



Katten Financial Markets and Funds *Quick Take*

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NFTs and the Enduring Allure of Digital Collectibles

By Daniel Davis, Alexander Kim

This is the first article of a series by Katten attorneys examining non-fungible tokens (NFTs) and various novel legal issues raised by NFTs, including in copyright law and beyond. When the artist Beeple sold an NFT of his digital artwork for an eye-popping \$69 million at a Christie's online auction in March 2021, only about 178,000 wallet addresses had [bought or sold an NFT on an Ethereum marketplace](#). Today, that number stands at over three million. Although headline-grabbing scandals and continued regulatory uncertainty over the treatment of digital assets in the intervening years have cast a cloud on cryptocurrency markets, major corporations and brands have spearheaded efforts to bring NFTs to the consuming public. [Read about NFTs and digital collectible trends.](#)

FINRA Proposes Changes to Arbitrator List Selection Process

By Sarah Weber, Christian Kemnitz, Michael Lohnes, Kelsey Panizzolo

The Financial Industry Regulatory Authority (FINRA) recently proposed several rule changes aimed at "provid[ing] greater transparency and consistency" with respect to the arbitrator list selection process administered by FINRA Dispute Resolution Services (DRS). The proposed changes — if approved — will affect the arbitrator selection process under both the Code of Arbitration Procedure for Customer Disputes and the Code of Arbitration Procedure for Industry Disputes. [Read Katten's advisory.](#)

SEC's Proposed Custody Rule Changes And What They Mean

By Adam Bolter, Alexander Kim

Published in *Law360*, the article provides an in-depth look at the Securities and Exchange Commission's (SEC) recent proposed changes to Rule 206(4)-2, also known as the Custody Rule, under the Investment Advisers Act of 1940 (Advisers Act). The proposed amendments redesignate the Custody Rule as new Rule 223-1 under the Advisers Act (the Safeguarding Rule) and seeks to address and enhance "how investment advisers safeguard client assets ... [in light of] changes in technology, advisory services, and custodial practices." The Safeguarding Rule represents a potentially fundamental shift in how, and the extent to which, investment advisers select and transact in certain types of client assets. This article examines key proposed changes and discusses related practical considerations for investment advisers who are

registered or otherwise required to register under the Advisers Act and other relevant market participants. [Read Katten's article.](#)

BIPA: What Recent Court Decisions Mean for the Financial Industry

By Charles DeVore, Geoffrey Young, Bonita Stone, Anna Mikulski

Class action plaintiffs' firms — spurred on by a significant recent expansion of available damages for biometric privacy suits — have begun targeting the financial industry. The Illinois Biometric Information Privacy Act (BIPA) is the most expansive biometric privacy law in the country, and has strict requirements for businesses collecting, storing or using biometric data (including voiceprints, fingerprints and facial scans). Pursuant to BIPA, plaintiffs' attorneys have pursued hundreds of class action lawsuits in recent years against companies operating in Illinois or collecting Illinois residents' biometric data. In February 2023, the Illinois Supreme Court issued two decisions that ratcheted up available damages by extending the statute of limitations to five years and holding that every instance of collecting or using biometric data (rather than just the first instance for each plaintiff) constitutes a compensable injury. [Read Katten's advisory.](#)

Increasing International Focus on Greenwashing to Investors

By Johnjerica Hodge, India Williams, Nikita Yogeshwarun

Greenwashing is an evolving issue involving exaggerated or misleading claims about the sustainability or environmental benefits of a product, service, or business. Due to increased pressure from consumer advocates, investors, and stakeholders, a heightened focus is being placed on greenwashing globally. International companies with an Asian presence are increasingly looking to greenwashing regulations within these jurisdictions to guide them in conducting business. [Read about international greenwashing guidelines.](#)

Crypto With Katten London Symposium: Key Takeaways

By Ciara McBrien

Following Katten's first Crypto With Katten London Symposium, the following is a reflection on the key takeaways from the range of panel sessions we hosted: covering regulation of cryptoassets, market abuse, Central Bank Digital Currency (CBDC), cryptoasset investment transactions, crypto derivatives, cryptoassets tax regime and that crypto is here to stay. [Read about the Crypto With Katten London Symposium takeaways.](#)

FIA Features Gary DeWaal in Hall of Fame Video Interview

FIA, a global trade organization for the futures, options and centrally cleared derivatives markets, inducted Senior Counsel Gary DeWaal, into its Hall of Fame this year. Gary, former chair of Katten's financial markets and regulatory team, was a trailblazer for the firm's cryptoassets and blockchain technology practice in addition to his long-standing work in traditional derivatives law. FIA's Hall of Fame recognizes "the outstanding contributions of members of the listed and cleared derivatives community." [Watch the FIA's video.](#)

California's OAL Finalizes CPRA Regulations

By Trisha Sircar

On March 30, the California Privacy Protection Agency (CPPA) announced that its rulemaking package to implement the California Consumer Privacy Act of 2018 (CCPA), as amended by the California Privacy Rights Act of 2020 (CPRA), was approved by the California Office of Administrative Law (OAL). The finalized rules contain no substantive changes to the final proposed draft of the CPRA regulations released on January 31, 2023. [Read about CPRA regulations.](#)

Iowa Is The Sixth U.S. State That Enacts Data Privacy Law

By *Trisha Sircar*

Iowa is now the sixth state in the United States to adopt a comprehensive privacy law that aims to give consumers more control over protecting their personal data. Signed by Gov. Kim Reynolds (R) on Tuesday, Senate File 262 was unanimously passed by the Iowa Senate and House. The law will go into effect on January 1, 2025. The law joins data protections adopted in California, Colorado, Connecticut, Utah and Virginia. [Read about Iowa's data privacy law.](#)

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