

SEC v. Ripple Labs decision could change crypto regulation

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Davis Polk partner Joe Hall authored “*SEC v. Ripple Labs* decision could change crypto regulation” in *Law360*. In the article, Joe discusses the potential impact of U.S. District Judge Analisa Torres’s recent decision in *SEC v. Ripple Labs* on the regulation of digital assets, and the significance of her intuitive recognition that crypto tokens are assets and not transactions. Joe explains that if digital assets must be approached as transactions under the *Howey* investment contract test, and are not inherently securities in and of themselves, then some transactions in digital assets would not be considered securities transactions – and the SEC has no jurisdiction where there is no securities transaction. Joe states how Judge Torres’s approach to the case – a careful transaction-by-transaction analysis as required by *Howey* – may well set the tone for future rulings, and thereby mark a turning point in the United States’s regulatory relationship with crypto.

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