



Hong Kong's SFC Publishes Circular for Virtual Asset Platform Regulations with Stricter Conduct Standards

On 16 January 2025, the Hong Kong Securities and Futures Commission (**HK SFC**) published "Circular to Licensed Corporations, SFC-licensed Virtual Asset Service Providers and Associated Entities" for Hong Kong based Virtual Asset Trading Platforms (**VATPs**) detailing stricter conduct standards. These measures, detailed in an official [circular](#) and appendices ([Appendix 1](#) and [Appendix 2](#)), were introduced following inspections of VATP applicants under the deemed licensing framework. The aim is to enhance the security, compliance, and operational integrity of platforms operating in Hong Kong.

The HK SFC conducted comprehensive reviews focusing on cybersecurity, safeguarding client assets, and Know-Your-Client (**KYC**) practices. Findings revealed areas of non-compliance among certain platforms, prompting the issuance of detailed guidelines to ensure robust system management, adherence to legal obligations, and improved client protection.

These standards, outlined in Appendix 1 of a newly issued circular, target operational areas including cybersecurity, asset protection, and Know-Your-Client (**KYC**) compliance.

The HK SFC identified deficiencies in VATP cybersecurity, with issues such as inadequate network segmentation, outdated encryption algorithms, and weak access controls. To counter these risks, the HK SFC mandates advanced network segregation techniques, holistic privileged access management frameworks, and real-time monitoring through 24/7 security operations centres. Strong encryption must now secure all data storage and transmission, replacing vulnerable methods observed during inspections. Automated systems to detect unauthorised access to client accounts are also required to safeguard against hacking and fraud.

The protection of client assets was another area of focus for HKSFC. The HK SFC elaborated on the failures in segregating client funds from operational assets, improper wallet management, and breaches of the mandated "98/2 cold-to-hot wallet ratio." Platforms must now store 98% of client assets in cold wallets, implement wallet address whitelisting, and secure private keys in certified environments within Hong Kong. Strict protocols for large withdrawals and deposits are required to minimise exposure to cyber threats and operational errors.

The HK SFC now requires VATPs to establish detailed recovery plans and ensure restoration of custody systems within 12 hours of a disruption. Platforms must also maintain fully functional backup facilities with equivalent security standards to primary sites and conduct regular tests to validate their recovery strategies.

The HK SFC also highlighted deficiencies in client access monitoring and control. Several platforms were found to allow unauthorised access from restricted jurisdictions or lacked adequate geolocation tools to block such activities. VATPs must now implement advanced geolocation systems, regularly evaluate monitoring tools, and document their compliance efforts to ensure that only authorised users access their services.

Insurance and compensation arrangements for client assets were scrutinised, with platforms required to maintain policies that cover 50% of assets in cold wallets and 100% in hot wallets. Operators must evaluate these policies for adequacy, including reviewing exclusions and deductibles, to guarantee client protection in cases of loss or fraud.

the HK SFC identified lapses in financial management, including delays in transferring client deposits to segregated accounts and weak controls over bank account operations. VATPs are now required to ensure that client funds are directly deposited into segregated accounts and to implement stringent dual signatory arrangements for bank transactions to minimise fraud risks.

Under the new standards, VATPs must implement stringent cybersecurity measures, including secure network segmentation, privileged access management, and encryption protocols. Platforms are required to monitor systems in real time and maintain continuous security operations to promptly address potential threats. Enhanced controls over client assets are mandated, such as segregation of funds, compliance with a 98/2 cold-to-hot wallet storage ratio, and stricter oversight of private key access.

VATPs must also establish rigorous KYC procedures and geolocation tools to prevent unauthorised access, particularly from restricted jurisdictions.

These enhanced standards take effect immediately, requiring platforms to act without delay. Although the HK SFC has not set a specific compliance deadline, the directive highlights the urgency of aligning practices with the prescribed regulations to avoid penalties or operational risks.

(Source: <https://apps.sfc.hk/edistributionWeb/gateway/EN/circular/intermediaries/supervision/doc?ref-No=25EC3>)

US SEC Announces Departure of International Affairs Director YJ Fischer

On 16 January 2025, the United States Securities and Exchange Commission (**US SEC**) announced the departure of YJ Fischer, Director of the Office of International Affairs (**OIA**). YJ Fischer, who has led the OIA since August 2021, will leave her position on 20 January 2025.

