

SEC confirms Bitcoin is a commodity - 3 key takeaways for crypto investors

The inevitable regulation of the cryptocurrency market is "a significant step closer" due to comments made on Monday by the US Securities and Exchange Commission (SEC) chairman Gary Gensler, says Nigel Green, chief executive officer of one of the world's largest independent financial advisory organisations.



Source: [Fxabay](#)

Speaking to *CNBC's* Jim Cramer, Gensler said that Bitcoin is now to be labelled as a commodity.

Green says: "The comments from Gary Gensler clears up years of debate. One of the world's most influential regulators has now confirmed that it views Bitcoin as a commodity, in much the same way gold is, and not a security.

"The financial watchdog said that many tokens on the market have the key attributes of securities, which puts them under the jurisdiction of the SEC, but not Bitcoin.

"As a commodity in the US, Bitcoin would fall under the oversight of the Commodities Futures Trading Commission."

The deVere chief executive officer says that there are three key takeaways from the comments made by the SEC chief.

"First, the SEC's approach is to galvanise Bitcoin's long-held status as 'digital gold'.

“Bitcoin is often referred to as ‘digital gold’ because, like the precious metal, it is a medium of exchange, a unit of account, non-sovereign, decentralised, scarce, and a store of value.”



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He adds: “I believe that the world’s largest crypto will dethrone gold as the ultimate safe-haven asset within a generation as millennials and younger investors, who are so-called ‘digital natives’, believe it competes better.

“Millennials are to become an increasingly important market participant in the coming years, with the largest-ever generational transfer of wealth – predicted to be more than \$60tn – from baby boomers to millennials taking place.

“In addition, our world is becoming increasingly tech-driven and cryptocurrencies are, of course, digital by their very nature.

“Another key factor is the historic levels of money-printing as central banks around the world attempt to prop-up their economies following the fallout from the pandemic.

“If you are flooding the market with extra money, then in fact you are devaluing traditional currencies – and this, and the threat of inflation, are legitimate concerns to a growing number of investors, who are seeking alternatives.”

Green continues: “Second, Gensler said that regulators in the US, which include the SEC and the Commodities Futures Trading Commission, have a lot of work to do in order to introduce comprehensive laws that would protect the investing public.

“This is a clear sign that the financial watchdogs are homing in on regulation of the sector. As I have long said, I believe this is inevitable – and it is something I support as cryptocurrencies become increasingly part of the mainstream, global financial system.”



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He has previously been quoted by media outlets as saying “proportionate regulation” should be championed as it would help protect investors, shore-up the market, tackle criminality, and reduce the potential possibility of disrupting global financial stability, as well as offering a potential long-term economic boost to those countries that introduce it.”

“Third, the wider crypto sector will take the comments made by the chair of the SEC as bullish. We can expect prices to gradually rise.”

Despite the current volatility, like many long-term crypto investors Green says he is still accumulating Bitcoin. “I’m using the volatility as a buying opportunity; I’m topping up my investment portfolio at a lower price point.

“The reason why I’m still buying Bitcoin? Because I’m confident that digital, global, borderless, decentralised, tamper-proof, unconfiscatable money is, clearly, the future.”

The deVere chief executive officer is also doubling down on an earlier price prediction: “I remain confident that Bitcoin may get a tough summer, but that it could stage a bull run in the fourth quarter.”

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