



What's Been Happening?

Cryptocurrencies continued to come under the spotlight. Regulatory bantering between the SEC, politicians and other stakeholders was prominent throughout August. And a hefty fine was levied against a cryptocurrency firm for lack of AML controls. Meanwhile, regulators provided joint guidance to aid community banks as they increasingly partner with FinTechs. Finally, DigiPli is proud to announce it joined the [Holt Xchange](#), an accelerator program providing mentoring, capital and connections to the FinTech community.

Federal regulators issue guidance for community bank and FinTech relationships

With the drastic rise of DeFi and the proliferation of non-bank digital financial institutions, community banks and FinTechs are increasingly partnering. This [guide](#), issued jointly by the OCC, FDIC and Federal Reserve, provides factors community banks should consider when exploring relationships and partnerships with FinTechs.

AML Tip of the Month

DigiPli, together with [Barclays Rise](#), published a [series of articles](#) highlighting what FinTechs need to know to comply with the AML laws. It's a 'must read' for FinTechs looking for regulatory clarity.

SEC Chair refers to crypto market as 'Wild West' that 'leaves investors vulnerable'



Speaking at the Aspen Security Forum in early August, Gary Gensler, the chair of the Securities Exchange Commission (SEC) referred to the crypto market as the "[Wild West](#)". He stated that many tokens "may be unregistered securities, without required disclosures or market oversight. This leaves prices open to manipulation. This leaves investors vulnerable." Gensler's statement was then followed up by action, when the agency [threatened](#) (with little if any supporting rationale) to sue Coinbase if it launched its planned cryptocurrency lending product.

SEC wants more authority to regulate crypto

More evidence of the ramping pressure for legislative action to regulate cryptocurrency came in early August. SEC Chair Gary



Gensler sent a [letter](#) to Senator Elizabeth Warren, responding to her [letter](#) requesting info on the SEC's authority to regulate cryptocurrency exchanges. The Senator is a long-time critic of cryptocurrencies. She expressed her concern about fraud, scams, and the lack of a "safe cryptocurrency marketplace." Gensler replied that "investors using these platforms are not adequately protected" and ended his letter stating that "regulators would benefit from additional plenary authority to write rules for and attach guardrails to crypto trading and lending," and said he'd ready to work with Congress to "close some of these gaps."

Regulators fine BitMEX \$100 million



Cryptocurrency exchange BitMEX [agreed](#) to pay \$100 million to settle [charges](#) brought by the U.S. Commodity Futures Trading Commission (CFTC) and FinCEN. The company came under fire by operating an unregistered trading platform and violating the KYC and AML requirements, and three of its principals were separately indicted on criminal charges. As part of the settlement, the company must hire an independent consultant to analyze its transactions and review its policies and procedures. Following the settlement, BitMEX CEO said, "We're glad to put these matters behind us, and we're not missing a beat in continuing the growth and transformation of our business with compliance, user verification, and [anti-money laundering compliance] at the center of everything we do." This settlement does not resolve the pending criminal action against the principals.

DigiPli empowers financial institutions to quickly and compliantly open customer accounts by delivering an end-to-end technology solution bundled with ongoing support from its AML experts

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