YJ Fischer brought two decades of experience in complex international negotiations to the US SEC, including roles in both public and private sectors. During the Obama administration, she served at the US State Department, leading initiatives such as salvaging critical infrastructure in Iraq, participating in UN-led negotiations on the Syrian conflict, and contributing to the implementation of the Iran nuclear agreement. In the private sector, Fischer worked on global policy at YouTube, facilitated market entry for start-ups, and secured multimillion-dollar government R&D investments.

Before joining the US SEC, YJ Fischer practised law at Kirkland & Ellis, earning recognition for her pro bono work. Her academic credentials include both undergraduate and law degrees from Columbia University. YJ Fischer is also a recipient of the US State Department's Meritorious Honor Award and the Kirkland & Ellis Pro Bono Service Award.

YJ Fischer assumed her role as OIA Director on 2 August 2021. Under her leadership, the OIA made strides in enhancing cooperation with foreign regulators, particularly in obtaining witness testimony and access to audit workpapers in key jurisdictions like China and Hong Kong. Fischer also played a critical role in implementing the Holding Foreign Companies Accountable Act, ensuring robust oversight of public company auditors overseas. She systematised collaboration during market stress events and expanded the US SEC's technical assistance program, introducing remote training and broadening its curriculum to emphasise capital formation as a driver of economic growth.

US SEC Chair Gary Gensler praised Fischer's leadership and her role in strengthening the Commission's global relationships while stating: *"I want to thank YJ for her leadership of the Office of International Affairs, she has been a trusted advisor to and diplomat for this Commission in our relationships with regulators around the globe. I wish her very well in her next pursuits."*

(Source: <https://www.sec.gov/newsroom/press-releases/2025-14>)

US SEC Charges Two Sigma with Failing to Address Model Vulnerabilities, Imposes \$90 Million Penalty

On 16 January 2025, the United States Securities and Exchange Commission (**US SEC**) announced **order** instituting administrative and cease-and-desist proceedings, pursuant to section 21c of the United States Securities Exchange Act of 1934 and sections 203(e) and 203(k) of the United States Investment Advisers Act of 1940, making findings, and imposing remedial sanctions and a cease and-desist order and settled charges against Two Sigma Investments LP and Two Sigma Advisers LP (collectively, Two Sigma) for breaching fiduciary duties and failing to address known vulnerabilities in their investment models. The firms also faced charges for violating whistleblower protection rules. As part of the settlement, Two Sigma agreed to pay \$90 million in civil penalties and voluntarily reimbursed \$165 million to impacted funds and accounts.

The US SEC's findings revealed that from March 2019 to October 2023, Two Sigma was aware of material vulnerabilities in its algorithmic investment models but failed to take reasonable steps to address them. These deficiencies allowed unauthorised changes to model parameters, leading to both underperformance and overperformance in client portfolios. Two Sigma was also found to have required departing employees to sign agreements that impeded whistleblowers from reporting possible securities law violations, breaching federal whistleblower protections.

Two Sigma Investments LP and Two Sigma Advisers LP is a quantitative hedge fund manager with \$84 billion under management, relies heavily on sophisticated algorithmic models for investment decisions. In 2019, employees identified security vulnerabilities in a database storing key model parameters, highlighting risks that unauthorised personnel could alter these parameters. Despite proposed solutions, Two Sigma delayed implementing changes until May 2022, following an incident where a database error disrupted trading operations.

Between November 2021 and August 2023, a Two Sigma employee made unauthorised changes to model parameters, impacting client investments. While some funds overperformed by \$400 million, others underperformed by \$165 million, prompting Two Sigma to reimburse affected investors. Two Sigma violated whistleblower protection rules by requiring employees in separation agreements to affirm they had not filed complaints with regulatory agencies. This provision, which was in effect until February 2024, posed barriers to reporting potential securities violations.

To address the violations, Two Sigma has agreed to a cease-and-desist order, censure, and payment of \$45 million in penalties per firm. In response to the US SEC's findings, Two Sigma also undertook extensive remedial efforts, including updating its model governance policies, revising separation agreements, and enhancing employee training on whistleblower protections. The firm further cooperated fully with the US SEC's investigation, facilitating access to evidence and internal processes.

