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# regulatory void in crypto fund regulation

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Arina Shulga  
*Bloomberg Law*

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Arina Shulga authored the article, "Regulatory Void in Crypto Fund Regulation," published by *Bloomberg Law* in February 2019. The article focuses on digital assets, currencies and exchanges, price volatility in the crypto markets space, types of digital assets, and related U.S. laws applicable to investment funds.

The article "analyzes the current U.S. laws and regulations applicable to private U.S. crypto investment funds and their managers. It illustrates how, due to the classification of crypto currencies under the existing laws, hedge funds and their managers that invest solely into non-security digital tokens fall outside of the realm of existing U.S. laws and regulations that apply to traditional hedge funds."

*From the article...*

"In the past several years, we have witnessed a proliferation of digital assets due to the advent of the Ethereum 2.0 protocol. Digital assets now represent a new asset class in the eyes of the fund managers. According to investing.com, as of February 5, 2019, there were 2,520 different digital currencies that were being traded on multiple digital exchanges throughout the world, with Bitcoin taking 31.81% of the total trading volume. According to CryptoFundResearch, as of February 2019, there were 741 investment funds that invested into digital assets and blockchain, out of which 350 were crypto hedge funds and 372 were crypto venture capital funds, the rest being crypto ETFs and crypto private equity funds. As of January 1, 2019, they collectively managed approximately \$10.21 billion (an increase from \$6.86 billion as of January 1, 2018). 357 of 741 funds were based in the United States.

There has been significant price volatility in the crypto markets and the prices of several influential digital currencies have decreased over the last few months, which resulted in..."

## practice areas

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