CHAPMAN

On-Chain Spotlight

August 25, 2026

On-Chain in the News

Regulatory Happenings

- **August 20:** CFTC Chair Mike Selig said the agency will move to develop its own crypto market-structure regulations, potentially creating a new “crypto asset market” regulatory category, if Congress fails to pass the Clarity Act. Speaking at the inaugural Innovation Advisory Committee meeting, Selig directed staff to begin exploring rules under existing CFTC authority and to work with developers on pathways for compliant US protocol offerings, while emphasizing that legislation remains the preferred route for durable policy – see the interview here.

- **August 19:** OCC Comptroller Gould announces plans to finalize its stablecoin issuer oversight rule by November, enabling the agency to begin processing licensing applications in January as required by the Genius Act. According to Gould, the OCC is moving quickly to implement its February proposal detailing licensing, prudential standards, and activities limits for regulated stablecoin issuers – see the speech here.

- **August 18**: The SEC proposed "Regulation Crypto Assets," creating two new registration exemptions for investment contracts involving crypto assets (one for offerings up to $5 million over four years and another for up to $75 million per 12-month period) along with a conditional safe harbor under which qualifying crypto assets would no longer be deemed securities once issuers complete their promised managerial efforts – read the press release here.

- **August 18**: The Digital Chamber and the Blockchain Association each filed an amicus brief urging the Supreme Court to review Custodia Bank's challenge to the Federal Reserve's denial of its master account application, arguing that a 10th Circuit ruling granting Fed banks discretion to reject eligible institutions effectively gives federal regulators veto power over state chartering decisions and could be used to debank lawful digital asset businesses – read the briefs here and here.

- **August 18**: The Blockchain Association filed a letter supporting the SEC's proposal to rescind two Regulation NMS rules established in 2005, arguing that the outdated rules impose unnecessary costs and inhibit the development of tokenized securities market infrastructure – read the letter here.

- **August 17**: The US Treasury issued a proposed rule and is seeking public comment on its implementation of Section 3 of the GENIUS Act. This will include clarifying licensing requirements and when a payment stablecoin is considered issued or sold in the US, with comments due Oct 19, 2026 – read the press release here.

- **August 14**: The OCC granted World Liberty Trust Company conditional approval for a national trust bank charter, positioning World Liberty Financial closer to offering stablecoin and custody services once finally approved – read the decision here.

- **August 14**: CBOE is requesting that the SEC approve a rule change allowing it to list and trade the first US 3x daily bitcoin and ether ETFs, structured as CFTC regulated commodity pools that use futures to target triple the daily move of their benchmarks – read the proposal here.

Market Happenings

- **August 21:** The Crypto Council for Innovation and the Blockchain Association have joined the legal fight against Illinois’ new 0.2% crypto tax, filing a lawsuit that alleges the measure violates constitutional protections and unfairly targets digital asset activity. Their action follows an earlier suit from the Digital Chamber – read their suit here and the Digital Chamber suit here.

- **August 20:** Kroger has expanded its Fold Bitcoin Gift Card offering nationwide, allowing shoppers to purchase physical or digital cards redeemable for bitcoin without needing a crypto wallet – read more here.

- **August 20:** X is reportedly considering paying influencers with stablecoins to facilitate quicker, lower-cost cross-border payments – read more here.

- **August 19:** Datavault AI, a data monetization and RWA tokenization firm, is acquiring Wyoming-based BankWyse, which operates under a Special Purpose Depository Institution (SPDI) charter allowing secure custody and banking services for digital assets – read the press release here.

- **August 18:** Securitize has proposed adding the Neuberger Securitize High Income Tokenized Fund (HINC) to Aave Horizon as supply-only collateral, allowing accredited investors to borrow stablecoins like USDC, GHO, and RLUSD against their corporate credit positions without selling the fund. If accepted, HINC would expand Aave's collateral base from tokenized Treasuries to sub-investment-grade debt – read the proposal here.

- **August 18**: Stablecoin payments infrastructure company Rain launched the Agentic Payments Alliance with founding members including Visa, Mastercard, Fiserv, Circle, Solana, and Remitly to collaboratively develop standards for how AI agents are authorized to transact and utilize stablecoins as the industry anticipates trillions in agentic commerce by 2030 – read the announcement here.

- **August 18**: Cash App is expanding its cryptocurrency offerings beyond bitcoin and USDC through a partnership with MoonPay, enabling eligible US users to purchase digital assets including ether, solana, XRP, and USDT using their Cash App balance. The integration leverages MoonPay's regulatory credentials and aims to address consumer demand for user-friendly crypto payment options – read the announcement here.

- **August 18**: Kraken has launched US stock trading for eligible customers across the European Economic Area, offering its crypto-native platform to both traditional US-listed equities and tokenized stocks within a single regulated account – read the announcement here.

- **August 18**: Citi announced it will launch a digital asset custody service starting with bitcoin later this year as part of its new Custody+ platform, which integrates traditional and crypto custody within a single framework – read more here.

- **August 17**: Kraken parent Payward has joined Anthropic's Project Glasswing, gaining access to the Claude Mythos 5 AI model for software security and assessing vulnerabilities, making it the first crypto company to participate in the initiative – read more here.

- **August 17**: Tokenized equities have grown to about 15% market share and roughly $2.8 billion in market cap, led by Ondo, Binance bStocks, and xStocks, whose largely synthetic stock tokens now account for about 77% of the category – read more here.

Litigation, Enforcement, and Examinations

- **August 18**: A New Jersey federal judge denied Coinbase's motion to dismiss a proposed class action alleging the company and its executives, misled investors by failing to disclose an SEC investigation and bankruptcy-related risks to customer assets while selling stock at artificially inflated prices – read more here.

- **August 17**: A federal magistrate judge sanctioned crypto lender Nexo Capital and ordered it to pay approximately $439,000 in attorney fees after finding the company intentionally destroyed emails, Slack messages, and other electronic evidence relevant to a customer's lawsuit alleging forced liquidation of his crypto assets – read the order here.

- **August 17**: A Georgia man described as a serial "Ponzi-schemer" has been charged with wire fraud and money laundering for allegedly orchestrating a $165 million cryptocurrency scheme that defrauded over 6,000 victims worldwide by promising guaranteed 25% monthly returns, before fleeing to Fiji and being deported back to the US to face trial – see the press release here.

- **August 15**: A Connecticut federal judge denied Kalshi's emergency bid to continue offering sports contracts pending appeal, finding the platform failed to show a likelihood of success on the merits and rejecting its reliance on a recent CFTC "market emergency" directive, holding that the sports-event contracts at issue are not federally regulated swaps subject to the agency's exclusive jurisdiction – read more 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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