The vulnerabilities were first identified in March 2019, but comprehensive corrective measures were not implemented until late 2023. The US SEC initiated its investigation in 2022, leading to voluntary repayments by Two Sigma in December 2023 and January 2024. The final settlement was announced on 16 January 2025.

(Source: <https://www.sec.gov/newsroom/press-releases/2025-15>, <https://www.sec.gov/files/litigation/admin/2025/34-102207.pdf>)

US SEC Sanctions LPL Financial with \$18 Million Fine for AML Violations

On 17 January 2025, the United States Securities and Exchange Commission (**US SEC**) published an **order** instituting administrative and cease-and-desist proceedings, pursuant to Sections 15(b) and 21c of the United States Securities Exchange Act of 1934 and Section 203(e) of the United States Investment Advisers Act of 1940, making

findings, and imposing remedial sanctions and a cease-and-desist order thereby sanctioning LPL Financial LLC, a leading broker-dealer and investment adviser, for extensive anti-money laundering (AML) violations. The US SEC found that the firm had failed to adhere to regulatory obligations designed to prevent financial crime and safeguard market integrity. LPL Financial agreed to pay a civil penalty of \$18 million and implement significant remedial measures to address its compliance shortcomings.

The US SEC's investigation revealed that, between May 2019 and December 2023, LPL Financial had repeatedly failed to enforce its own AML policies. The firm did not adequately verify customer identities as part of its Customer Identification Programme (CIP) and neglected to close or restrict high-risk accounts as mandated by its policies. Among these were cannabis-related and foreign accounts, which were explicitly prohibited under LPL's AML policies. These lapses exposed the securities market to potential money laundering risks and constituted a breach of federal regulations, including Section 17(a) of the United States Securities Exchange Act of 1934 and US SEC Rule 17a-8.

LPL Financial's AML violations spanned several years and were marked by persistent internal audit warnings and regulatory non-compliance. In 2020, LPL updated its AML policies to require the closure of accounts that failed identity verification after 60 days. Despite this update, the firm failed to enforce the policy, leaving over 7,300 non-compliant accounts open by 2022. Similarly, LPL's policies prohibited dealings with cannabis-related businesses and accounts in certain foreign jurisdictions, yet thousands of such accounts remained active, holding significant assets in violation of its internal regulations.

In early 2023, the US SEC initiated a formal investigation into LPL's practices, prompting the firm to engage a third-party compliance consultant to review and improve its CIP and due diligence procedures. This engagement followed a series of previous internal and external audits that identified significant flaws in LPL's AML framework. These findings included inadequate staff training, insufficient record-keeping, and the absence of clear procedures for enforcing account closures.

In addition to the \$18 million penalty, the US SEC ordered LPL Financial to cease and desist from further violations and required the firm to retain the compliance consultant for ongoing oversight. The consultant's responsibilities include conducting a comprehensive review of LPL's AML policies and submitting detailed reports to the US SEC. These reports are required to record findings, provide recommendations for improvement, and assess the firm's implementation of these measures. The first report is due within 45 days of the order, with subsequent evaluations continuing over the next year.

Stacy Bogert, Associate Director of the SEC's Division of Enforcement, stated: *"Federal law requires broker-dealers to ascertain the identity of their customers and to conduct ongoing customer due diligence to aid the government in its efforts to detect and prevent money laundering. When broker-dealers like LPL fail to comply with their AML obligations, they put the securities markets at risk. Today's case underscores the importance of complying with applicable regulations in the areas of customer identification and ongoing customer due diligence."*

(Source: <https://www.sec.gov/newsroom/press-releases/2025-17>, <https://www.sec.gov/files/litigation/admin/2025/34-102224.pdf>)

US SEC Fines Digital Currency Group and Former Genesis CEO for Misleading Investors

On 17 January 2025, the United States Securities and Exchange Commission (US SEC) published order instituting cease-and-desist proceedings, pursuant to section 8a of the United States Securities Act of 1933, making findings, and imposing a cease-and-desist order and announced a settlement with Digital Currency Group Inc. (DCG) and its subsidiary Genesis Global Capital's former CEO, Soichiro "Michael" Moro, for misleading investors about the financial health of Genesis. The parties will pay a combined \$38.5 million in civil penalties.

