Charltons Quantum – Quantum Updates 32 – February 2025

[Online version](https://charltonsquantum.com/quantum-updates-32-sec-commissioner-peirce-crypto-regulation-task-force/)

**US SEC Commissioner Peirce: ‘The Journey Begins’ for Crypto Regulation with Crypto Task Force Initiative**

On 04 February 2025, United States Securities and Exchange Commission (**US SEC**) Commissioner Hester M. Peirce delivered a speech titled [*The Journey Begins*](https://www.sec.gov/newsroom/speeches-statements/peirce-journey-begins-020425), where she discussed the launch of the US SEC’s Crypto Task Force and its commitment to establishing a structured and transparent framework for the crypto industry. She addressed past regulatory inconsistencies, enforcement-driven oversight, and the need for a clearer regulatory approach that fosters innovation while ensuring investor protection.

Peirce compared the past decade of crypto regulation to an unplanned road trip, where the agency lacked clear direction, resulting in legal ambiguity and numerous enforcement actions. She expressed confidence that the newly formed Crypto Task Force would take a more structured path, collaborating with experts across various regulatory bodies to address the challenges posed by digital assets. Her remarks made clear that the objective is to create an environment where innovation can thrive while maintaining investor protection and compliance with existing laws.

Clarifying that her views were personal and not necessarily reflective of the US SEC as a whole, Peirce acknowledged that the regulatory landscape had become increasingly complex due to years of fragmented engagement. The first bitcoin exchange-traded product application reached the US SEC in 2013, alongside the agency’s initial enforcement action involving crypto. The 2017 issuance of the DAO Section 21(a) report marked the first application of the Howey test to digital assets, shaping the agency’s regulatory stance. Despite these developments, legal uncertainty persisted, leaving many cases in litigation and regulatory questions unresolved.

The Task Force aims to establish a regulatory framework that allows industry participants to innovate while ensuring safeguards against fraudulent activities. Peirce stated that the agency would work within its statutory limits while identifying areas where Congressional intervention may be needed. She made it clear that while the US SEC is committed to oversight, it does not endorse specific crypto assets or projects and cautioned investors against expecting government intervention in speculative investments.

Peirce outlined several focus areas for the Task Force, including defining the security status of crypto assets under existing laws, identifying aspects beyond the agency’s jurisdiction, and providing interim relief for coin and token offerings facing legal uncertainty. The agency is reviewing modifications to regulatory pathways such as US SEC [Regulation A](https://www.sec.gov/resources-small-businesses/exempt-offerings/regulation#:~:text=Regulation%20A%20is%20an%20exemption,in%20a%2012%2Dmonth%20period) and crowdfunding to facilitate compliant token offerings. Special-purpose broker-dealer regulations are also under examination to expand custody options for digital assets, while investment advisers will receive clearer guidelines on handling crypto asset custody.

Other regulatory priorities involve establishing a clear approach to crypto-lending and staking programs, refining the approval process for crypto exchange-traded products, and addressing the role of clearing agencies and transfer agents in digital asset transactions. Acknowledging the global nature of the crypto market, the Task Force is also exploring the potential for cross-border regulatory sandboxes to foster international collaboration on emerging digital asset technologies.

The timeline for these efforts remains uncertain, with Peirce acknowledging the complexity of undoing past regulatory missteps and resolving ongoing litigation. She urged patience from stakeholders, affirming that the Task Force intends to take an organised and legally sound approach. Progress has already begun, including the rescission of Staff Accounting Bulletin 121, but much remains to be done before a fully defined regulatory framework can be achieved.

Peirce invited public participation in shaping crypto regulations, encouraging written submissions and engagement through scheduled meetings.

(Source: <https://www.sec.gov/newsroom/speeches-statements/peirce-journey-begins-020425>)

**US SEC Approves NYSE Arca’s Rule Change for Listing and Trading of Bitwise Bitcoin and Ethereum ETF**

On 30 January 2025, the United States Securities and Exchange Commission (**US SEC**) granted accelerated approval to a proposed rule change filed by NYSE Arca, Inc. This approval permits the exchange to list and trade shares of the Bitwise Bitcoin and Ethereum ETF under NYSE Arca Rule 8.201-E, which governs Commodity-Based Trust Shares. The decision follows an Amendment No. 1 to the original proposal, ensuring compliance with US securities regulations and aligning with previous approvals of similar exchange-traded products (**ETPs**).

