
The Legend of the “Secumodity”: Can the Same Coin Be a Security or Commodity at Different Points in its Evolution?

JUNE 10, 2019

In an article published in *Futures and Derivatives Law Report*, Petal P. Walker discusses the blurry line between a virtual currency and an investment contract. [Read the full publication.](#)

Excerpt: Can a digital coin be a security one day under the oversight of the Securities and Exchange Commission (SEC), and a commodity the next under the oversight of the Commodity Futures Trading Commission (CFTC), or vice versa? And importantly, can a coin move from one jurisdiction to another without carrying forward lingering baggage from its previous jurisdiction? Though the line between the CFTC’s and the SEC’s jurisdictions over digital coins can be blurry, given the current state of CFTC and SEC oversight, it is possible for a digital coin to move between jurisdictions. In the following, I discuss: (1) the characteristics of digital coins that are defined as securities; (2) the characteristics of digital coins that are defined as commodities; and (3) and how a digital coin could move from one definition, and therefore from one jurisdiction, to another.