

US targets ripple crypto creators

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Ripple is a crypto currency rival to the likes of bitcoin and ethereum—but regulators are turning the screw

The US financial watchdog is chasing the firm behind a major crypto currency, accusing it of failing to respect regulations on offering unregistered digital assets.

The US Securities and Exchange Commission charged that Ripple Labs,

which markets the XRP token, had raised \$1.3 billion in the form of "digital asset securities."

XRP is a [rising star](#) in the digital currencies sphere behind bitcoin, and US regulators are racing to tighten oversight of the highly volatile sector.

Whereas bitcoin is produced by a decentralised network of 'miners', Ripple's XRP token is mainly controlled by the firm that bears its name.

The SEC maintains that former Ripple head Christian Larsen and current chairman Brad Garlinghouse "failed to register their offers and sales of XRP or satisfy any exemption from registration."

Following the SEC statement, the value of XRP tokens slid by 21.77 percent to 33 US cents per unit.

The slump left Ripple's market capitalisation based on units in circulation at \$16.8 billion.

That compares with \$69.6 billion and \$440 billion respectively for main crypto rivals ethereum, and bitcoin which surpassed \$23,000 per unit in recent days.

Garlinghouse criticised regulators for viewing XRP as a security and not a form of currency, thereby subjecting the digital unit to a welter of regulations.

"Let me be clear: Ripple, Chris and I may be the ones named in the filing, but this is an assault on crypto at large," Garlinghouse said in a statement.

Garlinghouse said the SEC move put Ripple at a disadvantage to its rivals, which he said benefited from having earned the SEC's "seal of

approval," to the point that "they're creating an unfair advantage to companies here in the US."

"We remain confident after reviewing the SEC's complaint today that we are on the right side of the law and of history," Garlinghouse said.

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