The order, published as [Release No. 34-102310](https://www.sec.gov/files/rules/sro/nysearca/2025/34-102310.pdf), outlines the regulatory framework under which NYSE Arca will list and trade shares of the Bitwise Bitcoin and Ethereum ETF (Trust). The ETF will hold both spot bitcoin and spot ether, with asset allocation based on the relative market capitalisation of both cryptocurrencies. The Bitwise Bitcoin and Ethereum ETF’s objective is to provide investors with exposure to bitcoin and ether’s market value while managing operational expenses.

The Bitwise Bitcoin and Ethereum ETF’s assets will consist solely of bitcoin, ether, and cash. Its net asset value (**NAV**) will be calculated daily based on benchmark pricing indices. The ETF will operate as a cash-only creation and redemption model, meaning that shares will be issued and redeemed in exchange for cash rather than direct cryptocurrency transfers.

NYSE Arca’s original rule change proposal was filed with the US SEC on 26 November 2024 and was published in the Federal Register on 16 December 2024 for public comment. On 21 January 2025, the exchange filed Amendment No. 1, providing additional details on the Trust’s structure, asset allocation, pricing mechanisms, and compliance measures. The US SEC reviewed these submissions and granted accelerated approval, citing alignment with previous approvals for spot bitcoin and ether ETPs. The approval is consistent with Section 6(b)(5) of the United States [Securities Exchange Act of 1934](https://www.govinfo.gov/content/pkg/COMPS-1885/pdf/COMPS-1885.pdf), which requires exchanges to prevent fraudulent and manipulative acts and protect investors.

The approval requires the ETF to comply with several regulatory conditions to ensure market integrity. The ETF’s bitcoin and ether holdings will be priced using the CME CF Bitcoin – New York Variant and CME CF Ether – Dollar Reference Rate – New York Variant benchmarks. Coinbase Custody Trust Company, LLC will serve as the custodian for bitcoin and ether holdings, while the Bank of New York Mellon will oversee cash holdings, administration, and transfer agency services. The ETF will also be subject to NYSE Arca’s existing trading rules to prevent fraud and market manipulation.

The US SEC justified the accelerated approval by stating that the proposal aligns with prior approvals for spot cryptocurrency ETPs. The commission concluded that NYSE Arca’s proposal met the necessary requirements, particularly regarding investor protection, fair trading practices, and regulatory oversight. The listing and trading of Bitwise Bitcoin and Ethereum ETF shares on NYSE Arca is now set to proceed, pending final operational steps by the exchange and fund issuer.

(Source: <https://www.sec.gov/files/rules/sro/nysearca/2025/34-102310.pdf>)

**Singapore MAS Published Monetary Policy Statement – January 2025**

On 24 January 2025, the Monetary Authority of Singapore (**MAS**) announced a slight reduction in the slope of the Singapore dollar nominal effective exchange rate (**S$NEER**) policy band, as part of its *MAS Monetary Policy Statement – January 2025*. The decision was taken in response to slowing economic momentum and a sharper-than-expected moderation in core inflation. The adjustment aims to ensure medium-term price stability while supporting economic conditions amid evolving global trade dynamics and financial tightening.

MAS stated that the Singapore economy grew at a slower pace in the fourth quarter of 2024, following a stronger-than-expected expansion in the previous quarter. Economic growth is projected to moderate further in 2025 due to shifts in global trade policies and external uncertainties. Inflationary pressures have eased, with MAS Core Inflation stepping down to 1.9% year-on-year in the fourth quarter of 2024, lower than the earlier estimate. The revised outlook for 2025 now projects core inflation to average between 1.0% and 2.0%, reflecting subdued business cost pressures and stable imported prices. Given these conditions, MAS has adjusted its monetary policy by slightly reducing the slope of the S$NEER policy band while keeping its width and centre unchanged.

Singapore’s monetary policy is unique in its use of the exchange rate rather than interest rates as the primary tool for managing inflation and economic stability. MAS manages the S$NEER within a policy band, adjusting the slope, width, and centre of the band as needed. The last policy review in October 2024 maintained the existing appreciation path, but since then, the Singapore dollar has eased against the US dollar amid broader US dollar strength while continuing to appreciate against other currencies in the S$NEER basket.

The decision to make a slight adjustment to the slope of the policy band reflects a changing economic landscape. Singapore’s economy saw stronger-than-expected performance in the second half of 2024, largely driven by trade-related sectors and financial services. However, global financial conditions have tightened, with trade policy frictions and inflation risks weighing on future growth prospects. While private consumption in advanced economies has remained resilient, global manufacturing and trade activity are expected to normalise, which could slow overall growth in 2025.

