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2026 DIGITAL ASSETS REGULATORY UPDATE: A LANDMARK 2025 BUT MORE DEVELOPMENTS ON THE HORIZON

In 2025, the U.S. regulatory perspective on digital assets and distributed ledger technology shifted from skepticism and concern to a focus on facilitating innovation. The SEC, CFTC, OCC, Executive Branch, and Congress have all acted to support building a flexible regulatory ecosystem for digital assets and distributed ledger technology. Ahead in 2026, market participants will grapple with navigating continued policy debates and addressing the practical implications of implementing new regulatory frameworks.

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The U.S. regulatory and enforcement landscape for digital assets and distributed ledger technology changed dramatically in 2025. Virtually overnight, U.S. regulators shifted from an enforcement-heavy crypto-skepticism that effectively outlawed the participation of traditional financial institutions in digital asset and tokenization markets and threatened the core business of many fintech companies (“Fintechs”), to a determined focus on flexibility for market participants to engage with digital assets and distributed ledger technology. Most notably in 2025:

- The Securities and Exchange Commission (“SEC”) dropped nearly all of the enforcement actions commenced under the Biden Administration against

Fintechs that were based on allegations of unregistered broker-dealers, issuance, exchange or clearing agency activities, without accompanying fraud allegations.

- In conjunction with a new “Crypto Task Force,” the SEC and its staff adopted a variety of no-action letters, interpretative statements, and FAQs to clarify the interplay of U.S. securities laws and distributed ledger technology, including that:
 - Payment stablecoins are not securities;
 - Certain utility coins may not be securities;

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- Staking and liquid staking do not involve the offer of securities;
 - Registered investment companies and registered investment advisors may use state trust companies for purposes of custodying crypto assets;
 - Broker-dealers may hold crypto and tokenized assets subject to prescribed requirements; and
 - Meme coins purchased for entertainment or cultural purposes typically do not involve the offer and sale of securities.
- The Commodity Futures Trading Commission (“CFTC”) withdrew guidance imposing stricter requirements on regulated entities related to digital assets and distributed ledger technology, adopted no-action relief permitting commodity brokers (called “futures commission merchants”) to accept digital assets as collateral, and issued guidance outlining how regulated entities may be able to accept tokenized assets as collateral for regulatory purposes.
 - The CFTC also took a number of steps to facilitate the trading of event contracts, increase retail access to markets without intermediation, and allow futures exchanges to list spot purchases and sales of digital assets.
 - The U.S. banking regulators withdrew prior guidance that constrained the ability of banks and bank affiliates to engage with digital assets and distributed ledger technology, and then proceeded to adopt a bevy of new guidance that clarifies and expands the ability of banks to engage in such activities.
 - The Office of the Comptroller of the Currency (“OCC”) also granted a number of Fintech firms national trust bank charters to allow further interaction with digital assets and distributed ledger technology, together with the benefit of federal preemption and comprehensive federal regulation.
- President Trump convened a Working Group on Digital Assets that issued a series of recommendations designed to strengthen American leadership in digital financial technology and make the United States the “crypto capital of the world.”
- Topping off these regulatory efforts, the U.S. Congress enacted the GENIUS Act, which sets forth a comprehensive federal regulatory framework for payment stablecoins. The legislation makes clear that permitted payment stablecoins are not securities, commodities, or deposits, but instead part of a separate regulatory regime administered principally by the OCC, along with the Federal Deposit Insurance Corporation, the Federal Reserve Board, the Secretary of the Treasury and state banking regulators. The GENIUS Act will likely not only legitimate stablecoins and give the market confidence that they can use and transact in such instruments subject to a comprehensive federal regulatory framework, but it will also create a blueprint to incorporate them into everyday transactions throughout the U.S. financial system.
- Looking ahead to 2026, we expect this trend to continue. Of particular note:
- The U.S. Congress appears poised to adopt a so-called “market infrastructure” bill that would set out a comprehensive regulatory regime for digital asset brokers, dealers, and exchanges, and would bring greater clarity to when transactions in crypto assets may be regulated as offers or sales of securities.
 - The SEC will likely continue adopting no-action relief, interpretations, guidance, and possibly exemptions and rulemakings that will open new pathways for market participants to engage in digital asset activities and tokenization arrangements. We may also see the adoption of an “innovation exemption” that would create a “sandbox” for market participants to provide services related to digital assets or tokenized securities with fewer regulatory restrictions than generally apply to securities activities, as well as a “super-app” registration regime that would allow market

participants to obtain a single license to engage in all regulated securities activities. There could also be additional efforts to facilitate 24/7 trading for both digital assets and traditional equity securities.

- The CFTC is expected to continue allowing futures exchanges to list new kinds of contracts, including digital asset derivatives, event contracts, and spot purchases and sales of digital assets. The CFTC will also likely explore further ways for commodity brokers, swap dealers, and derivatives clearing organizations to accept crypto and tokenized cash and securities as collateral for regulatory purposes, as well as for retail customers to access clearing organizations with no or more limited intermediation.
- The U.S. banking regulators will likely continue their trend of expanding the permissible digital assets and distributed ledger activities of banking organizations, while also considering new trust bank charters and other new ventures and tie-ups for digital asset service providers. We expect to see significant rulemaking and interpretive activity by the banking regulators at both the federal and state levels, as they take steps to implement the GENIUS Act. The Federal Reserve Board is also considering development of a central bank account for certain types of non-depository charters that would facilitate direct access by certain Fintechs to the U.S. payment rails.

Against this backdrop, we expect market participants to continue investing and innovating dynamically in the digital assets and distributed ledger space in 2026. In particular:

- Fintechs and traditional financial institutions will likely continue to develop new products and services related to digital assets and distributed ledger technology, including new stablecoins; tokenized deposits, securities and other real-world assets; new prime brokerage, cross-margining, and other financing arrangements; and complex derivatives and financial products tied to digital assets and tokenized instruments.
- We expect there to be further proliferation of decentralized exchanges (“DEXs”) and decentralized finance (“DeFi”) protocols that may offer new venues to transact in both digital and traditional financial assets. In addition, there may be more venues and operators seeking to offer retail

clients disintermediated access to financial markets. We may also see expanded roles for non-custodial wallet providers.

- Fintechs and traditional financial institutions will likely continue the trend of tie-ups, joint ventures, and other arrangements that further serve to integrate distributed ledger technology into the traditional financial system.
- Corporate entities and investment funds will likely face questions about steps they are or should be taking to facilitate trading of their securities, whether through tokenization or other arrangements. We also expect corporates to be pushed to accept, or engage intermediaries to develop, new and faster payment methods, including through the use of stablecoins and other digital assets.
- There will likely be more integration and connection between AI services and digital assets offerings.

However, many questions lie ahead. We expect there to be robust policy debates in the coming year on many critical issues that could have a dramatic effect on digital assets, distributed ledger technology, and tokenization. These include:

- Whether stablecoin issuers can pay “rewards” and if so to whom;
- What requirements should (or will) apply to DeFi protocols and DEXs that offer tokenized securities as well as their associated intermediaries;
- The ability of federal regulators to take actions that effectively preempt state securities, gaming, and banking law;
- How quickly traditional financial institutions will adapt to competition from, including whether traditionally regulated financial institutions will be allowed to compete fully with, Fintechs, new payment services providers, and newly created charter types; and
- The interaction of AI and distributed ledger technology.

How market participants and policymakers engage and respond to these debates will likely affect the way the digital assets and distributed ledger environments look this time next year. ■