DCG and Moro were found to have negligently misrepresented the financial condition of Genesis following the collapse of Three Arrows Capital (TAC), one of Genesis's largest borrowers. TAC defaulted on a \$2.4 billion loan in June 2022, resulting in a shortfall in Genesis's balance sheet. DCG and Moro portrayed an overly optimistic financial outlook, including public statements that concealed the extent of Genesis's exposure and the limited financial support provided by DCG.

The US SEC found that DCG and Moro violated Section 17(a)(3) of the United States Securities Act of 1933 by creating a materially false impression of Genesis's financial stability. The settlement requires DCG to pay \$38 million and Moro \$500,000 in penalties. Both parties consented to a cease-and-desist order without admitting or denying the findings.

Genesis Global Capital was a prominent player in crypto asset lending. Its business model involved borrowing crypto assets from retail investors and lending them to institutional clients to generate revenue. However, the collapse of Three Arrows Capital in June 2022 caused Genesis to face a severe liquidity crisis due to a \$1 billion shortfall in its collateral.

On 13 June 2022, Three Arrows Capital defaulted on a \$2.4 billion loan. Genesis suffered a shortfall of at least \$500 million, escalating to \$1 billion as cryptocurrency prices fell in subsequent days.

On 15 June 2022, Genesis tweeted that its balance sheet was "strong," a statement reviewed and approved by Moro, despite the company's precarious financial condition.

On 30 June 2022, DCG executed a \$1.1 billion promissory note to artificially bolster Genesis's balance sheet, which was used to project positive equity. This action was not accompanied by sufficient disclosure to investors.

In July 2022, Moro tweeted that DCG had assumed Genesis's liabilities, misleadingly implying that DCG had injected actual capital into Genesis, when in reality no such capital transfer occurred.

By November 2022, Genesis was unable to meet withdrawal requests and suspended operations, filing for bankruptcy in January 2023.

According to Acting Director of the SEC's Division of Enforcement, Sanjay Wadhwa, *"It is vital that companies and their officers speak truthfully to the investing public, especially in times of financial instability or turmoil."*

The settlement is intended to deter similar deceptive practices and reinforce the US SEC's commitment to protecting investors and ensuring market integrity within the emerging digital asset industry.

The penalties of \$38 million for DCG and \$500,000 for Moro will be directed to the US Treasury. Both parties are subject to cease-and-desist orders under Section 8A of the United States Securities Act of 1933 and both have agreed not to challenge the findings in any related investor actions.

DCG must make its payment within 14 days, while Moro is required to settle within 30 days. Failure to comply will result in accruing interest on the unpaid amounts.

(Source: <https://www.sec.gov/files/litigation/admin/2025/33-11357.pdf>, <https://www.sec.gov/files/litigation/admin/2025/33-11358.pdf>, <https://www.sec.gov/newsroom/press-releases/2025-22>)

Caroline D. Pham Appointed Acting Chairman of US CFTC

On 20 January 2025, the United States Commodity Futures Trading Commission (**US CFTC**) has unanimously appointed Commissioner Caroline D. Pham as Acting Chairman, effective immediately. She succeeds Rostin Behnam, who served as Chairman since January 2022 and will remain a Commissioner until his departure on 7 February 2025.

Acting Chairman Caroline D. Pham, a trailblazing figure in finance and law, brings over two decades of experience in derivatives, capital markets, and digital assets. She was first nominated to the US CFTC by the President on 12 January 2022 and confirmed by the Senate on 28 March 2022, beginning her tenure as a Commissioner on 14 April 2022.

Caroline D. Pham's professional history is characterised by her expertise in strategy, innovation, and regulatory frameworks. During her tenure as a US CFTC Commissioner, she focused on expanding market access, enhancing American competitiveness, and optimising regulatory policies to foster market efficiency and liquidity. Her groundbreaking proposal for a US regulatory sandbox, realised through the US CFTC's digital asset markets pilot programme, earned her a spot on CoinDesk's Most Influential 2023 list.