Between October and December 2024, Singapore’s economy grew by 0.1% on a quarter-on-quarter seasonally adjusted basis, following a 3.2% expansion in the third quarter. The stronger second-half performance was attributed to the trade-related and financial services sectors, but growth is projected to moderate over 2025. The Ministry of Trade and Industry (**MTI**) has forecast GDP growth of between 1.0% and 3.0% for 2025, down from 4.0% in 2024, as external demand conditions weaken.

Inflation has also moderated more quickly than expected. MAS Core Inflation declined to 1.9% year-on-year in the fourth quarter of 2024, compared to 2.7% in the third quarter. The seasonally adjusted three-month core inflation rate remained close to an annualised 1.0% for most of the second half of 2024. Excluding the impact of the Goods and Services Tax (**GST**) hikes, core inflation is estimated to have fallen below 1.5% year-on-year in the fourth quarter. The decline was broad-based, with consumer price increases easing across various goods and services.

Looking ahead, MAS expects core inflation to remain contained at an average of 1.0% to 2.0% in 2025, lower than the 1.5% to 2.5% projected in the October 2024 statement. This is due to stable business costs, moderate global oil prices, and favourable supply conditions in key food markets. While trade tensions could exert inflationary pressures in some regions, weaker global demand is expected to offset these effects. Domestically, unit labour cost increases are projected to ease as wage growth stabilises and productivity improves. Government subsidies on public healthcare, pre-school education, and public transport will also help moderate essential service inflation.

Given the economic and inflation outlook, MAS has decided to reduce slightly the slope of the S$NEER policy band while keeping its width and centre unchanged. The monetary policy adjustment takes effect immediately, with MAS continuing its regular assessments of economic developments. The next monetary policy review is expected in April 2025, where further adjustments could be considered depending on economic conditions at that time.

(Source: <https://www.mas.gov.sg/news/monetary-policy-statements/2025/mas-monetary-policy-statement-24jan25>)

**Latvia’s Financial Services Sector Moves Towards Innovation, Connectivity, and Resilience**

On 28 January 2025, Latvia’s central bank, Latvijas Banka, published an update outlining its vision for the future of financial services in the country. The update, authored by Marine Krasovska, Head of Financial Technology Supervision Department at Latvijas Banka, discusses an ambitious strategy focusing on digital innovation, enhanced regulatory frameworks, cybersecurity resilience, and the integration of traditional and emerging financial services. The update sets forth policy directions that apply to banks, fintech firms, payment service providers, and crowdfunding platforms.

The next phase of transformation is expected to leverage European Digital Strategy initiatives, fostering a collaborative framework between fintech firms, traditional banks, and new financial service providers.

The future of financial services in Latvia will be shaped by new regulatory obligations under European and domestic legislation. The implementation of the [EU AI Act](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401689) and the EU Digital Operational Resilience Act ([**EU DORA**](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022R2554)) is set to bring oversight, transparency, and security to the industry. These regulations apply to financial institutions, fintech startups, payment service providers, and cloud service operators, establishing compliance requirements in AI governance, operational risk management, and cybersecurity protocols.

Under the EU AI Act, financial institutions operating in Latvia must adhere to strict standards for AI-powered financial services to ensure that automation and machine learning models used in banking, risk assessment, and customer interactions meet transparency, fairness, and security requirements. Institutions that incorporate AI for fraud detection, credit scoring, or algorithmic trading must ensure that these systems align with the highest standards of reliability and accountability.

With the introduction of EU DORA, financial entities are now required to enhance their cybersecurity frameworks to protect financial data, prevent service disruptions, and mitigate operational risks. The obligations under EU DORA include strengthened third-party risk management, mandatory incident reporting, penetration testing, and improved IT governance.

Latvia’s financial landscape is evolving towards a interconnected and dynamic ecosystem that integrates fintech innovation, digital payments, and decentralised finance models. Latvijas Banka is actively encouraging collaboration between fintech startups and traditional banking institutions, with a focus on seamless interoperability between fiat currencies, crypto-assets, and stablecoins.

The anticipated introduction of the digital euro is expected to enhance payment infrastructure, improve transaction efficiency, and enable more secure cross-border payments. Stablecoins and tokenised financial products could further streamline transactions, offering businesses and consumers greater flexibility in their financial interactions. Retailers in Latvia could soon accept payments in euros, stablecoins, and the digital euro through a single payment gateway.

At the end of 2024, Latvijas Banka initiated the development of a national fintech strategy aimed at attracting foreign investment. The strategy focuses on international outreach, fintech promotion, regulatory development, and access to capital.

