

# Will Resiliency Carry the Digital Asset Sector Through 2024?

## WRITTEN BY

Ethan G. Ostroff | Trey Smith | Addison J. Morgan

---

In 2023, the digital asset industry demonstrated remarkable resilience amidst significant challenges, including the dissolution of several digital asset financial services companies, numerous bank failures, and a \$4.7 billion fine imposed on Binance by the U.S. government. Despite these adversities, the digital asset market rebounded, recapturing over 50% of the market capitalization lost in 2022, bringing the total to \$2.59 trillion.

This resilience is underscored by increased regulatory activity. California and Louisiana enacted comprehensive digital asset licensing frameworks. Additionally, the Federal Reserve released numerous guidance documents related to digital assets, suggesting a potential shift toward integrating digital assets and distributed ledger technology (DLT) into the traditional financial system.

As we look ahead in 2024, the future of legislative action on digital assets remains uncertain. Many argue that federal guardrails are essential for transitioning the digital asset industry from the “Wild Wild West” to the “Land of Legitimization.” However, state legislatures advancing with legislation that aligns with a federal framework often used to address digital asset-related consumer harm. The Consumer Financial Protection Bureau’s recent rulemaking indicates a potential bid to regulate the digital asset market. These developments indicate that 2024 and the subsequent years could be an intriguing period for the digital asset industry.

Our Digital Assets + Blockchain team is committed to helping companies navigate the present challenges in the digital asset industry, while also preparing for future obligations. We trust that this report will prove to be a useful resource in these efforts.

To access the report, please [click here](#).

## RELATED INDUSTRIES + PRACTICES

- [Consumer Financial Services](#)
- [Digital Assets + Blockchain](#)
- [Financial Services](#)
- [Payments + Financial Technology](#)