Acting Chairman Caroline D. Pham has championed 14 recommendations on pressing market issues, including reforms to US Treasury markets, central counterparty resilience, and digital asset taxonomy. As sponsor of the US CFTC's Global Markets Advisory Committee, her efforts have advanced modernisation and stability across multiple financial sectors.

Before her appointment to the US CFTC, Caroline D. Pham held senior roles in the public and private sectors. At Citigroup, she served as managing director, overseeing global initiatives related to market structure, digital assets, and compliance with regulatory reforms such as the Dodd-Frank Act. In the public sector, Acting Chairman Caroline D. Pham served as Special Counsel and Policy Advisor to former US CFTC Commissioner Scott O'Malia, as well as in enforcement roles with the US CFTC, US SEC, and United States Office of the Comptroller of the Currency. Her work advising global policymakers, industry leaders, and central banks underscores her reputation as an internationally recognised expert in systemic risk, prudential regulation, and market disruptions.

Caroline D. Pham has been widely lauded for her contributions to the legal and financial fields. A Life Fellow of the American Bar Foundation and a recipient of the 2024 Belva Ann Lockwood Award, she has also been honoured with the Cornerstone Award from the National Conference of Vietnamese American Attorneys for lifetime achievement. As the first Vietnamese-American woman appointed to a Senate-confirmed executive branch role, her appointment as Acting Chairman marks another significant milestone.

(Source: <https://www.cftc.gov/PressRoom/PressReleases/9035-25>)

US SEC Unveils Crypto 2.0 Task Force to Reform Digital Asset Regulation

On 21 January 2025, the United States Securities and Exchange Commission (**US SEC**) launched the Crypto 2.0 Task Force, an initiative to overhaul the regulation of digital assets within US jurisdiction. Acting Chairman Mark T. Uyeda announced the task force, with Commissioner Hester Peirce leading the agency-wide effort. This initiative aims to transition the US SEC from its historically reactive enforcement approach to a forward-thinking regulatory framework that balances investor protection, innovation, and market integrity.

Comprised of staff from various US SEC divisions, the Crypto 2.0 Task Force will work collaboratively with the public, industry participants, and policymakers to set clear guidelines for the crypto industry. Key roles in the task force include Richard Gabbert as Chief of Staff and Taylor Asher as Chief Policy Advisor, who will support Commissioner Peirce in her leadership. The task force's primary vision and purpose is to clarify regulatory obligations, provide feasible registration pathways, and develop frameworks that foster transparency and innovation while ensuring compliance with federal laws.

The Crypto 2.0 Task Force was formed in response to growing concerns about regulatory ambiguity in the United States crypto market. Historically, the US SEC has relied on enforcement actions that have been criticised for their lack of clarity and predictability, leaving market participants uncertain about compliance requirements. Acting Chairman Uyeda acknowledged the shortcomings of this approach, stating, *"The SEC can do better."*

Under its mandate, the task force will establish clear boundaries for crypto regulation, improve registration processes for digital asset platforms, and craft investor disclosure rules. Additionally, it will deploy enforcement resources judiciously to combat fraud without stifling innovation. The task force will also assist the United States Congress by providing technical insights to guide updates to the statutory framework, ensuring a cohesive national approach to digital asset regulation.

The task force will coordinate with other federal agencies, including the United States Commodity Futures Trading Commission (**US CFTC**), as well as state and international regulators. The US SEC has prioritised public engagement as a cornerstone of the task force's strategy. Effective immediately, the agency is welcoming feedback from stakeholders via Crypto@sec.gov. To ensure diverse input, the task force plans to hold roundtable discussions in the coming months, inviting investors, industry leaders, academics, and other interested parties to share their perspectives.

Acting Chairman Uyeda stated: *"I look forward to the efforts of Commissioner Peirce to lead regulatory policy on crypto, which involves multiple SEC divisions and offices."*

Commissioner Peirce stated: *“This undertaking will take time, patience, and much hard work. It will succeed only if the Task Force has input from a wide range of investors, industry participants, academics, and other interested parties. We look forward to working hand-in-hand with the public to foster a regulatory environment that protects investors, facilitates capital formation, fosters market integrity, and supports innovation.”*

(Source: <https://www.sec.gov/newsroom/press-releases/2025-30>)

US SEC Proposes Novel Compensation Plan for Barclays Investors, Raising Legal and Policy Questions

On 22 January 2025, the United States Securities and Exchange Commission (**US SEC**) published a Notice of Proposed Plan of Distribution and Opportunity for Comment concerning a Fair Fund created from a \$200 million civil penalty imposed on Barclays PLC and Barclays Bank PLC. The proposed plan seeks to compensate investors who traded in Barclays American Depository Receipts (**ADRs**) on the New York Stock Exchange (**NYSE**) and ordinary shares on the London Stock Exchange (**LSE**) during the relevant period.