With the financial sector becoming increasingly reliant on cloud computing, artificial intelligence, and digital payment systems, cybersecurity risks have escalated. Latvijas Banka’s research indicates a rapid increase in cloud adoption, rising from 14 market participants in 2021 to 46 in 2024, highlighting the growing reliance on cloud-based financial infrastructure.

The implementation of EU DORA in 2025 will introduce mandatory cybersecurity compliance measures for financial entities in Latvia. Banks, payment service providers, and digital lenders will be required to strengthen their cybersecurity measures, report security incidents, and conduct periodic risk assessments. Third-party service providers, including cloud computing and IT infrastructure companies, will also be subject to oversight and compliance obligations to prevent overreliance on any single provider.

Crowdfunding services, though still in their early stages in Latvia, are gaining traction as an alternative financing method for small businesses and entrepreneurs. By reducing reliance on traditional banking loans, these platforms enable faster and more efficient capital access, especially for startups and small enterprises.

AI-powered decision-making is expected to enhance digital lending services by automating credit risk assessment, enabling alternative credit scoring methods, and improving the speed of loan approvals. Latvijas Banka is working on initiatives that could expand guarantee programmes for digital lending, ensuring broader financial inclusion and access to credit.

The regulatory measures outlined by Latvijas Banka are set to take effect gradually, with DORA enforcement beginning in 2025 and the EU AI Act already in effect. The national fintech strategy is in the final coordination phase, with implementation expected to commence by the second half of 2025.

(Source: <https://fintechlatvia.eu/news/the-future-of-financial-services-in-latvia-a-vision-for-innovation-connectivity-and-purpose-driven-growth/>)

**US District Court Issues $451 Million Judgment in US CFTC Binary Options Fraud Case**

On 29 January 2025, the United States District Court for the Northern District of Illinois issued a [default judgment](https://www.cftc.gov/media/11761/%20enfyukomcommunicationsorder012925/download) against multiple offshore entities and individuals for their involvement in a large-scale global binary options fraud. The ruling, following a United States Commodity Futures Trading Commission (**US CFTC**) complaint, found Yukom Communications Ltd., Linkopia Mauritius Ltd., Wirestech Limited (BigOption), WSB Investments Ltd. (BinaryBook), and Zolarex Ltd. (BinaryOnline), along with Israeli nationals Yossi Herzog, Lee Elbaz, and Shalom Peretz, liable for defrauding investors and violating the United States Commodity Exchange Act ([**US CEA**](https://www.cftc.gov/exit/index.htm?https://www.law.cornell.edu/uscode/text/7/chapter-1)).

The court’s order imposed $112.9 million in restitution and $338.7 million in civil monetary penalties, bringing the total financial liability to over $451 million. The defendants were also permanently enjoined from engaging in any activities violating the US CEA and were banned from trading in any US CFTC-regulated markets. The order also prohibits them from registering with the CFTC or conducting any business related to commodity trading.

The case, initially filed by the US CFTC on 12 August 2019, involved a fraudulent binary options trading scheme that operated between March 2014 and August 2019. The defendants used fictitious trade names such as BigOption, BinaryBook, and BinaryOnline to solicit investors across the United States and internationally, falsely claiming high returns on binary options trades.

The fraud involved multiple misrepresentations, including false promises of profitability, misleading clients about brokers’ expertise, and manipulating trading platforms to limit or prevent customers from winning trades. Customers were also deceived about bonuses and risk-free trades, which were in reality structured to make fund withdrawals difficult or impossible. The defendants further misappropriated customer funds, diverting them for their own benefit rather than for trading.

The legal proceedings revealed that the fraudulent scheme was orchestrated by a network of offshore companies controlled by Herzog, Elbaz, and Peretz. The court found that these entities operated as a single fraudulent enterprise, using interconnected bank accounts to move funds across multiple jurisdictions.

One defendant, Yakov Cohen, previously settled with the court in September 2024, agreeing to disgorge $7 million in illicit profits. In a parallel criminal case, Lee Elbaz was convicted in August 2019 for wire fraud and conspiracy, receiving a 20-year prison sentence and being ordered to pay $28 million in restitution. Another defendant, Cohen, pleaded guilty in 2024 to wire fraud conspiracy, resulting in a 5.5-year prison sentence and a $7 million restitution order.

The United States National Futures Association (**US NFA**) has been appointed as Monitor to oversee restitution payments to defrauded customers. The US CFTC has been granted authority to ensure that all financial penalties are enforced and that the defendants remain barred from US financial markets.

