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SEC Settlement with Ripple Sparks XRP Surge and Alters Crypto Market Dynamics

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The long-running U.S. Securities and Exchange Commission (SEC) case against Ripple Labs has concluded, with Ripple agreeing to pay a \$125 million fine while the injunction restricting institutional XRP sales remains in place, according to Reuters. Both the SEC and Ripple had jointly sought to lower the penalty, but a federal judge rejected the proposal, upholding the full fine and keeping the restriction on institutional transactions. Ripple and

the SEC have since agreed to dismiss all pending appeals, formally ending the legal battle that has spanned nearly five years, Reuters reported.

The court's 2023 ruling continues to hold: XRP sold on public exchanges is not considered a security, while institutional offerings are subject to U.S. securities laws. This distinction remains central to how XRP can be marketed and traded in different contexts.

News of the settlement triggered a swift reaction in the cryptocurrency market. XRP's price rose by roughly 11% shortly after the announcement, according to Barron's. Institutional interest has also been on the rise. Galaxy Digital disclosed in its latest SEC filings that it holds approximately \$34.4 million worth of XRP, representing around 15.39 million tokens. This is the first time XRP has appeared in the firm's reported holdings, as noted by Coin Edition and Currency Analytics.

The resolution offers a measure of regulatory clarity for XRP, which could encourage broader institutional engagement in the token. However, no official applications for an XRP exchange-traded fund (ETF) have been filed, and there are no confirmed timelines or approval data. Analysts' projections for ETF launches or investment inflows remain speculative without formal filings.

The case's conclusion is seen as a significant milestone for both Ripple and the wider cryptocurrency industry, which has been closely watching the proceedings for signals on future regulatory approaches. Industry observers note that the court's stance may influence how other digital asset companies respond to SEC enforcement actions. At the same time, some caution that uncertainties persist around broader U.S. regulatory policy, global monetary conditions, and overall crypto market volatility.

For Ripple, the settlement allows it to move forward without the overhang of unresolved litigation, potentially enabling the company to focus on product expansion and institutional partnerships. While the outcome sets clearer legal parameters for XRP, the cryptocurrency's trajectory will continue to depend on investor confidence, market dynamics, and evolving regulatory frameworks worldwide.