

CHAPMAN

On-Chain Spotlight

May 26, 2026

On-Chain in the News

Regulatory Happenings

- **May 21:** The CFTC has finalized a memorandum of understanding with the NHL to share information and coordinate oversight of prediction market betting tied to NHL games, following a similar agreement with Major League Baseball. This partnership aims to enhance integrity monitoring, prevent insider trading and fraud, and reinforce the CFTC's regulatory authority over the prediction market sector – read the memo [here](#).
- **May 20:** The South Carolina Governor signed S. 163 into law creating a crypto-friendly framework that protects the right to use and self-custody digital assets, exempts certain crypto activity from additional state or local taxes, and bans state entities from accepting or testing central bank digital currency – read the bill [here](#).
- **May 20:** SEC Chairman Paul Atkins said that the SEC will maintain the pause on the effectiveness of several novel ETF products, including those tied to event contracts, to seek public input and carefully evaluate their implications before moving forward – read the statement [here](#).
- **May 20:** The US Federal Reserve has advanced its proposal for "skinny" limited payment accounts which offer non-bank and fintech firms streamlined access to Federal Reserve payment rails without full master account privileges. The move closely follows President Trump's May 19 executive order calling for such advancements, and the Fed has opened a new 60-day public comment period on the updated framework – read the press release [here](#).
- **May 19:** President Trump issued an executive order directing federal financial regulators to modernize rules governing how fintechs and nonbank companies interact with banks, payment systems, and the Federal Reserve. This initiative aims to encourage financial innovation and competition and is likely to impact fintech partnerships, digital asset adoption, and compliance frameworks across the sector – read the order [here](#).
- **May 19:** Japan's ruling Liberal Democratic Party approved a policy initiative to build a national financial system leveraging AI and blockchain, including a push for tokenized deposits and yen-based stablecoins, as well as 24/7 automated, agent-driven commerce – read more [here](#).
- **May 19:** Senator Elizabeth Warren has raised concerns about the OCC's recent approval of national trust bank charters for several prominent crypto firms. While the charters offer a federally synthesized and approved supervisory pathway for regulated digital asset services, Warren, along with academics, are making the argument that permitting crypto firms to operate under the trust company framework and engage in non-fiduciary services could create risks for consumers and the broader financial system – read the letter [here](#).
- **May 18:** Minnesota enacted HF 3709 to authorize regulated banks and credit unions to provide virtual currency custody services subject to an advance notice requirement, written risk management and security policies, and segregation of customer assets – read the bill [here](#).
- **May 18:** The SEC is expected to propose an "innovation exemption" framework that would ease the regulatory path for trading tokenized stocks, as Wall Street firms such as DTCC, Nasdaq, and NYSE accelerate efforts to move traditional equities onto blockchain-based trading and settlement infrastructure – read report [here](#).

Market Happenings

- **May 21:** MoonPay launched MoonPay Trade, a new platform designed to give banks, fintechs, and enterprises streamlined access to tokenized assets, DeFi protocols, and stablecoin liquidity across 200+ blockchains – read the press release [here](#).
- **May 21:** Blockchain.com has confidentially filed a draft S-1 with the SEC for a potential IPO, joining a handful of crypto firms exploring public listings – read the press release [here](#).
- **May 20:** Deel launched stablecoin salary payouts for its global payroll clients, allowing employees in the US and Eurozone to receive payments directly in stablecoins and signaling growing demand for blockchain-based payroll solutions – read more [here](#).
- **May 20:** The euro-pegged stablecoin project Qivalis has increased its backing to 37 banks, becoming Europe's largest such initiative as industry and policymakers seek alternatives to dollar-dominated digital assets – read more [here](#).
- **May 19:** Ostium, a DeFi exchange on Arbitrum, became the first on chain venue to offer equity perpetual futures on individual US stocks using Nasdaq data – read the story [here](#).
- **May 18:** Revolut launched its first physical cryptocurrency debit card in the UK and EEA which will be accepted anywhere Visa and Mastercard are – learn about the card plan [here](#).
- **May 18:** Stripe-backed Tempo is integrating the \$7.5 billion DeFi lending protocol Morpho to let companies lend, borrow, and earn on chain yield on stablecoin balances, expanding Tempo from payments rails into a broader on chain finance platform – read the story [here](#).
- **May 18:** Iran is developing a bitcoin-settled maritime insurance platform, Hormuz Safe, that would allow cargo owners transiting the Strait of Hormuz to purchase cryptographically verified shipping insurance and financial responsibility certificates instead of paying direct tolls – read more [here](#).

Litigation, Enforcement, and Examinations

- **May 20:** OFAC imposed sanctions on entities linked to the Sinaloa Cartel's fentanyl trafficking networks, including crypto-based money laundering organizations operating between Mexico and the US. The action follows the US State Department's February 2025 designation of the Sinaloa Cartel as a foreign terrorist organization (FTO), freezes assets connected to these networks, and prohibits US persons or institutions from transacting with the designees – read the press release [here](#).
- **May 19:** The CFTC filed a lawsuit against Minnesota seeking a preliminary injunction to block a new state law that would make operating, facilitating, or marketing prediction markets a felony. The CFTC argues the law is preempted by federal regulation of derivatives and prediction markets – read the filing [here](#).
- **May 18:** Bitcoin Depot (BTM) filed Chapter 11 in Texas saying tougher state regulation, enforcement, and litigation made its bitcoin ATM business unsustainable; the company has taken its ATM network offline, is closing its Canadian and other overseas entities – read the press release [here](#).
- **May 18:** The Justice Department sentenced Rathnakishore Giri to nine years in prison for a multi-year wire fraud scheme that stole at least \$10 million by pitching a purported Bitcoin and crypto derivatives investment with “guaranteed” returns and using new investor funds to repay earlier investors – read the press release [here](#).
- **May 18:** California's DFPI ordered Hermes Bitcoin to shut down all of its 42 Bitcoin ATMs by May 20, 2026, and permanently cease digital asset business in the state after finding widespread violations of state and federal law such as excessive fees, transaction limit breaches, and inadequate anti-money laundering compliance – read the story [here](#).
- **May 18:** A litigation trust tied to Prime Trust's 2023 bankruptcy sued Swan Bitcoin in Delaware Bankruptcy Court seeking recovery of nearly \$1 billion in crypto assets, alleging Swan used insider nonpublic information and a Prime executive

adviser relationship to pull funds before the collapse and to structure transfers to reduce preference exposure – read the filing [here](#).

- **May 18:** The SEC rescinded its long-standing "no-deny" policy, which required defendants settling enforcement actions to refrain from publicly denying the Commission's allegations. Going forward, defendants may settle with the SEC without giving up their right to deny allegations, bringing the agency in line with most federal counterparts and granting more flexibility in resolving cases without impacting requirements related to admissions – read the press release [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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