

# CHAPMAN

# On-Chain Spotlight

May 18, 2026

## On-Chain in the News

### Regulatory Happenings

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- **May 15:** The NCUA has published a Notice of Proposed Rulemaking establishing operational and risk management standards for permitted payment stablecoin issuers licensed by the agency under the GENIUS Act. Stakeholders are encouraged to review the proposal and submit comments by July 17 – read the press release [here](#).
- **May 14:** The Senate Banking Committee advanced the Clarity Act, a landmark crypto market structure bill, with bipartisan support, but continued questions remain for the full Senate over stablecoin rewards, anti-money laundering rules, and ethics provisions for public officials. The bill clarifies regulatory jurisdiction across the crypto sector, restricts interest paid on stablecoins, and maintains legal protections for DeFi developers while aiming to provide consumer safeguards. The bill faces further negotiations and will need to pass through the full Senate and House – read the draft [here](#).
- **May 14:** The CFTC issued a blanket no-action letter relieving prediction market platforms listing event contracts from swap data reporting and recordkeeping requirements, aiming to reduce regulatory uncertainty for contracts that technically qualify as “swaps.” The move applies to designated contract markets and clearinghouses and comes as the CFTC continues to assert exclusive federal jurisdiction over prediction markets – read the letter [here](#).
- **May 13:** The Senate has confirmed Kevin Warsh, President Trump’s nominee, as the next Federal Reserve Chair, succeeding Jerome Powell. Warsh, who has investments in several crypto companies and digital asset projects, was approved 54-45 and will serve a four-year term as Fed Chair, while Powell will remain on the Fed’s board until 2028 – read the announcement [here](#).
- **May 11:** Augustus (formerly Ivy) received conditional approval from the OCC to establish Augustus Bank, N.A., as a national bank in the US. Designed to provide programmable, 24/7 clearing for major currencies using stablecoin infrastructure – read the announcement [here](#).

### Market Happenings

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- **May 13:** Charles Schwab launched “Schwab Crypto” to a first wave of eligible retail clients, enabling spot bitcoin and ether trading via separate crypto accounts, with custody by Charles Schwab Premier Bank – read about the program [here](#).
- **May 12:** Coinbase has expanded its on-chain lending platform by allowing users to borrow up to \$100,000 against their Solana (SOL) holdings via Morpho on Base, joining bitcoin, ether, and other crypto collateral options. This follows Coinbase’s broader push into crypto-backed loans (now surpassing \$2.3 billion in total originations) and highlights the exchange’s strategy to enhance asset utility despite challenging market conditions – read more [here](#).
- **May 12:** JPMorgan is launching its second tokenized money market fund on Ethereum, JLTXX, designed to meet GENIUS Act stablecoin reserve requirements by investing in US Treasuries and Treasury-backed overnight repos, with blockchain operations run by its Kinexys unit – read the filing [here](#).
- **May 12:** The Ethereum Foundation is backing Clear Signing adoption by launching a public registry for verified contract descriptors, standardizing on ERC-7730, and providing tooling to help wallets and developers replace blind signing with consistent human-readable transaction descriptions – read the story [here](#).

- **May 11:** Boundary Labs said it raised \$2 million in a Galaxy Ventures–led pre-seed SAFE round (with token warrants) and plans to launch its institutional stablecoin USBD on Ethereum in early summer 2026, featuring daily on-chain verification of reserves and a separate staked token (sUSBD) for eligible institutions, while USBD itself will not be yield-bearing – read the story [here](#).
- **May 11:** Corpay has partnered with BVNK to integrate stablecoin wallets and settlement capabilities into its global payments platform, enabling clients to send, receive, and convert stablecoins alongside fiat currencies and access 24/7 payment settlement – read the statement [here](#).
- **May 11:** Circle raised \$222 million in an Arc token presale, with investors including a16z crypto, BlackRock, and Apollo. Arc, Circle’s new institutional blockchain uses USDC as its native gas token and aims to give institutions increased control and efficiency as stablecoin and crypto legislation progresses in the US – read more [here](#).
- **May 11:** Payward is seeking new funding at a \$20 billion valuation as it accelerates acquisitions in derivatives and stablecoin companies and prepares for a potential IPO. Recent deals include the purchases of Bitnomial and Reap, with Payward also confidentially submitting an S-1 to the SEC – read more [here](#).
- **May 10:** At the Consensus Miami conference, executives from PayPal and Google Cloud said the next generation of AI-driven “agentic” commerce will rely on crypto payment rails. Both companies are pushing open standards like Google’s new Agentic Payments Protocol (AP2) and PayPal’s PYUSD stablecoin to scale merchant and agent participation – read more [here](#).
- **May 8:** Payward announced that it filed an application with the OCC for a national trust company charter that would establish Payward National Trust Company to provide federally regulated digital-asset custody services – read the story [here](#).

## Litigation, Enforcement, and Examinations

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- **May 12:** A D.C. federal appeals panel heard arguments in the Bitcoin Fog case, questioning whether undercover transactions in Washington, D.C. established proper venue and scrutinizing the reliability of the FBI’s “IP overlap” analysis linking the defendant to the crypto mixing service – read the story [here](#).
- **May 12:** Aave and other parties impacted by the Kelp DAO hack have launched a binding Arbitrum governance vote to transfer \$71 million in disputed ETH into Aave’s custody, following a court order related to North Korean terrorism judgment claims. The assets will remain restricted pending further court action – read the court order [here](#).
- **May 12:** The CFTC filed an amicus brief in the Sixth Circuit in KalshiEx LLC v. Schuler, again asserting exclusive jurisdiction over prediction markets and arguing that federal CFTC regulation preempts state efforts to regulate them – read the press release [here](#).
- **May 8:** VM Innovations I LLC, a Texas company, sued Coinbase in federal court alleging infringement and inducement of infringement of seven blockchain-related patents by the Coinbase Wallet and Base products, seeking injunctive relief plus damages and attorney fees – read more [here](#).
- **May 8:** Investors in a proposed class action over a \$328 million cryptocurrency fraud at Goliath Ventures amended their suit, adding large banks and a major cryptocurrency exchange as defendants. The expanded complaint alleges the financial institutions aided or enabled the Ponzi-like scheme through actions such as processing investor funds, maintaining accounts used for fraud, and converting funds into cryptocurrency – read the complaint [here](#).

## Sharing Our Insights

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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

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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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