CHAPMAN On-Chain Spotlight

November 3, 2026

On-Chain in the News

Regulatory Happenings

- **October 27:** The OCC reassured community banks that there is a pathway under the GENIUS Act final rules for them to explore becoming permitted payment stablecoin issuers. Speaking a week after the OCC finalized GENIUS Act rules establishing federal standards for reserves, redemption, custody, and risk management, Comptroller Gould stated that the rules are flexible enough to fit the size and risk profile of the issuer and are not designed to be affordable only for the largest institutions. The rules will take effect on January 18, 2027 – read the OCC's press release here.

Market Happenings

- **October 31:** Multiple sources reported that hackers stole an estimated $6.3 billion from Binance, with several blockchain-analysis firms attributing the attack to North Korea. Even though it paused withdrawals and later resumed them in phases, Binance said customer funds are safe. Binance has coordinated with US law enforcement and investigated a potentially compromised developer employee laptop. Binance announced on Friday that it would publish proof-of-reserve information regarding user funds and that it has already reserved adequate company funds to deal with the fallout from the attack – read more here and here.

- **October 28:** Moody's assigned Ripple's dollar-backed RLUSD stablecoin investment-grade ratings of A2 long-term and P-1 short-term, citing the quality and liquidity of its largely short-term US government-asset reserves and redemption arrangements – see the rating report here and read more here.

- **October 28:** Alphabet plans to present a multiparty-computation security system for institutions safeguarding crypto and tokenized assets, with commercial availability targeted for early 2027 – read the article here.

- **October 27:** BNY and Ripple announced plans to add XRP and RLUSD to BNY's institutional custody platform, enable clients to mint and redeem RLUSD through the bank, and work with working-capital platform C2FO to test financing of approved supplier invoices on the XRP Ledger. Launch timing for the proposed services has not yet been announced – read the announcement here.

- **October 26:** Ripple said it received final OCC approval to establish Ripple National Trust Bank following conditional approval in December 2025, giving it a federally supervised platform intended to support its RLUSD stablecoin and provide enterprise digital-asset custody – read Ripple's announcement here.

- **October 26:** The NBA granted Polymarket and Kalshi preferred marketing rights and access to league intellectual property. Separately, the NBA agreed to share information with the CFTC to support game integrity – read the NBA press release here and its memorandum of understanding with the CFTC here.

- **October 26:** BlackRock Financial Management and BlackRock Japan signed a memorandum of understanding with SBI Holdings and Startale to explore connecting tokenized money market funds with the yen-denominated JPYSC stablecoin – read the joint announcement here.

- **October 26:** Hyperliquid said Kraken parent Payward intends to become a CFTC-regulated deployer of permissioned perpetual-futures markets using its HIP-3 infrastructure. Payward's Bitnomial is expected to operate and clear the contracts and NinjaTrader Clearing to carry customer accounts, subject to regulatory approval – read Hyperliquid's statement here.

- **October 26:** Keystone disclosed a security incident involving its official website and said the incident did not involve recovery phrases, private keys, other wallet credentials, bank payment information, or government-issued identification numbers – read Keystone's customer statement here.
- **October 26:** Ripple added a 24/7 Returns feature to Ripple Treasury that allows eligible global business customers to earn returns outside traditional banking hours on qualifying digital assets, including RLUSD, held in a Ripple wallet – read the announcement here.
- **October 23:** HSBC launched RedCoin, a Hong Kong dollar stablecoin licensed and regulated by the Hong Kong Monetary Authority. RedCoin will be available for transfers and payments through its PayMe wallet, and HSBC plans to add access through its HSBC Hong Kong banking app and support purchases of tokenized investment products later this year – read the press release here.

Litigation, Enforcement, and Examinations

- **October 29:** The SEC charged BG Wealth Sharing Ltd. and DSJ Exchange Pty Ltd. with allegedly raising more than $130 million from retail investors through a purported crypto "wealth-sharing" program promising risk-free returns, while using false SEC filings and fabricated credentials. The complaint alleges the entities misappropriated investor funds and seeks injunctions, disgorgement, prejudgment interest, and civil penalties – read the SEC press release here.
- **October 27:** A federal judge in the Southern District of New York denied Army soldier Gannon Ken Van Dyke's motion to dismiss charges arising from allegations that he used nonpublic information about the operation to capture Nicolás Maduro to profit from Polymarket trades – read the docket here.
- **October 27:** The CFTC sued Utah as part of its broader dispute with states over whether state gambling laws may be enforced against federally regulated prediction-market offerings – read the CFTC's press release here.
- **October 27:** Kalshi and Polymarket have sued Louisiana, and Kalshi has separately challenged Missouri's cease-and-desist demand, seeking to block enforcement of state gambling and sports-wagering laws against their event contracts. In addition, Robinhood has agreed to pause its sports-event contract offerings in Ohio after coming to an agreement with Ohio's gaming commission – read the Missouri docket here and Kalshi's Louisiana suit here.
- **October 23:** Chinese national Zheng Zhao was extradited from the Netherlands and arraigned in California on a money-laundering conspiracy charge, with prosecutors alleging he helped move nearly $37 million from an international cryptocurrency investment fraud through a Bahamas bank account and into Tether sent to wallets controlled in Cambodia – 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.

CHAPMAN
Focused on Finance®

This document has been prepared by Chapman and Cutler LLP attorneys for informational purposes only. It is general in nature and based on authorities that are subject to change. It is not intended as legal advice and no attorney-client relationship is created. Accordingly, readers should consult with, and seek the advice of, their own counsel with respect to any individual situation that involves the material contained in this document, the application of such material to their specific circumstances, or any questions relating to their own affairs that may be raised by such material.

To the extent that any part of this summary is interpreted to provide tax advice, (i) no taxpayer may rely upon this summary for the purposes of avoiding penalties, (ii) this summary may be interpreted for tax purposes as being prepared in connection with the promotion of the transactions described, and (iii) taxpayers should consult independent tax advisors.

© 2026 Chapman and Cutler LLP. All rights reserved. Attorney Advertising Material.