(Source: <https://www.cftc.gov/media/11761/%20enfyukomcommunicationsorder012925/download>, <https://www.cftc.gov/PressRoom/PressReleases/9040-25>)

**US SEC Appoints Natalia Díez Riggin as Senior Advisor and Acting Director of Legislative and Intergovernmental Affairs**

On 30 January 2025, the United States Securities and Exchange Commission (**US SEC**) Acting Chairman Mark T. Uyeda appointed Natalia Díez Riggin as Senior Advisor and Acting Director of the Office of Legislative and Intergovernmental Affairs.

The Office of Legislative and Intergovernmental Affairs plays a role in the US SEC’s interactions with Congress, other government agencies, and stakeholders involved in securities regulation. The office ensures that legislative initiatives align with the agency’s objectives and that policymakers remain informed about the regulatory landscape.

Ms. Riggin brings experience in financial and economic policy, having worked with legislative figures in the US Senate. Before joining the US SEC, she served as a Senior Professional Staff Member on the United States Committee on Banking, Housing, and Urban Affairs under Chairman Tim Scott of South Carolina. In this role, she was involved in legislative oversight of financial markets, banking policy, and economic regulations.

Prior to that, she was Deputy Legislative Director for US Senator John Kennedy of Louisiana, where she provided strategic guidance on financial legislation and policy. She also served as Staff Director for the Economic Policy Subcommittee of the Senate Banking Committee, contributing to economic legislation and regulatory oversight. Earlier in her career, she worked as a policy aide to US Senators Mike Enzi of Wyoming and Mark Kirk of Illinois. She holds a Bachelor of Arts in political science and history from the University of Illinois Chicago.

Ms. Riggin assumes her role immediately following the announcement. Her appointment comes at a time of transition for the US SEC, as it aligns its legislative priorities with a new phase of regulatory and economic policy discussions.

Acting Chairman Uyeda stated, *“I’m thrilled that Natalia has joined us after her tenure working for Chairman Scott on the Senate Banking Committee. Her expertise will help guide us as we focus our efforts at the SEC on capital formation and ensuring companies aren’t impeded by ineffective regulation.”*

(Source: <https://www.sec.gov/newsroom/press-releases/2025-34>)

**US SEC Small Business Advisory Committee to Discuss Challenges Facing Emerging Fund Managers and Small Public Companies**

On 30 January 2025, the United States Securities and Exchange Commission (**US SEC**) announced that its Small Business Capital Formation Advisory Committee will convene on 25 February 2025 to discuss capital-raising challenges for emerging fund managers and obstacles faced by small public companies that are not listed on a national securities exchange. The meeting agenda, titled “Meeting of SEC Small Business Capital Formation Advisory Committee,” outlines topics for discussion, including insights from industry experts and potential policy recommendations to address these issues. The public can view the live proceedings via webcast on the US SEC official website.

The Small Business Capital Formation Advisory Committee was established to advise the US SEC on policy matters affecting small businesses, including capital-raising regulations, public market accessibility, and the challenges faced by smaller financial players. The 2025 meeting follows the committee’s previous engagements on similar topics, with a continued focus on strengthening market participation for small and emerging entities.

During the morning session, the committee will hear an update from the US SEC’s Office of the Advocate for Small Business Capital Formation, which will present its FY2024 Annual Report. This report contains data on capital-raising activity from early-stage startups to small-cap companies, along with policy recommendations. The committee will then continue its exploration of strategies to support emerging fund managers, expanding on discussions held during a previous meeting on 13 November 2024. To facilitate these discussions, committee members will hear from Ashok Kamal, Executive Director of NuFund Venture Group, and Sara Zulkosky, Co-Founder & Managing Partner at Recast Capital.

In the afternoon session, the committee will turn its focus to small public companies with market capitalisations of $250 million or less that are not listed on a national securities exchange. These companies represent a substantial segment of publicly traded firms, yet they often face barriers in accessing capital and attracting investor participation. The committee will examine the decision-making processes and challenges confronting these businesses, with insights provided by Dan Zinn, General Counsel and Chief of Staff at OTC Markets Group.

For emerging fund managers, accessing capital remains a persistent challenge, particularly due to institutional barriers, regulatory complexities, and investor hesitancy in allocating funds to newer firms. The committee’s previous discussions in November 2024 identified areas of concern, and the upcoming meeting aims to deliberate further on potential policy recommendations to ease these challenges.

For small public companies, the absence of a listing on a national securities exchange can create difficulties in securing investment and maintaining market liquidity. The committee will examine why some companies choose to remain off-exchange and explore strategies to improve their capital access. The discussion will involve perspectives from the OTC Markets Group, which facilitates trading for many such firms.

The morning session will begin at 10:00 AM ET with introductory remarks from US SEC commissioners and newly appointed committee members. This will be followed by an update from the Office of the Advocate for Small Business Capital Formation, offering insights into the capital-raising environment for startups and small-cap businesses.

