

Public Statements & Remarks

Statement of Commissioner Dawn D. Stump on the CFTC's Regulatory Authority Applicable to Digital Assets

August 23, 2021

The CFTC's regulatory oversight authority, as well as the application of our enforcement authority, must be well understood by the public. Only then can proper regulatory compliance be demanded. The recent growth in popularity of crypto products and other digital assets has drawn much attention to the question of how this new financial asset class is regulated in the United States. In response, there has often been a grossly inaccurate oversimplification offered which suggests these are either securities regulated by the Securities and Exchange Commission, or commodities regulated by the Commodity Futures Trading Commission. The prevalence of this misunderstanding about U.S. regulatory delineations has grown to a point that I believe requires correction.

Therefore, I have laid out 10 concise points

(https://www.cftc.gov/media/6306/DigitalAssetsAuthorityInfographic_CommStump082321/download) to clarify how and what the CFTC regulates, as well as how Congress has distinguished our enforcement authority from our regulatory oversight. The CFTC does not regulate commodities (regardless of whether or not they are securities); rather, it regulates derivatives—and this is true for digital assets just as for any other asset class. Before considering whether to redesign the regulatory structure in the crypto context, let's get the facts straight about our current system.

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