



This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <http://www.djreprints.com>.

<https://www.wsj.com/articles/rubins-take-crypto-industry-tries-to-avoid-life-of-brian-scenario-1530098333>

ANALYSIS , EXCLUSIVES , TAKE COLUMNS , MARKETS , FINTECH

Rubin's Take: Crypto Industry Tries to Avoid 'Life of Brian' Scenario

Ex-regulators and industry officials are working on a global set of standards for cryptocurrency firms



Jeff Bandman, a former division director at the Commodity Futures Trading Commission, is working with other ex-regulators and industry officials on a global set of standards for cryptocurrency firms. PHOTO: MICHAEL BAILEY 11:FS

By Gabriel T. Rubin

June 27, 2018 7:18 a.m. ET | WSJ PRO

The cryptocurrency industry is a font of new entities with similar-sounding names, often working on similar projects, with occasional bitter rivalries or at least spirited competition. But in the realm of crypto self-regulation and industry standard-setting, there's a concerted push to avoid what one former regulator calls the "Life of Brian" scenario.

Jeff Bandman, a former division director at the Commodity Futures Trading Commission, half-jokes that the crypto industry is at risk of looking like the rebel militias in the classic Monty Python film, all ostensibly fighting against the Romans but riven by minuscule divisions manifest in their names—"the People's Front of Judea" and "Judean People's Front," to name just two.

Mr. Bandman, who launched the CFTC's financial-technology initiative before leaving the agency last year, is now working with other former regulators and industry officials on a global set of standards for cryptocurrency firms. They aim to develop the sort of self-enforced code of conduct that other financial subsectors, such as derivatives, have followed for decades.

The project he's working on, known as the Global Digital Finance initiative, is meant to cover a range of cryptocurrency firms—spelling out things like disclosure requirements, risk

management, and cybersecurity systems that firms should comply with to remain members in good standing of the global cryptocurrency ecosystem. So far, the group has put out an initial draft code of conduct and is soliciting feedback from industry and regulators, a process Mr. Bandman is familiar with from his time at the CFTC.

“We’re taking it a step at a time—document the steps in writing and put them out for consultation,” Mr. Bandman said in an interview.

This isn’t the first effort to come up with a set of principles for the sector. Groups including the Chamber of Digital Commerce and the Swiss Crypto Valley Association have released guidelines for initial coin offerings, and Gemini, one of the largest bitcoin exchanges, put out a conceptual plan for a self-regulatory organization for exchange governance.

That’s where the “Life of Brian” scenario comes in. Most of the plans have quite a bit in common, even if they differ on which organization put them out, or what aspect of the market they seek to address. There will likely be further jockeying before the industry coalesces around one set of standards and decides who the steward (and possibly, enforcer) of those standards should be.

Write to Gabriel T. Rubin at gabriel.rubin@wsj.com

Copyright 2018 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our Subscriber Agreement and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com.