At 11:00 AM ET, the committee will revisit the topic of emerging fund managers, with industry experts providing perspectives on funding obstacles, investment dynamics, and fellowship programmes aimed at addressing institutional barriers for underrepresented fund managers. The session will include a presentation from angel investors and industry practitioners, with discussion contributions from Ashok Kamal of NuFund Venture Group and Sara Zulkosky of Recast Capital.

After a break at 12:45 PM ET, the committee will reconvene at 1:45 PM ET to discuss the challenges faced by small public companies that are not listed on a national securities exchange. The session will feature insights from Dan Zinn of OTC Markets Group, who will provide an overview of the challenges and opportunities available to smaller public companies outside of major exchanges. The committee will then begin formulating potential solutions to enhance capital access and investor engagement for these firms.

The meeting will conclude at 3:30 PM ET, following a wrap-up session where committee members will reflect on the discussions and consider possible recommendations for regulatory improvements.

The committee’s discussions on 25 February 2025 are expected to contribute to future US SEC policy initiatives aimed at addressing capital-raising challenges. While no immediate regulatory changes will be enacted during the meeting, the committee’s findings and recommendations may influence forthcoming proposals or amendments to existing capital formation rules.

(Source: <https://www.sec.gov/newsroom/press-releases/2025-35>)

**UK FCA Proposes Reforms for Corporate Bond Issuance and Investment Opportunities**

On 31 January 2025, the United Kingdom Financial Conduct Authority **(UK FCA**) published a consultation setting out further proposals to support corporate bond issuance, streamline capital-raising processes, and enhance investment opportunities for wealth managers and retail investors. The proposals, outlined in [*CP25/2: Consultation on further changes to the public offers and admissions to trading regime and the UK Listing Rules*](https://www.fca.org.uk/publication/consultation/cp25-2.pdf) and [*CP25/3: Consultation on further proposals for firms operating public offer platforms*](https://www.fca.org.uk/publication/consultation/cp25-3.pdf), aim to make it easier and more cost-effective for companies to raise capital through smaller bond issuances and establish clearer requirements for public offer platforms.

The UK FCA’s proposals include a single standard for corporate bond prospectuses, covering both large and small bond sizes, to simplify regulatory requirements and lower costs for businesses issuing bonds. This reform is expected to broaden investment opportunities by encouraging listed companies to offer bonds in smaller denominations, thereby making them more accessible to wealth managers and retail investors. The UK FCA is also proposing to simplify the requirements for further securities issuance, reducing administrative burdens and facilitating more flexible and affordable capital-raising options for UK-listed companies.

The consultation outlines the introduction of new public offer platforms, which will enable companies to raise capital from a wider investor base outside of traditional public markets through authorised firms. These platforms will function similarly to crowdfunding models, providing businesses, including smaller firms, an alternative route to access capital while ensuring investor protection. The UK FCA aims to establish clear requirements for firms operating these platforms, thereby building market confidence and ensuring regulatory compliance.

The UK FCA’s latest proposals build upon its ongoing market reforms, which seek to modernise the UK’s financial markets, boost competitiveness, and enhance capital formation. In July 2024, the UK FCA launched a comprehensive consultation ([CP24/12](https://www.fca.org.uk/publication/consultation/cp24-12.pdf) and [CP24/13](https://www.fca.org.uk/publication/consultation/cp24-13.pdf)) on a new prospectus regime, which was designed to align with the UK’s updated listing rules and replace the existing UK Prospectus Regulation. These initial proposals sought to improve the disclosure requirements for low-denomination bonds and streamline the application process for further securities issuance.

The newly proposed reforms aim to bridge gaps identified during the previous consultation by further refining disclosure requirements, simplifying capital-raising procedures for companies, and enhancing the accessibility of investment opportunities for retail and institutional investors. These reforms are expected to increase the number of companies issuing bonds in smaller denominations, facilitating greater participation in the bond market.

The UK FCA is also working towards regulatory clarity for public offer platforms, ensuring that companies can efficiently raise capital while investors have access to transparent and secure investment opportunities.

The UK FCA’s consultation 2025 documents outline regulatory changes aimed at improving the efficiency of capital markets and corporate bond issuance. Among the primary reforms is the introduction of a simplified, standardised framework for corporate bond prospectuses, which will cover both high- and low-denomination bonds and eliminates complex disclosure requirements, which is expected to encourage more companies to issue smaller-sized bonds, making them more accessible to a broader investor base.

