed, rules in the history of American finance. He further noted that while the rule may have made sense on the surface, the approximate 1,000 pages of regulations made it difficult to make any sense out of it. In Tarbert's view, a major problem was that the Volcker Rule was really intended to affect a very small subgroup of banks—money-centered banks that were engaging in proprietary trading—but it effectively applied to community and regional banks. The chairman believes the recently enacted amendments fixed those problems, and the law now applies in a way that is a lot more thoughtful and streamlined.

In closing, Chairman Tarbert stated that it is his goal to focus on and promote the idea that the derivatives markets benefit all Americans. Moreover, he wants to continue to get out the message to the general public that the CFTC is the most important agency that you never heard of.

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