



# SEC says most meme coins are not securities

PUBLISHED THU, FEB 27 2025 5:34 PM EST UPDATED MOMENTS AGO  
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Commission issued [guidance](#) Thursday evening saying it does not deem most meme coins securities under U.S. federal law.

“It is the Division’s view that transactions in the types of meme coins described in this statement do not involve the offer and sale of securities under the federal securities laws,” the statement says. “Persons who participate in the offer and sale of meme coins do not need to register their transactions with the Commission. ... Accordingly, neither meme coin purchasers nor holders are protected by the federal securities laws.”

It also said “a meme coin does not constitute any of the common financial instruments specifically enumerated in the definition of ‘security’ because, among other things, it does not generate a yield or convey rights to future income, profits, or assets of a business. In other words, a meme coin is not itself a security.”

The clarification comes after the [latest rapid rise](#) of such cryptocurrencies following the election of President Donald Trump, as well as their crash in recent weeks. It’s also another notch in the belt of the new administration, which has promised to create clearer and perhaps more favorable regulatory conditions for the crypto industry, and do so swiftly.

“The SEC’s recent statement on meme coins is the clarity that the digital asset space has been demanding for years,” said Ishmael Green, a crypto attorney and Partner at the international law firm of Diaz Reus. “This will drive

continued investment in the US crypto space, as the vast majority of meme coins launched in the last 12 months with multi-billion dollar market caps have been released on Solana, an American blockchain.”

“[It] also comports with the current administration’s promise to the crypto community to end needless and frivolous enforcement actions which stifle innovation and investment,” he added.

[Dogecoin](#), the original meme coin, was little changed following the news. The token tied to [Solana](#), which has become the go-to host for meme coins – including the [Official Trump meme coin](#) – rose slightly.

The SEC describes meme coins as crypto assets inspired by internet memes, characters, current events, or trends and created to garner “an enthusiastic online community” to buy and trade them.

Because they “typically are purchased for entertainment, social interaction, and cultural purposes, and their value is driven primarily by market demand and speculation ... meme coins are akin to collectibles,” the statement says.

It goes on to say meme coins “typically have limited or no use or functionality ... and often are accompanied by statements regarding their risks and lack of utility.”