In addition to corporate bonds, the UK FCA is proposing to streamline the issuance of further securities by reducing regulatory hurdles and administrative costs. This will allow companies already listed on UK stock exchanges to raise additional capital more easily.

The 2025 consultation proposes to establish new public offer platforms, which will provide an alternative mechanism for capital raising. These platforms will allow businesses to issue shares or bonds outside of traditional public markets through authorised firms, similar to crowdfunding platforms. The UK FCA is setting out clear authorisation requirements to ensure that these platforms operate transparently and securely, providing investors with reliable opportunities while reducing regulatory uncertainty for firms.

The UK FCA’s recent efforts to boost the competitiveness of UK financial markets also include the launch of PISCES, a private stock market for trading shares in private companies, and the introduction of regulatory initiatives to support asset managers, digital securities innovation, and cryptocurrency regulation. These broader efforts reflect a wider strategy to modernise UK capital markets and strengthen the country’s position as a leading global financial hub.

**Proposed Actions and Next Steps**

The UK FCA has invited public comments on the consultation proposals until 14 March 2025. The feedback will be reviewed before finalising the regulatory framework. Subject to approval by the UK FCA Board, the new rules are expected to be finalised by summer 2025, with implementation anticipated in early 2026.

(Source: <https://www.fca.org.uk/publications/consultation-papers/cp25-2-further-changes-public-offers-admissions-trading-regime-uk-listing-rules>)

**UK FCA Confiscates Over £500,000 from Convicted Insider Dealer in Landmark Enforcement Action**

On 3 February 2025, the United Kingdom Financial Conduct Authority (**UK FCA**) announced that it had secured a confiscation order of £586,711.01 against Mohammed Zina, a convicted insider dealer. The confiscation order was issued on 29 January 2025, requiring Zina to pay the full amount within three months. Failure to do so will result in an additional five-year prison sentence, after which he will remain liable to repay the amount in full, with interest.

The confiscation order represents all of Zina’s available assets and is part of the UK FCA’s continued efforts to ensure that individuals convicted of financial crimes do not benefit from illicit gains.

The case stems from Zina’s time as an analyst at Goldman Sachs International (Goldman Sachs) between 2014 and 2017. In 2016, he joined the firm’s Conflicts Resolutions Group, which gave him access to confidential, market-sensitive information regarding mergers and acquisitions that Goldman Sachs was advising on. Between 15 July 2016 and 04 December 2017, Zina used this privileged information to engage in insider trading in six different shareholdings, obtaining a total return of approximately £140,486.

The UK FCA’s investigation also uncovered financial fraud linked to the insider trading activities. Zina had partially funded his trading through three fraudulent loans obtained from Tesco Bank, amounting to £95,000. His actions violated multiple financial crime regulations, including insider trading and fraud.

Following an extensive investigation, Zina was convicted of all nine offences in February 2023 and sentenced to 22 months’ imprisonment. The UK court later assessed the total value of his criminal benefit across all offences, including fraud and insider dealing, at £1,091,424.72 (adjusted for inflation as of 2025). The insider trading violations specifically involved shares in Arm Holdings plc, Alternative Networks plc, Punch Taverns plc, Shawbrook plc, HSN Inc., and Snyder’s Lance Inc.

The confiscation order was issued on 29 January 2025, reflecting the full value of Zina’s available assets at the time of enforcement. UK FCA’s actions follow the [UK Proceeds of Crime Act 2002](https://www.legislation.gov.uk/ukpga/2002/29/contents?view=plain), which allows for the confiscation of assets obtained through criminal conduct. The court calculated Zina’s criminal benefit based on the total gross value of the shares at the time of sale rather than just the net profits made.

Zina has been ordered to pay the full confiscation amount within three months. If he fails to comply, he will be sentenced to an additional five years in prison. Upon release, the obligation to pay will remain, including interest on the outstanding sum. UK FCA has also confirmed that it will seek to enforce the order against any further assets that may become available.

Therese Chambers, UK FCA’s joint executive director of enforcement and market oversight, stated, *“Insider dealing harms the integrity of our markets. As well as prosecuting insider dealers, we will not allow them to keep any part of their illicit profits. We have confiscated the entirety of Mr Zina’s assets, demonstrating that crime does not pay.”*

(Source: <https://www.fca.org.uk/news/press-releases/fca-confiscates-over-500000-convicted-insider-dealer>)

**US SEC Secures Final Judgment against Investment Adviser Over Fraudulent “Cherry-Picking” Scheme**

On 23 December 2024, the United States Securities and Exchange Commission (**US SEC**) secured a [final judgment](https://www.sec.gov/files/litigation/litreleases/2025/judg26239.pdf) against Steven J. Susoeff and his investment advisory firm, Steve Susoeff, LLC, doing business as Meritage Financial Group. The judgment was issued by the United States District Court for the District of Nevada in *Securities and Exchange Commission v. Steven J. Susoeff and Steve Susoeff, LLC (dba Meritage Financial Group), Civil Action No. 2:23-cv-00173*. The case arose from allegations that Susoeff engaged in a fraudulent “cherry-picking” scheme, improperly allocating investment profits in violation of United States federal securities laws.

