



Insights

Benjamin Sauter to Compliance Week: SEC is “Trying to Send a Message” in Opposing Coinbase’s Lend Program

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Despite engaging with the U.S. Securities and Exchange Commission (SEC) before launching its stablecoin lending platform, Coinbase abandoned the project when faced with the agency’s unexpectedly negative reaction. Kobre & Kim’s Benjamin Sauter, who represents clients in the cryptocurrency industry against government enforcement actions, offered his thoughts on the case when he sat down with *Compliance Week*.

Coinbase’s program Lend purported to guarantee interest for holders of a stablecoin linked to the US dollar to make loans to others. The SEC, however, claimed the arrangement amounted to a security under their jurisdiction. “The SEC is trying to send a message that they don’t like this, and they want to regulate it or shut it down,” Mr. Sauter analyzed.

Coinbase argues that its competitors have offered similar products for years without the SEC taking any action, but because it is a public company based in the United States – unlike many of its competitors – Mr. Sauter pointed out that it made Coinbase “an easy target” for SEC enforcement.

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