

Lance Zinman and Daniel Davis Talk Market Trends and Crypto Regs With *John Lothian News*

July 9, 2024

During the FIA's International Futures Industry Conference, Partner and Financial Markets and Funds Global Chair Lance Zinman, and Partner and Financial Markets and Regulatory Co-Chair Dan Davis shared their perspectives on the current state and future trends in cryptocurrency markets, the impact of Securities and Exchange Commission (SEC) rules on active traders, the transition to broker-dealer status, proprietary trading, digital asset trading and challenges in asset management with *John Lothian News*.

Regarding the SEC's shift on trader and dealer distinctions, Lance stated, "So what the SEC did is overturn about 80 to 90 years of precedent distinguishing between traders and dealers. Now their rule effectively says that if you are trading and the way you are trading effectively provides liquidity to the market … that makes you a dealer." Lance also noted that those newly defined dealers will need to become registered Financial Industry Regulatory Authority (FINRA) members.

Dan shared his thoughts on digital asset trading trends. He indicated that Bitcoin exchange traded funds (ETFs) have generated renewed interest. However, SEC approval of new products like Bitcoin options ETFs will likely be slow to come to fruition and may require persuasion from Congress. "I think it's going to be a hard process, a bit of a long process to get new products online, but there are certainly a lot of people making an effort." Dan noted that the SEC continues to view nearly all digital assets as securities, but there remains a lack of specificity over what is or is not a security.

Lance agreed, stating, "That makes it extremely tricky for the asset managers because when the asset managers are forming funds, they need to decide who they register with the SEC or CFTC. Am I a private fund or am I a commodity pool? And the basic question is how much in the way of securities am I trading."

"Cryptocurrency and Regulatory Landscape: Insights from Katten Attorneys," *John Lothian News*, May 29, 2024

CONTACTS

For more information, contact your Katten attorney or any of the following attorneys.



Lance A. Zinman
+1.312.902.5212
lance.zinman@katten.com



Daniel J. Davis
+1.202.625.3644
daniel.davis@katten.com

Attorney advertising. Published as a source of information only. The material contained herein is not to be construed as legal advice or opinion.

©2026 Katten Muchin Rosenman LLP.

All rights reserved. Katten refers to Katten Muchin Rosenman LLP and the affiliated partnership as explained at katten.com/disclaimer.