Article Information

Authors: Steven Pettigrove, Jake Huang, Luke Higgins, Luke Misthos
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12 Days of Bobmas – 2024 Highlights of Blockchain and Crypto Legal News

Steven Pettigrove, Jake Huang, Luke Higgins and Luke Misthos of the Piper Alderman Blockchain Group bring you the latest legal, regulatory and project updates in Blockchain and Digital Law.

2024 has been a monumental one for the Web 3 and digital asset spaces, marked by significant regulatory shifts, litigation battles, new political changes driving market tailwinds, and increasing integration with traditional markets. Our *Blockchain Bites* newsletter and *Bits of Blocks* (**Bob**) website has been on the beat, delivering breaking news on legal developments affecting the blockchain and crypto industry. To celebrate, we present the "12 Days of Bobmas" – a chronological journey through our top articles of the year.

US Approves First Spot Bitcoin ETFs

> *"On the first day of Bobmas," the SEC approved Bitcoin ETFs.*

A watershed moment for cryptocurrency advocates, the SEC's approval of spot Bitcoin ETFs signalled an increasing mainstream acceptance of cryptocurrency as an asset class and convergence with traditional finance. After years of regulatory resistance and a court rebuke over its capricious and arbitrary rejection of spot ETFs, the SEC finally approved 10 US listed Bitcoin ETFs. Commissioner Peirce lamented the decade of missed opportunities, while analysts predicted the move could attract $65 billion into Bitcoin ETFs, pushing its price to new heights. The launch turned out to be one of the most successful ETF launches in history with assets under management topping $100 billion approaching year end as the Bitcoin price hit record highs.

Finder Triumphs: Earn Product Not a Debenture

> *"On the second day of Bobmas," Finder won its fight with ASIC.*

The Federal Court ruled that Finder Wallet's Earn product was not a debenture under the Corporations Act, dealing a blow to ASIC's enforcement agenda. Justice Markovic highlighted the product's contractual rather than debt-like nature. This decision, along with varying results in other cases, underscored the need for clearer crypto regulations.

SBF Sentenced in FTX Fraud Fallout

> *"On the third day of Bobmas," Sam Bankman-Fried faced justice.*

The former FTX CEO, Sam Bankman-Fried, received a 25-year sentence for his role in the exchange's collapse. With a USD $8 billion hole in FTX's balance sheet and damning testimony from close associates, the verdict marked a steep fall from grace for the once-heralded crypto magnate. Appeals are already in motion, ensuring the saga isn't over yet. Meanwhile, the surge in AI valuations and crypto prices appears set to make FTX creditors whole with interest.

Happy Halvening: Bitcoin Halving Approaches

> *"On the fourth day of Bobmas," we celebrated scarcity.*

Bitcoin's halving, a pre-programmed event reducing mining rewards by 50%, took place this year. The reward dropped to 3.125 BTC, creating economic pressure for less efficient miners. Historically tied to price surges, the halving was amplified by the recent approval of Bitcoin ETFs, marking another exciting chapter in Bitcoin's journey.

SEC Sues MetaMask

> *"On the fifth day of Bobmas," MetaMask fought the SEC.*

The SEC filed a lawsuit against ConsenSys, alleging that MetaMask's Swaps and Staking features constituted unregistered securities offerings. ConsenSys countersued, claiming regulatory overreach. The outcome of this case could set a critical precedent for non-custodial wallets and the broader DeFi ecosystem.

SEC Approves Ethereum ETFs

> *"On the sixth day of Bobmas," Ethereum followed Bitcoin's lead.*

Building on Bitcoin ETF approvals, the SEC also greenlit Ethereum ETFs. With Ethereum's growing use cases and its position as a key DeFi enabler, this move further bridges the gap between traditional finance and the crypto world, spurring local ETF listings in Australia.

Clash of Titans: ASIC Sues ASX

> *"On the seventh day of Bobmas," the ASX faced ASIC's ire.*

ASIC sued the ASX over misleading claims about its blockchain-based CHESS replacement project. While initially celebrated as a technological leap, delays and failures ultimately resulted in the project's termination. This cautionary tale underscores the complexities of major IP procurement projects and replacing legacy systems.

System Reboot: New Cyber Security Laws

> *"On the eighth day of Bobmas," Australia strengthened cyber laws.*

Australia introduced a standalone Cyber Security Act, mandating new standards for smart devices and ransomware reporting. Reforms also bolstered critical infrastructure protections. This legislative package marks a significant step in fortifying Australia's digital resilience amid escalating cyber threats.

Bitcoin Recognised as Property in Australia

> *"On the ninth day of Bobmas," Bitcoin became property.*

The Victorian Supreme Court ruled that Bitcoin is property under Australian law. Justice Attiwill's decision aligns with international precedents and helps clarify the rights of crypto holders. The recognition of Bitcoin as a chose in action expands legal remedies for recovering misappropriated assets.

Crypto Industry Rejoices: SEC Rule Rejection and Resignation

> *"On the tenth day of Bobmas," Gensler said goodbye.*

The US District Court struck down the SEC's controversial Dealer Rule, which critics argued overreached by seeking to regulate a wide range of technologies as broker dealers. Meanwhile, SEC Chair Gary Gensler announced his resignation. Coupled with Donald Trump's election win, these events marked a turning point in US crypto policy, potentially paving the way for clearer regulations.

Australia Passes AML/CTF Reforms

> *"On the eleventh day of Bobmas," compliance got tougher.*

Australia expanded its AML/CTF regime to cover virtual assets, replacing the term "digital currency" with "virtual assets." The reforms bring significant compliance obligations for crypto businesses, including the introduction of the travel rule. The changes aim to align with global standards but pose new compliance challenges for the industry.

Australia Unwraps Draft INFO 225

> *"On the twelfth day of Bobmas," ASIC asked: Does your token cut the grass?*

ASIC's draft update to INFO 225 provided new guidance for digital asset businesses, including 13 practical examples. While offering further clarity on ASIC's interpretation of the current law, industry highlighted practical compliance challenges and gaps in adapting existing laws to decentralised technologies. The industry has until February 2025 to provide feedback.

Happy holidays to our readers!

Thank you for coming along for ride this year. We're always at your disposal for the latest insights and legal assistance, and we look forward to bringing you all the breaking news and in-depth analysis in the new year. Here's to another exciting year ahead in the world of blockchain and cryptocurrency!

Brought to you by the Piper Alderman Blockchain team of Steven Pettigrove, Luke Higgins, Jake Huang, Luke Misthos and Emma Assaf, with Michael Bacina.