CHAPMAN

On-Chain Spotlight

August 10, 2026

On-Chain in the News

Regulatory Happenings

- **August 6:** The US Senate will not vote on the Digital Asset Market Clarity Act before its August recess, though Senators indicated it will be revisited in September when the Senate returns. Industry leaders remain optimistic and the CFTC has stated that it is prepared to implement rules to keep advancing the industry – read more here.
- **August 4**: The FDIC has approved deposit insurance for Augustus National Bank, a de novo-chartered national bank with plans to issue a GENIUS Act-compliant stablecoin using a subsidiary and provide virtual currency, payment, and treasury services to digital asset, AI, and technology companies – read the press release here.

Market Happenings

- **August 5:** Lithic and Lightspark have partnered to launch a Visa card program issued by Lead Bank that settles transactions in USDC – read the press release here.
- **August 5**: Visa is adding stablecoin prefunding and payout features to its Visa Direct money-movement platform through a partnership with zerohash – see the press release here.
- **August 5**: Stablecoin infrastructure provider Dakota has applied for a US national trust bank charter, which would allow it to operate as a federally-regulated provider of digital asset custody and stablecoin issuance. Dakota currently operates as a registered money services business – see the application here.
- **August 5**: Mastercard is piloting its Crypto Credential verification framework with global liquidity network Borderless.xyz to test how standardized assurance signals can support interactions across cross-border stablecoin payment flows, with stablecoin payment operators Infinia, Walapay, and Koywe among the first participants – read the press release here.
- **August 4**: Western Union has launched Stablecard, a stablecoin-backed digital wallet and Visa credit card developed with Rain, allowing users to receive, hold, and spend US dollar-pegged stablecoins via the Solana blockchain. The product enables direct receipt of Western Union money transfers in digital dollars, spending at any Visa merchant, and integration with Apple Pay and Google Pay – read the press release here.
- **August 4**: Wells Fargo announced the introduction of tokenized deposits for its corporate and commercial clients, launching this fall with US dollar to British pound transactions and plans for expansion throughout 2027. The new offering enables 24/7/365 fund movement and programmable payments on a proprietary blockchain platform, while maintaining existing deposit insurance protections – read the announcement here.
- **August 4**: BNY has partnered with Galaxy to add staking capabilities to its digital asset custody platform, allowing institutional clients to stake crypto assets held in custody without transferring them to a separate provider, pending regulatory approval – read the press release here.
- **August 4**: Dinari has launched a platform enabling eligible US investors to buy and sell over 700 tokenized S&P 500 stocks using USDC in self-custody wallets, through a partnership with Circle. Each "dShare" tokenized equity is backed by a corresponding security held in qualified custody – read the press release here.

- **August 4**: BitGo announced it is migrating its $7.4 billion Wrapped Bitcoin (WBTC) from LayerZero to Chainlink's CCIP as its exclusive cross-chain standard – read the press release here.

- **August 4:** BlackRock has launched two major tokenization initiatives: New tokenized share classes for a range of European money market funds in the BlackRock Institutional Cash Series, allowing professional clients to transfer and access shares on Ethereum via Kinexys, with peer-to-peer transferability; second, the BRSRV fund, a proposed US government money market fund with blockchain-based share classes supported by Tempo, connecting regulated cash management to on-chain payment and settlement networks. The BRSRV fund seeks to serve as an eligible reserve asset for permitted stablecoin issuers under the GENIUS Act – read more about BRSRV here and the tokenized share classes here.
- **August 3**: Mastercard completed its $1.8 billion acquisition of cryptocurrency infrastructure platform BVNK, combining BVNK's on-chain infrastructure and stablecoin-native technology with Mastercard's global network to enable interoperability across fiat and digital currencies – read the press release here.

- **August 3:** Flare's FXRP token was approved as collateral in Sentora's RLUSD lending vault on Morpho, enabling XRP holders to borrow Ripple's RLUSD stablecoin on Ethereum without selling their XRP – read more here.

- **August 3**: BitGo launched "BitGo Link," a tool that lets institutional clients connect accounts at exchanges such as Coinbase, Kraken, and Crypto.com to BitGo's platform to view balances and initiate transfers across venues, with movements routed through BitGo's permissions controls – read the press release here.

- **August 3**: Ripple made strategic investments in ZILO and Licuido to expand its tokenized capital markets capabilities on the XRP Ledger. These deals are intended to introduce regulated transfer agency, asset issuance, and on-chain collateral mobility infrastructure, with RLUSD as the payment currency – read the press release here.

- **July 31**: The Bank for International Settlements' Project Agorá, a public-private collaboration exploring tokenized wholesale cross-border payments, demonstrated an average settlement time of approximately 80 seconds in real-value-testing conducted in July with 28 financial institutions and central banks across Asia, Europe, and North America – see the report here.

Litigation, Enforcement, and Examinations

- **August 6:** Miami crypto founder Taj Tarsha was indicted on securities and wire fraud charges for allegedly misappropriating over $10 million raised from investors for an NFT marketplace, instead spending the funds on gambling, crypto trading, and personal expenses – read the indictment here.

- **August 5:** Liu Zhou, founder of crypto market-making platform MyTrade MM, was sentenced to time served and a $10,000 fine in Massachusetts federal court after pleading guilty to conspiracy to commit market manipulation and wire fraud for operating illegal wash trading bots for clients. The sentencing follows the FBI's "Operation Token Mirrors," which targeted 18 individuals and resulted in Zhou's agreement to permanently deactivate the trading bots and forfeit $95,000 in illicit profits – read more here.

- **August 4**: Former Congressman George Santos has agreed to a three-year trading ban, disgorgement of over $17,500 in profits, and a $17,500 civil penalty to settle CFTC charges that he manipulated a Kalshi event contract on his own attendance at the 2026 State of the Union address through public statements and travel arrangements timed to influence the contract's price – see the decision here.

- **August 3**: Kalshi CEO Tarek Mansour criticized the New York attorney general's lawsuit seeking at least $36 billion over Kalshi's event contracts, contending in a CNBC interview that Kalshi operates more like an exchange (including Nasdaq) than a sportsbook. SDNY Judge Rakoff denied the CFTC's motion for a temporary restraining order that would have blocked the NY AG's suit, and the CFTC has not, as of this newsletter, renewed its motion – read more here.

- **August 3**: Patrick Yaroch, an FBI supervisory agent, has been charged in the Eastern District of Virginia after allegedly stealing about $1 million in cryptocurrency from overseas targets by using passphrases he found in FBI records, transferring the funds to an account he controlled, and later self-reporting the conduct to colleagues and FBI leadership – read the court filing here.

- **August 2**: CME Group has asked the SEC to review and overturn SEC staff's conditional approval of Nasdaq PHLX's proposed cash-settled bitcoin index options, arguing the contracts are commodity option swaps within the CFTC's exclusive jurisdiction. The SEC has stayed the approval while the full Commission considers the petition with written submissions due August 24 – read the order granting review 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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