According to the [complaint](https://www.sec.gov/files/litigation/litreleases/2025/judg26239.pdf), filed on 1 February 2023, the US SEC alleged that Susoeff, as the sole owner and principal of Meritage Financial Group, engaged in a scheme where he systematically directed profitable trades to favoured accounts, including those of his girlfriend and business associate, while consistently assigning unprofitable trades to disfavoured clients’ accounts. The US SEC claimed that this fraudulent practice occurred between January and July 2021, during which time Meritage Financial Group managed approximately $8 million in assets for 59 clients​.

The case against Susoeff and Meritage Financial Group was based on violations of several provisions of United States federal securities laws. The US SEC accused them of breaching the antifraud provisions of Section 10(b) of the United States Securities Exchange Act of 1934 and US SEC Rules 10b-5(a) and (c) thereunder, Sections 17(a)(1) and (3) of the United States Securities Act of 1933, and Sections 206(1) and 206(2) of the United States Investment Advisers Act of 1940​. The scheme, which involved executing trades through a block trading account, enabled Susoeff to delay trade allocations until he could determine their profitability, directing gains to preferred accounts while assigning losses to unsuspecting clients​.

Despite multiple warnings from the brokerage firm that held his clients’ accounts, Susoeff allegedly continued the practice until the firm ultimately removed him from its trading platform.

The United States District Court’s final judgment permanently enjoined Susoeff from committing future violations of the relevant United States securities laws. He was ordered to pay $54,232 in disgorgement, representing the net profits obtained from the fraudulent scheme, along with prejudgment interest of $11,695. Additionally, the court imposed a civil penalty of $144,566​.

The US SEC’s litigation and investigation were conducted by teams from its Los Angeles Regional Office, including attorneys Charles Canter and Douglas M. Miller, with investigative efforts led by Kelly C. Bowers and Robert H. Conrrad, and supported by the Division of Economic and Risk Analysis​.

(Source: <https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26239>, <https://www.sec.gov/files/litigation/complaints/2025/comp26239.pdf>, <https://www.sec.gov/files/litigation/litreleases/2025/judg26239.pdf>)

**US SEC Announces Executive Staff Appointments Under Acting Chairman Mark T. Uyeda**

On 04 February 2025, the United States Securities and Exchange Commission (**US SEC**) announced the executive staff appointments under Acting Chairman Mark T. Uyeda. The newly appointed team will advise the Acting Chairman on matters before the Commission and collaborate closely with US SEC staff to ensure efficient regulatory oversight.

Gabriel Eckstein has been appointed as Chief of Staff at the US SEC. Steven Levine has been appointed as Deputy Chief of Staff at the US SEC.

Holly Hunter-Ceci, Charles Lee, Jaime Marinaro, and Kelsey Pristach have been appointed as Senior Advisors to the Acting Chairman at the US SEC. Peter Gimbrere has been appointed as Managing Executive at the US SEC.

Andrew Vollmer has been appointed as Counselor to the Acting Chairman at the US SEC. Graham Conlan, David Marcinkus, and Richard Gabbert have been appointed as Counsel to the Acting Chairman at the US SEC. Richard Gabbert has also been appointed as Chief of Staff for the Crypto Task Force at the US SEC.

Taylor Asher has been appointed as Senior Policy Advisor to the Acting Chairman and Chief Policy Advisor for the Crypto Task Force at the US SEC. Landon Zinda has been appointed as Counsel to the Acting Chairman and Senior Advisor for the Crypto Task Force at the US SEC.

Letia Butler has been appointed as Confidential Assistant at the US SEC. Sharon Freeman has been appointed as Program Support Specialist at the US SEC. Malika Sullivan has been appointed as Receptionist at the US SEC.

In addition to these executive staff announcements, Antonia Apps has been appointed as Acting Deputy Director for the Division of Enforcement at the US SEC. Sebastian Gomez Abero has been appointed as Acting Deputy Director for Legal and Regulatory Policy within the Division of Corporation Finance at the US SEC.

(Source: <https://www.sec.gov/newsroom/press-releases/2025-36>)

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