

# SEC Introduces Cyber and Emerging Technologies Unit



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The US Securities and Exchange Commission (SEC) has launched the Cyber and Emerging Technologies Unit (CETU) as of February 20, 2025, marking a pivotal change in its approach to regulating technology-driven finance.

Replacing the Crypto Assets and Cyber Unit, CETU broadens the agency's focus while partnering with the newly-established Crypto Task Force to enhance investor protection and support innovation. This development reflects a strategic evolution under the current administration.

## CETU: A Broader Mandate for Emerging Technologies

The Cyber and Emerging Technologies Unit, under the leadership of Laura D'Allaird, comprises approximately 30 specialists tasked with addressing misconduct across emerging technologies. CETU targets fraud involving artificial intelligence, social media schemes, hacking, and blockchain, including cryptocurrency-related violations. Its mission, as articulated by Acting Chairman Mark Uyeda, is to safeguard retail investors from bad actors while fostering an environment conducive to technological advancement. This dual focus positions CETU as a critical component of the SEC's modern regulatory framework.

## Transition from the Crypto Assets and Cyber Unit

CETU succeeds the Crypto Assets and Cyber Unit, which had grown to 50 staff members under former Chairman Gary Gensler and concentrated heavily on cryptocurrency enforcement. That unit pursued significant actions against entities such as Coinbase and Binance, securing over \$2 billion in penalties since its inception in 2017. In contrast, CETU adopts a leaner structure and a wider scope, aligning with the Trump administration's stated goal of promoting a more cryptocurrency-friendly regulatory climate. This shift suggests a move away from aggressive crypto-specific enforcement toward a more balanced approach, targeting broader tech-related fraud.

## Collaboration with the Crypto Task Force

Complementing CETU's enforcement efforts, the SEC established the Crypto Task Force on January 25, 2025, led by Commissioner Hester Peirce, a known advocate for cryptocurrency innovation. The Task Force is charged with developing a comprehensive regulatory framework for digital assets, aiming to provide clarity and reduce reliance on enforcement-driven oversight. While CETU focuses on immediate fraud prevention, the Task Force addresses long-term policy needs, creating a cohesive strategy that balances compliance with industry growth. This partnership underscores the SEC's commitment to adapting its regulatory approach to an evolving financial landscape.

## Implications for Stakeholders

For investors and industry participants, these changes carry significant weight:

- Investors: CETU's expanded remit enhances protections against a range of cyber threats, from account takeovers to deceptive AI-driven schemes, offering greater security across the tech spectrum, not solely within cryptocurrency markets.
- Financial Technology Sector: the Crypto Task Force's work promises regulatory clarity, potentially easing operational challenges for crypto businesses. Recent actions, such as the SEC's decision to drop litigation against Coinbase, signal a more accommodating stance that could encourage market participation.

However, opinions differ on the impact. Some experts caution that reduced crypto enforcement resources might weaken oversight, while others view this as an opportunity to prioritize innovation over punitive measures.

## Looking Ahead

The introduction of CETU and the Crypto Task Force reflects a deliberate recalibration of SEC priorities under Acting Chairman Uyeda's leadership. By pairing robust enforcement with forward-looking regulation, the agency aims to protect investors while supporting the growth of emerging technologies. As these units take shape in 2025, their effectiveness will likely influence the trajectory of financial innovation in the US.

## How can Waystone help?

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