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Crypto Policy Tracker

Senate Agriculture Releases Market Structure Bill as Treasury and CFTC Outline Digital Asset Initiatives

By [Chris Daniel](#), [Eric C. Sibbitt](#), [Dana V. Syracuse](#), [Josh Boehm](#), [Meagan E. Griffin](#), [Michael L. Spafford](#), [Lisa E. Rubin](#), [Dina Ellis Rochkind](#) and [Samantha Ackel](#)

Senate Agriculture Committee Republicans released updated digital asset market structure legislation clarifying the CFTC's regulatory authority, while signaling that a bipartisan agreement has not been reached. A list of amendments was later submitted by Senate Agriculture Committee members. The Senate Banking Committee paused work on its portion of market structure legislation to focus on housing initiatives. Despite the delay, administration officials reiterated confidence that market structure legislation will ultimately advance.

At the executive and agency level, Treasury Secretary Scott Bessent confirmed that seized bitcoin will be retained as part of a federal digital asset reserve. Meanwhile, CFTC Chairman Michael Selig announced an initiative to undertake a comprehensive review of the agency's existing rules and regulations and modernize these requirements to ensure a level playing field for new entrants and incumbents alike.

Congressional Updates

Senate Agriculture Committee Releases Updated Legislation

- On Jan. 21, Senate Agriculture Republicans released an updated draft of the [digital asset market structure legislation](#) titled the "Digital Commodity Intermediaries Act." The legislation would clarify the CFTC's authority to regulate digital assets. The Senate Agriculture Committee has jurisdiction over the CFTC. Senate Agriculture Committee Chairman [John Boozman](#) (R-AR) stated that it was "unfortunate that we couldn't reach an agreement," appearing to reference [Senate Democrats](#). He thanked Sen. Cory Booker (D-NJ) for his work on the legislation on behalf of Senate Agriculture Committee Democrats to garner bipartisan support. A [list of amendments](#) was later submitted by Senate Agriculture Committee members. The Senate Agriculture Committee markup was moved to [Thursday, Jan. 29](#) due to weather.
- The legislation will require Democratic support and must ultimately be reconciled with the Senate Banking Committee's market structure proposal before advancing to the full Senate. It has been reported that the Senate Banking Committee has [postponed work](#) on its crypto market structure bill while it [focuses on affordable housing legislation](#).
- White House Crypto Executive Director Patrick Witt [stated on social media](#): "There *will* be a crypto market structure bill — it's a question of when, not if."

Regulatory Agency Updates

Crypto Czar Sacks Discusses Stablecoin Yield

- On Jan. 21, White House Crypto and AI Czar David Sacks [discussed the ongoing debate](#) over stablecoin yield in an interview with CNBC, noting that market structure legislation proposals remain divided on whether stablecoins should be permitted to pay yield. He remarked that banks should recognize that yield-related concepts were already addressed in the GENIUS Act and suggested that, absent market structure legislation, reward mechanisms would likely emerge regardless. Sacks also urged crypto industry participants to focus on the broader objective of advancing the bill.
- Sacks further predicted that banks will increasingly integrate into the digital asset ecosystem following the enactment of stablecoin and market structure legislation, contributing to a more unified digital asset industry. Addressing the yield debate, he stated: “I bet you over time the banks like the idea of paying yield because they’re going to be in the stablecoin business.”

Treasury Secretary Bessent on the Strategic Bitcoin Reserve

- On Jan. 20, at the World Economic Forum, Treasury Secretary Scott Bessent [stated that](#) it is the policy of the U.S. government to add seized bitcoin to the federal digital asset reserve and confirmed that the government has halted the sale of seized bitcoin. Bessent added that the administration’s goal is to make the United States the most attractive regulatory environment for digital assets and to spur innovation.

CFTC Chairman Selig: America’s Financial Markets Are Ready for a Golden Age

- On Jan. 20, in a *Washington Post* opinion piece, CFTC Chairman Michael Selig [announced his “Future-Proof” initiative](#) to provide fit-for-purpose rules for digital assets and other innovative technologies. The goal is to write rules that are difficult to overturn and will withstand the test of time. Selig opined that the CFTC was initially formed to promote orderly markets principally for agricultural futures products. But as innovation has enabled capital to expand and achieve greater flexibility and efficiencies, policymakers have recognized that the agency responsible for regulating “everything from pork bellies to credit default swaps is uniquely capable of overseeing novel and emerging markets.”
- Chairman Selig announced an initiative to “... undertake a comprehensive review of the agency’s existing rules and regulations and modernize these requirements to ensure a level playing field for new entrants and incumbents alike.” His stated goal is to design purpose-specific rules that safeguard against fraud and manipulation but also promote innovation.

SEC and CFTC to Hold Joint Event on Harmonization

- SEC Chairman Paul Atkins and CFTC Chairman Michael Selig will hold a [joint event on Thursday, Jan. 29 \(previously scheduled for Tuesday\)](#) at CFTC headquarters to discuss harmonization between the two agencies and their efforts to deliver on the President’s promise to make the United States the crypto capital of the world.

“For too long, market participants have been forced to navigate regulatory boundaries that are unclear in application and misaligned in design, based solely on legacy jurisdictional silos,” said SEC Chairman Atkins and CFTC Chairman Selig. “This event will build on our broader harmonization efforts to ensure that innovation takes root on American soil, under American law, and in service of American investors, consumers, and economic leadership.”



If you have any questions concerning these developing issues, please do not hesitate to contact any of the following Paul Hastings lawyers:

Atlanta

Chris Daniel
+1-404-815-2217
chrisdaniel@paulhastings.com

Meagan E. Griffin
+1-404-815-2240
meagangriffin@paulhastings.com

Washington, D.C.

Dina Ellis Rochkind
+1-202-551-1938
dinaellis@paulhastings.com

Michael L. Spafford
+1-202-551-1988
michaelspafford@paulhastings.com

New York

Josh Boehm
+1-212-318-6033
joshboehm@paulhastings.com

Dana V. Syracuse
+1-212-318-6034
danasyracuse@paulhastings.com

Samantha Ackel
+1-212-318-6385
samanthaackel@paulhastings.com

San Francisco

Eric C. Sibbitt
+1-415-856-7210
ericsibbitt@paulhastings.com

Lisa E. Rubin
+1-415-856-7027
lisarubin@paulhastings.com