

REGULATION IF THEY ENGAGE WITH GOVERNMENTS TO ENSURE THEIR POSITIVE CO-OPERATION TO MINIMIZE REGULATION, SO AS NOT TO DEAL WITH TOO MUCH RED TAPE. THIS LAST (ON RED TAPE) COULD TAMPER WITH COMPANY GROWTH AND THUS AFFECT JOBS CREATION AS A CONSEQUENCE.”

Merino further says: “Actually a benchmark to follow is just like when David Drake got involved way back on the JOBS Act with the US government. Regulation or self-regulation is a long-term process in any case.”

Steve Kuh, Founder and CTO of [Group Project](#) believes self-regulation is a prelude to future regulation. He opines: “Self-regulation by a trade body for the crypto industry is always good since it will produce a consensus of the industry for the common good, encouragement of the growth of the industry, and lay out the groundwork for the future regulation.”

Government regulation: ripe or too early?

In Japan, the cryptocurrency industry is set to establish a self-regulatory organization comprising marketplaces that are approved by the government in its attempt to regain public confidence in the industry.

The U.S. Securities and Exchange Commission (SEC) [stopped](#) an ICO, purportedly a scam, to raise funds for the world’s first decentralized bank. This is just one of the SEC’s many efforts to protect investors from fraudulent offerings.

During a Senate hearing last February 6th, US SEC chairman Jay Clayton [remarked](#) that investors must be protected at all costs in the cryptocurrency space. According to a commissioner of the U.S. Commodity Futures Trading Corporation, Brian Quintenz, [self-regulation](#) for cryptocurrency exchanges can encourage the formulation of standards on data protection, security of client accounts, best practices on trading, cybersecurity and other issues.

Dominik Zynis, co-founder of [Wings Foundation](#) says: “Some regulators in the USA have wisely called on the crypto industry to police itself and self-regulate. Certainly, such efforts by the industry will be looked upon favorably by these regulators; while others may still be skeptical the industry is much too early in its development for any meaningful regulation that is not done in partnership with the young Turks who are taking the financial system by storm to create new economic opportunities.”

Disclaimer: David Drake is on the advisory board for most of the firms mentioned or quoted in this article.

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