The proposal, under the Fair Fund provisions of Section 308(a) of the United States Sarbanes-Oxley Act of 2002 (**SOX**), represents a novel approach as it seeks to extend compensation to investors who purchased securities of a foreign issuer on a foreign exchange. This proposal has raised legal and policy concerns, as outlined by Commissioner Hester M. Peirce, who has questioned its consistency with statutory limitations and its broader implications for the US SEC’s mission.

The US SEC’s proposed plan stems from a settled administrative proceeding against Barclays PLC and Barclays Bank PLC, in which a \$200 million penalty was imposed for violations of US securities laws. Under the proposed distribution plan, the Fair Fund aims to compensate investors for recognised losses incurred from trading Barclays ADRs on the NYSE and Barclays ordinary shares on the LSE during the relevant period. The inclusion of foreign investors who traded on the LSE sets this plan apart from typical Fair Fund distributions.

She has expressed concerns about whether the statutory framework of SOX 308(a) supports compensating foreign investors trading on non-US exchanges and whether this use of Fair Fund resources aligns with the US SEC’s mission to protect US investors and markets.

The proposed plan aims to provide a unified claims process for compensating investors harmed by Barclays’ misconduct, regardless of whether they traded on US or foreign exchanges. Commissioner Peirce has questioned the legal justification for extending compensation to foreign transactions, citing Supreme Court precedents that emphasise the limited extraterritorial application of US laws.

From a policy perspective, she argued that the US SEC’s role is to safeguard the fairness and efficiency of US capital markets and to protect investors trading under its jurisdiction. Compensating foreign investors who chose to trade on the LSE; outside the regulatory reach of the US SEC; may conflict with this mission. She pointed out that funds not distributed through the Fair Fund are typically returned to the US Treasury, meaning that extending compensation to foreign investors effectively diverts taxpayer resources to foreign entities without clear congressional authorisation.

The \$200 million penalty was imposed in a settled administrative proceeding following findings of misconduct by Barclays PLC and Barclays Bank PLC. In accordance with SOX 308(a), the Fair Fund was established to compensate investors harmed by these violations.

The proposed plan, detailed in a notice released on 22 January 2025, specifies a single claims process for investors trading ADRs on the NYSE and ordinary shares on the LSE. The “Relevant Period” and “Recognised Losses” criteria outlined in the plan are designed to ensure fairness across the investor groups, regardless of the exchange on which they traded. However, Commissioner Peirce has raised concerns that this approach may overstep statutory boundaries by compensating foreign investors under US law.

The US SEC has invited public comments on the proposed plan, particularly on its interpretation of the presumption against extraterritoriality and its policy implications. Commissioner Peirce has specifically called for feedback on whether the plan aligns with the text of SOX 308(a) and whether it furthers the US SEC’s mission to promote fair and efficient markets.

The notice opens the door for stakeholders, including investors, legal experts, and market participants, to contribute their views. The timeline for finalising the plan will depend on the feedback received, with the US SEC likely to revise or refine its approach based on public input.

(Source: <https://www.sec.gov/newsroom/press-releases/2025-28>)

Leadership Transitions at the US SEC: A Realignment Following Presidential Change

The United States Securities and Exchange Commission (**US SEC**) has announced a series of leadership changes, coinciding with the transition to President Donald J. Trump's administration. These include the departures of senior officials and the appointment of an Acting Chairman, ensuring the agency adapts to the administration's goals.

On January 17, 2025, Amanda Fischer announced her departure as Chief of Staff, a role she had held since January 2023. Fischer initially joined the US SEC in June 2021 as Senior Counselor to former Chair Gary Gensler. Her tenure was marked by key contributions to equity and Treasury market reforms, as well as the agency's collaboration with the Financial Stability Oversight Council. Fischer also emphasized transparency, integrity, and safeguarding working families' savings.

