CHAPMAN

On-Chain Spotlight

October 13, 2026

On-Chain in the News

Regulatory Happenings

- **October 8:** The European Securities and Markets Authority (ESMA) has given crypto platforms in the EU three months to end customer exposure to stablecoins that do not comply with MiCA rules. This would currently include stablecoins like USDT and PayPal USD. Platforms will be required to block new purchases, trading, and increases in holdings of unauthorized stablecoins – read the guidance here.

- **October 6:** The IRS issued updated guidance outlining safe harbor criteria for trusts engaged in crypto staking, describing conditions under which qualifying trusts may treat their staking activities as meeting specified tax treatment standards – read the updated guidance here. The prior guidance is here and Chapman's prior client alert is here.

- **October 6:** FinCEN has withdrawn two proposed rules that would have, respectively, 1) imposed recordkeeping, verification, and reporting requirements on certain transactions involving convertible virtual currencies and unhosted wallets and 2) designated international convertible virtual currency (CVC) mixing as a primary money laundering concern – read the notices here and here.

- **October 5:** The CFTC has published an Advanced Notice of Proposed Rulemaking (ANPRM) seeking public comment on establishing a comprehensive federal regulatory framework for retail commodity transactions involving crypto assets ("CTXs") under section 2(c)(2)(D) of the Commodity Exchange Act. Although the Commodity Exchange Act generally does not permit the CFTC to regulate spot retail commodity transactions, it does grant the CFTC authority to regulate those involving margin. The framework envisioned by the ANPRM would generally subject a CTX to exclusive CFTC jurisdiction if it offered any margin trading. In the process, the ANPRM seeks to address consumer protection, prevent abusive practices, and proposes creating a tailored crypto asset market regime within the agency's national regulatory structure – read the CFTC's press release here.

Market Happenings

- **October 8:** Securitize has launched "Securitize Stocks," bringing tokenized shares of major US companies such as Apple, Nvidia, Tesla, and Microsoft, to the Solana blockchain. Tokens are backed one-for-one by underlying shares and will first trade on Securitize's Solana-based venue, with anticipated expansion to NYSE's 24/7 digital platform and OKXICE's new tokenized securities venue – read the press release here.

- **October 8:** Coinbase is expanding its institutional services to traditional financial firms, acting as an infrastructure provider to banks launching digital asset offerings and enhancing its prime brokerage platform amid rapid growth and increased institutional adoption of crypto – read the press release here.

- **October 7:** Hyperliquid Policy Center CEO Jake Chervinsky said at Digital Asset Summit 2026 Asia that Hyperliquid is public-blockchain infrastructure rather than an exchange and predicted that major venues including CME and ICE will need to integrate public blockchain rails within a decade to remain competitive, while pointing to Payward's announced plan to deploy permissioned US perpetual markets on Hyperliquid via CFTC-regulated Bitnomial with accounts carried by NinjaTrader Clearing – read the article here and Payward's announcement here.

- **October 6:** Rain said it applied to the OCC to form an uninsured national trust bank, Rain National Trust Bank, N.A. The bank seeks to provide federally supervised custody and related fiduciary services for digital assets including stablecoins and tokenized securities while not taking deposits or making loans – read Rain's press release here.

- **October 5:** Visa and Stripe's Bridge have expanded their collaboration to launch stablecoin-linked Visa cards in over 100 countries by the end of 2026, enabling consumers worldwide to make everyday purchases using stablecoin balances. The partnership deepens Visa's stablecoin settlement pilot, facilitating on-chain settlement of card transactions – read Visa's press release here.

- **October 5:** Binance unveiled "Binance Intelligence," an in-app AI product stack that combines Binance AI, Binance AI Pro, and Binance Agent OS to help users understand digital assets and market information and translate natural-language ideas into strategies – read Binance's press release here.

- **October 5:** Modern Treasury said it submitted an application to the OCC to establish Modern Treasury National Trust Bank, a limited-purpose national trust bank that would provide federally supervised digital asset custody and related services integrated with its payments platform to let customers custody and move stablecoins and fiat – read Modern Treasury's announcement here.

