

# CHAPMAN

# On-Chain Spotlight

October 27, 2026

## On-Chain in the News

### Regulatory Happenings

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- **October 21:** The OCC has issued its final rule implementing the GENIUS Act, establishing standards for permitted US and foreign payment stablecoin issuers, including reserve backing, redemption, risk management, and custody; the rule takes effect January 18, 2027. In tandem, the OCC released waiver and application submission guidance that aims to reduce friction during the application process – read the rule [here](#) and the guidance [here](#).

### Market Happenings

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- **October 22:** Kalshi said eligible Kalshi Prime clients will be able to borrow against Bitcoin, Ethereum, and select stablecoins held with BitGo and use the loan proceeds to fund margin positions in perpetual futures on its platform. Kalshi expects to add other crypto custodians to the arrangement in the coming months – read more [here](#).
- **October 22:** SoFi is introducing SoFi Earn (SOFIE), a tokenized deposit for SoFi Crypto members, with each token representing \$1 deposited at SoFi Bank and FDIC-insured. Members can convert SOFIE 1:1 into SoFiUSD for crypto purchases or transfers to supported external wallets – read the press release [here](#).
- **October 20:** Webull announced plans to offer eligible US customers perpetual futures through their existing Webull Futures accounts beginning in November, initially covering bitcoin and other crypto assets, with contracts listed on KalshiEX and cleared through Kalshi Klear – read the press release [here](#).
- **October 20:** Nevada-chartered AnchorWatch Trust Company launched a bitcoin custody service for institutional and high-net-worth clients with fixed monthly fees capped at \$10,000 and optional Lloyd's-backed insurance of up to \$370 million per client – read the press release [here](#).
- **October 19:** Mesh and Visa announced a partnership that would allow users to pay merchants through participating crypto wallet apps using crypto or stablecoin balances, without a separate card. Mesh plans to handle conversion and transaction funding through a Visa credential, while merchants continue to receive standard payments – read the press release [here](#).
- **October 19:** Mastercard introduced Stablecoin Security, a service designed to give financial institutions a risk score for stablecoin payments before funds move on-chain by screening payment and blockchain data for fraud, scams, and sanctions risks. The solution will initially launch in North America and become commercially available worldwide in 2027 – read the press release [here](#).
- **October 19:** Ramp announced that it applied to the OCC to establish Ramp National Trust Bank, which, if approved, would provide fiduciary investment management and digital asset custody under federal supervision but would not accept deposits or make commercial loans – read more [here](#).
- **October 19:** J.P. Morgan made its US-dollar deposit token, JPM Coin (JPMD), available to institutional clients on Ethereum in addition to Base, allowing eligible clients to transfer tokenized bank deposits across the two networks for on-chain payments and transactions involving digital assets – read J.P. Morgan's announcement [here](#).

- **October 16:** Circle CEO Jeremy Allaire said that the USDC issuer plans to enter roughly 40 additional emerging and developing markets as demand for digital-dollar payments grows, particularly in Southeast Asia, Latin America and the Middle East – read Allaire’s comments [here](#).
- **October 16:** Marqeta and Coinbase announced a collaboration enabling Marqeta’s enterprise customers to offer cards backed by users’ stablecoin balances, allowing cardholders to spend from stablecoin balances at merchants that accept cards. Coinbase is providing custody, fiat conversion, and Base-based settlement infrastructure, while Marqeta supplies card-issuing and processing capabilities – read Marqeta’s announcement [here](#).
- **October 15:** Visa moved its stablecoin-enabled Visa Direct prefunding capability to commercial deployment through its first enabler, Inyo Global, allowing eligible businesses using Inyo’s platform to fund cross-border payouts with USDC in near real time – read Visa’s announcement [here](#).

## Litigation, Enforcement, and Examinations

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- **October 22:** The Central Bank of Ireland fined Coinbase Ireland €3.25 million for deficiencies in safeguarding customer funds and overseeing outsourced services, including inadequate controls and coding errors that left its safeguarding account underfunded. Coinbase said no customers suffered financial loss or lost access to funds – read the Central Bank’s press release [here](#).
- **October 22:** A former Circle employee and current shareholder filed a derivative suit alleging World Liberty Financial benefited from United Arab Emirates-linked investments in the firm and its USD1 stablecoin, in violation of the Constitution’s Foreign Emoluments Clause and to Circle’s competitive detriment – read the suit [here](#).
- **October 21:** A federal court in the Southern District of New York sentenced a Colombia-based cryptocurrency broker to 160 months’ imprisonment for his role in laundering approximately \$14.5 million in drug-trafficking proceeds through Tether and facilitating a cocaine-importation scheme. He was also ordered to forfeit \$14,751,846 and cryptocurrency held in four accounts he controlled – read the press release [here](#).
- **October 21:** A Pennsylvania federal judge dismissed a proposed securities class action alleging Coinbase misled investors about its regulatory compliance. The court concluded that Coinbase’s disclosures adequately addressed regulatory risks and that several compliance statements were nonactionable puffery or protected forward-looking statements – read the dismissal [here](#).
- **October 20:** Lawsuits continue on the dispute over whether sports-event contracts are governed by federal derivatives law or state gambling restrictions. Utah sued Kalshi and others in state court to halt contracts it alleges violate its gambling ban, following a federal ruling rejecting Kalshi’s claimed protection from state law. In separate federal suits, Polymarket is challenging Ohio’s enforcement on CFTC-jurisdiction and interstate-commerce grounds, while Novig seeks to block Missouri from requiring a state sports-wagering license for its contracts – read the Utah Attorney General’s statement [here](#), the Ohio suit [here](#), and the Missouri suit [here](#).
- **October 19:** A federal court entered final judgment against EminiFX and its owner, Eddy Alexandre, in a CFTC fraud case involving more than \$262 million raised from investors, permanently barring them from commodities trading. Further, the court imposed a civil penalty of more than \$45 million, in addition to restitution and disgorgement previously ordered – read the press release [here](#).
- **October 16:** Apple moved to dismiss a California federal lawsuit brought by consumers who say they lost more than \$1.83 million to a fraudulent bitcoin wallet app downloaded from its App Store, arguing that third-party scammers caused the losses and that its general statements about app review did not guarantee protection against fraud – read the motion [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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