Former Chair Gary Gensler praised Fischer for her strategic leadership and her role in guiding consequential reforms, stating: *"Fischer's career prior to the US SEC included roles as Policy Director at the Washington Center for Equitable Growth and over a decade in financial policymaking on Capitol Hill, including as Chief of Staff for Congresswoman Katie Porter."*

Uyeda's extensive career includes roles as Senior Advisor to multiple commissioners and detail assignments at the U.S. Treasury Department, the Department of Labor, and the U.S. Senate Committee on Banking, Housing, and Urban Affairs. Before joining the SEC, he served as Chief Advisor to California's securities regulator under Governor Arnold Schwarzenegger.

His academic credentials include a bachelor's degree in business administration from Georgetown University and a J.D. with honors from Duke University, where he contributed to the Duke Law Journal. Uyeda's appointment reflects his deep regulatory expertise and his ability to navigate the complexities of federal financial oversight.

On 17 January 2025, Corey Klemmer announced her resignation as Policy Director, a position she had held since May 2024. Klemmer joined the US SEC in 2021 as Corporation Finance Counsel to Chair Gensler and later led the development of the most comprehensive equity market reform in nearly two decades. Her work also focused on insider trading rules, corporate governance reforms, and improving investor protection.

Klemmer's qualifications include a cum laude B.A. from Amherst College in Law, Jurisprudence, and Social Thought, and a J.D. from Tulane University Law School. She is a CFA charter holder and a member of the New York Bar. Before joining the US SEC, she served as Director of Engagement at Domini Impact Investments and as an analyst at the AFL-CIO Office of Investment.

Sanjay Wadhwa joined the US SEC in 2003 as a staff attorney and steadily rose through the ranks over the years. His most recent role as Acting Director of the Division of Enforcement, which he assumed in October 2024, followed his tenure as Deputy Director of Enforcement beginning in August 2021.

During his time as Acting Director and Deputy Director, Mr. Wadhwa oversaw the filing of more than 2,600 enforcement actions. These efforts led to orders for over \$20 billion in disgorgement, prejudgment interest, and civil penalties, as well as the return of billions of dollars to harmed investors. His leadership also emphasised fostering a culture of compliance among market participants while vigorously enforcing securities laws.

Reflecting on his service, Mr. Wadhwa stated: *"I am grateful to Chair Gensler for giving me the opportunity to help lead the talented staff of the Enforcement Division, and I am proud of the Division's collaboration with colleagues throughout the agency to advance the Commission's mission to protect investors and promote fairness and integrity in the marketplace. Throughout my long tenure at the Commission, I have been inspired by my colleagues and their unwavering dedication to public service, and, we have been effective. During my time as Deputy and Acting Director,*

I have been gratified to see market participants stepping up their compliance efforts to embrace our shared goal of protecting investors. While the capital markets will always benefit from robust enforcement, the agency's effectiveness at combatting securities law violations is enhanced with buy-in from market participants."

Appointment of Mark T. Uyeda as Acting Chairman of the US SEC

On 21 January 2025, President Donald J. Trump appointed Mark T. Uyeda as Acting Chairman of the US SEC. Mark T. Uyeda, who has served as a Commissioner since 2022, brings nearly two decades of experience with the agency, having held senior advisory roles and contributed to policy development across several administrations.

His prior experience includes serving on detail to the U.S. Treasury Department and the Department of Labor, as well as working as a corporate and securities attorney. Originally from California, Uyeda holds degrees in business administration from Georgetown University and law from Duke University. He has been recognized for his contributions to the legal and financial community, including receiving the 2023 Daniel K. Inouye Trailblazer Award.

Uyeda holds a bachelor's degree in business administration from Georgetown University and a J.D. with honours from Duke University, where he contributed to the Duke Law Journal. Before joining the US SEC, Uyeda worked as a corporate and securities attorney and served as Chief Advisor to California's securities regulator.

(Source: <https://www.sec.gov/newsroom/press-releases/2025-29>, <https://www.sec.gov/newsroom/press-releases/2025-23>, <https://www.sec.gov/newsroom/press-releases/2025-25>, <https://www.sec.gov/newsroom/press-releases/2025-24>)

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