

Phil Lookadoo in Business Insider: 'There's no Teeth': Recent Attempts by Crypto Exchanges to Regulate Themselves won't Amount to Much, Legal Experts say

October 10, 2018 Phil Lookadoo

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Business Insider quoted Haynes Boone Partner [Phil Lookadoo](#) about the effectiveness of self-regulation for cryptocurrency firms to prevent future losses from hacks and fraud.

Here is an excerpt:

Interest among big Wall Street firms in the cryptocurrency market is growing, but the nascent industry is still plagued by fraud and fettered by regulatory uncertainty. In the second quarter of 2018, investors lost \$670 million in cryptocurrencies in hacks and scams.

In response, a number of cryptocurrency firms are teaming up to try and to repair the industry's image and push for regulatory clarifications. ...

"I don't know that self-regulating is exactly a recipe for avoiding problems," said Phil Lookadoo, a regulatory and transaction partner at Haynes Boone.

To read the full article, click [here](#). (Subscription required)

Expanding on the topic, Lookadoo said: "Forming one or more "self-regulatory organizations" or "SROs" can provide a voice for law-abiding cryptocurrency and blockchain industry participants, as well as a forum for those participants to engage in meaningful dialogue with government regulators, that can lead to establishing industry standards and developing best practices for protecting the integrity of those fin-tech industries. However, in an industry that is not simply at risk of "potential misconduct," but is instead plagued by substantial actual losses by investors arising from cyber-hacking, fraud, money laundering and other actual financial misconduct, SROs alone will be inadequate. Some form of direct hands-on regulation and enforcement authority by governmental regulators will be required to protect investors and law-abiding participants in the cryptocurrency and blockchain industries."