- **October 5:** The SEC approved a Cboe BZX rule change permitting six Volatility Shares ETFs that target 3x daily returns using regulated bitcoin and ether futures, though they cannot begin trading until the SEC declares the registration statement effective, and the issuer disclosures and analysts note these daily rebalanced leveraged products are intended for short-term trading and can diverge materially from 3x performance over time – read the article here and the rule change here.

- **October 4:** OKXICE, a joint venture between OKX and NYSE parent Intercontinental Exchange, notified the SEC that it plans to launch a permissioned on-chain venue for trading tokenized versions of US-listed stocks under the SEC innovation exemption, initially covering more than 60 companies with a 30-day issuer opt-out – read OKXICE's notice here.

- **October 4:** Payments infrastructure firm OpenPayd is preparing to list on Nasdaq by year end through a proposed merger with Titan Acquisition Corp. that is in the final stages of SEC review; CEO Iana Dimitrova said the company plans to use the listing to fund US expansion and acquisitions as it builds payments infrastructure that connects fiat rails with stablecoin and blockchain networks – read the article here.

Litigation, Enforcement, and Examinations

- **October 7:** A Manhattan federal jury convicted Maryland cybersecurity consultant Jonathan Spalletta of intentionally damaging protected computers and laundering proceeds after finding he exploited two April 2021 vulnerabilities in Uranium Finance's smart-contract code to extract roughly $1.4 million in an initial exploit, return most of it while retaining about $386,000 as a purported "bug bounty," and then execute a second exploit that drained more than $53 million, with prosecutors tracing laundering through Tornado Cash and multiple wallets – read the US Attorney's Office press release here.

- **October 7:** Attorneys general from 39 states and Washington, DC have filed an amicus brief urging the Supreme Court to hear New Jersey's challenge to an appellate ruling that found federal commodity trading law preempts state gambling regulations for prediction markets – read the amicus brief here.

- **October 7:** Alexander Sisemore, founder of the Kishu Inu cryptocurrency, has been indicted in Illinois federal court on three counts of wire fraud for allegedly conducting a $9 million scheme misleading investors about project ownership and secretly selling tokens while promoting the coin as "community-owned." Prosecutors allege Sisemore and another founder used false representations, concealed their transactions with crypto mixers, and orchestrated a "rug pull" that left investors with worthless assets – read the US Attorney's Office press release here.

- **October 5:** A federal judge in Los Angeles sentenced crypto entrepreneur Adam Iza to 78 months in prison and more than $23 million in restitution after he pleaded guilty to conspiracy against rights, wire fraud, and tax evasion involving the use of Los Angeles County sheriff's deputies to harass and extort victims and a separate scheme to profit from fraudulent access to Meta advertising accounts – read the US Attorney's Office press release here.

- **October 4:** The Independent Community Bankers of America sued the OCC in US District Court for the District of Columbia challenging the agency's authority to grant national trust bank charters to crypto firms and seeking to void a

March 2026 rule and Interpretive Letter 1176, arguing the charters allow crypto companies to obtain federal charter benefits without traditional bank safeguards – read the complaint here.

- **October 2:** A federal judge in Illinois has temporarily barred the state from enforcing its gambling license requirements against Kalshi and Coinbase, finding their sports betting contracts are likely federally regulated swaps under the Commodity Exchange Act. While the lawsuit continues, the judge said state licensing rules cannot be imposed, but allowed Illinois to continue collecting taxes on wagers, distinguishing taxation from broader regulatory authority over the markets – read the Kalshi decision here and the Coinbase decision here.

Sharing Our Insights

Chapman attorneys have been focused on the cryptocurrency, digital asset, and blockchain ecosystem for many years, and we have assisted clients in shaping industry understanding and strategy through substantive thought leadership. Our attorneys regularly share their insights at prominent industry forums, translating complex regulatory and market developments into actionable guidance for stakeholders navigating this dynamic space.

We Are Here to Help

We are available at any time to answer questions, discuss scenarios, and provide guidance. Reach out to any member of our Cryptocurrency, Digital Assets, and Blockchain team or the Chapman attorney with whom you work.

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