

Daniel Davis's House Subcommittee Testimony on Spot Market Regulatory Gaps Makes News

April 28, 2023

Several cryptocurrency media outlets, including *Cointelegraph, Crypto Press* and *BBC Tech Update*, featured Thursday's dual US House Committee hearings on digital asset regulatory gaps. Financial Markets and Regulation co-chair Daniel Davis testified before the US House Committee on Agriculture's Subcommittee on Commodity Markets, Digital Assets, and Rural Development for its hearing on "The Future of Digital Assets: Identifying the Regulatory Gaps in Spot Market Regulation."

Dan, a former General Counsel at the Commodity Futures Trading Commission (CFTC), noted that the large majority of the digital assets spot market activity is outside the regulatory jurisdiction of both the CFTC and the Securities and Exchange Commission (SEC). He explained that the CFTC has identified that seven of the top 15 digital assets – which account for about 76 percent of the digital asset market – are commodities, while the SEC has identified only one of the top 15 digital assets – which accounts for about 2 percent of the digital asset market – as a security. The CFTC has only enforcement authority – bringing backward-looking enforcement actions – for fraud or manipulative activity in the spot markets.

Watch a recording of the hearing.

Read Dan's written testimony.

"US House committees hear similar testimonies in simultaneous hearings on digital assets," *Cointelegraph*, April 27, 2023

"US House committees hear similar testimonies in simultaneous hearings on digital assets," *Crypto Press*, April 27, 2023

"US House committees hear similar testimonies in simultaneous hearings on digital assets," *BBC Tech Update*, April 27, 2023

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