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Crackdown on DeFi? An Examination of the CFTC's Enforcement Action Against Uniswap

The Crypto Exchange Podcast

SPEAKERS

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In the latest episode of *The Crypto Exchange*, host Ethan Ostroff is joined by Addison Morgan to discuss the recent CFTC enforcement action against Uniswap. The CFTC alleged that Uniswap violated the Commodity Exchange Act (CEA) by facilitating retail commodity transactions on behalf of non-eligible contract participants (i.e., retail consumers) through its decentralized exchange, which enabled consumers to purchase and sell ERC-20 tokens that track the prices of Bitcoin and Ether and offer their holder a potential compounded yield of approximately two times the consumer's initial investment.

Ethan and Addison examine the mechanics of these "index tokens," which were designed to mitigate risks associated with traditional margin futures trading. They explore the tokens' leverage characteristics and the CFTC's interpretation of the CEA, including the "actual delivery" exception.

Their discussion also addresses the potential impact of this enforcement action on the industry, the likelihood of litigation, and the broader regulatory landscape.

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