



# CRYPTO B R I E F



May 15, 2025

**Lowenstein Crypto** advises leading digital asset and cryptocurrency projects, exchanges, and trading firms. Our practice covers regulatory advice, transactions and structuring advice, investigations, and adversarial matters including commercial disputes, bankruptcy, and related litigation. As these markets continue their rapid growth and market participants continue to evolve and mature their businesses, we are providing this weekly digest as a resource that highlights and summarizes a selection of key recent legal regulatory developments.

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## SEC Withdraws Joint Statement on Broker-Dealer Custody of Digital Asset Securities

On May 15, the SEC withdrew the joint statement previously issued by the Division of Trading and Markets and the Financial Industry Regulatory Authority, Inc. (FINRA) regarding broker-dealer custody of digital asset securities (Withdrawn Statement). Under the Withdrawn Statement, among other things, the SEC required broker-dealers to consider how they can comply with customer protection rules such as SEC Rule 15c3-3, which imposes certain obligations for broker-dealers who hold possession or control of digital asset securities. Additionally, the Withdrawn Statement outlined considerations of how the federal securities laws and regulations could apply to broker-dealers handling digital assets, and it specifically cautioned broker-dealers to carefully consider all regulatory requirements when engaging in the custody of digital asset securities. The withdrawal of the Withdrawn Statement indicates that the SEC is committed to engaging in an evolving regulatory landscape surrounding digital assets. *See the Withdrawn Statement [here](#).*

## Former Celsius CEO Alex Mashinsky Sentenced to 12 Years for Fraud

Clayton, U.S. Attorney for the Southern District of New York, announced that U.S. District Judge John G. Koeltl sentenced Alexander Mashinsky to 12 years for committing commodities and securities fraud at Celsius Network (Celsius), which notoriously collapsed with a \$1.19 billion deficit after promising unsustainably high interest rates in 2022. In addition to his prison sentence, Mashinsky has been ordered to forfeit \$48.4 million and must face three years of supervised release as a result of his personal involvement in misleading customers about Celsius' safety and inflating the value of its native token, CEL. *See the official press release from the United States Attorney's Office for the Southern District of New York [here](#).*

## SEC Chair Outlines Vision for Crypto Asset Regulation and Tokenization

On May 13, at the Securities and Exchange Commission's (SEC) Crypto Roundtable, Paul Atkins, Chairman of the SEC, emphasized the transformative potential of blockchain-based securities, comparing the shift from traditional to on-chain systems to the music industry's evolution from analog to digital formats. Highlighting the promise of tokenization in enhancing capital formation and market efficiency, Atkins called for regulatory reforms to better accommodate crypto assets, stressing the need for clear, fit-for-purpose rules rather than ad hoc enforcement. The SEC plans to focus on three core areas: issuance, custody, and the trading of crypto assets. With support from the new Crypto Task Force, Atkins aims to foster innovation while safeguarding investors, asserting that the U.S.

should lead the global crypto market under a rational and modern regulatory regime. See Atkins' keynote address [here](#).

## Coinbase Joins S&P 500, Marking Milestone for Crypto Industry

As of May 12, Coinbase has become the first cryptocurrency company to be included in the S&P 500. This development follows a series of notable events in the crypto sector, including record highs for Bitcoin and USDC, and the election of a federal government viewed as supportive of the industry. Coinbase acknowledged the work of its employees, customers, and partners in reaching this point, noting the company's progress alongside the broader evolution of the crypto market. The inclusion of Coinbase in the S&P 500 reflects increasing institutional recognition of the crypto sector's presence in the financial system. See a blog post by Coinbase's Chief Financial Officer [here](#).

## Thailand To Issue \$150 Million in Digital Investment Tokens for Government Bonds

Thailand's Ministry of Finance is set to issue \$150 million worth of digital investment tokens, called "G-tokens," which will allow retail investors to purchase government bonds starting at \$3. The initiative, announced by Finance Minister Pichai Chunhavajira, aims to provide more access to investment opportunities that have traditionally been available mostly to institutional and high net worth investors. The G-tokens will be issued under the current budget borrowing plan but are not classified as debt instruments. The tokens will be tradable on licensed digital asset exchanges, although they will not be accessible to non-Thai citizens residing in Thailand. The move is part of broader efforts to explore digital asset tokenization, with tokenized bond values globally seeing growth.

## Zimbabwe Introduces Blockchain-Based Carbon Credit Registry To Enhance Market Transparency

Zimbabwe has launched a new blockchain-based carbon credit registry aimed at improving transparency and accountability in its carbon market. The move follows the establishment of the Zimbabwe Carbon Markets Authority, which oversees the licensing and regulation of carbon credit projects. This initiative seeks to rebuild investor confidence after a controversial policy change in 2023, including the abrupt cancellation of projects and the demand for a share of proceeds, that disrupted the sector, including the abrupt cancellation of projects and the demand for a share of proceeds. The new registry, developed by Dubai-based A6 Labs, provides a tamper-proof, traceable record of carbon credit activities and is positioned to align Zimbabwe's carbon market with global standards. This digital platform is expected to enhance trust in the authenticity and impact of Zimbabwe's carbon credits. With the new regulatory framework in place, developers must meet eligibility requirements to launch projects, ensuring compliance with environmental standards and attracting both domestic and international investment.

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