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## Crypto Policy Tracker

# CFTC Launches Innovation Task Force, Crypto Czar Role Transitions, Congress Holds Tokenization Hearing, NYSE and Nasdaq Progress Tokenization Initiatives

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On Capitol Hill, lawmakers shared draft compromise language on stablecoin yield for the market structure legislation with crypto and banking industry representatives, resulting in mixed industry reactions. The term of the White House's AI and crypto czar has concluded, and David Sacks will transition to serve as co-chair of the President's Council of Advisors on Science and Technology.

The House Financial Services Committee held a hearing titled "Tokenization and the Future of Securities: Modernizing Our Capital Markets." The hearing examined how tokenization is being used in capital markets and whether existing securities laws and regulations adequately govern these activities.

The SEC submitted an innovation exemption to the White House for review, with the proposed rule "potentially to include certain exemptions and safe harbors, to help clarify the regulatory framework for crypto assets and provide greater certainty to the market." CFTC Chairman Michael Selig announced the launch of an Innovation Task Force, which will serve as a dedicated space for crypto, artificial intelligence and prediction market participants to interface directly with agency staff.

NYSE and a tokenization company released a Memorandum of Understanding to support the development of tokenized securities markets, and Nasdaq announced a partnership with a digital asset infrastructure company to develop an integrated solution for managing tokenized collateral.

### White House and Regulatory Updates

#### White House Crypto and AI Czar Role Ends and Transitions

- On March 26, David Sacks [confirmed in an interview](#) with Bloomberg Television that his term as the White House's AI and crypto czar has concluded. Sacks, who held the role as a special government employee, stated that he had completed his 130-days under applicable federal law. Sacks will transition to serve as co-chair of the President's Council of Advisors on Science and Technology.

### Department of Labor Rule Would Expand Alternatives in Retirement Plans

- On March 24, the Office of Information and Regulatory Affairs (OIRA) [concluded its review](#) of the Department of Labor's (DOL) regulatory proposal to allow 401(k) plans to invest in alternative asset classes like digital assets.
- On March 30, the DOL released the [proposed rule](#), which is open for a notice and comment period.

### Federal Regulators Speak at Digital Asset Summit

- On March 24, SEC Chairman Paul Atkins delivered the [keynote address](#) at the Digital Asset Summit in New York, where he described [guidance released on March 17](#) as clarifying the “the contours of an investment contract” and said that the SEC has “begun to chart a path of compliance for entrepreneurs who seek to understand when the fundraise for a crypto asset implicates the federal securities laws.”
- CFTC Chairman Michael Selig [announced the launch](#) of an Innovation Task Force, which will serve as a dedicated space for crypto, artificial intelligence and prediction market participants to interface directly with agency staff.
- OCC Comptroller Jonathan Gould [told attendees](#) that the OCC will develop clear regulatory frameworks to support banks partnering with new technologies, particularly banks interested in offering payment stablecoins.
- Federal Reserve Gov. Stephen Miran [told attendees](#) that he believes stablecoin growth will increase global investment in the U.S. dollar.

### SEC Submits Innovation Exemption Proposal to White House for Review

- On [March 20](#), the SEC submitted an innovation exemption to the White House for review. The proposed rule is [described as](#) “potentially to include certain exemptions and safe harbors, to help clarify the regulatory framework for crypto assets and provide greater certainty to the market.”
- While the text of the exemption has not been released, SEC Chairman Atkins [previewed an exemption](#) on March 17, which would include registration exemptions for offerings of investment contracts involving certain crypto assets.

### FTC Sends Notice Warning to Companies on Debanking Practices

- On March 26, the Federal Trade Commission (FTC) [sent letters](#) to four financial infrastructure platforms and payment providers raising concerns about publicly reported examples of financial services companies denying customers access to services based on their political or religious views. The letter warns the companies that denying banking services based on political or religious views could violate the FTC Act and lead to potential enforcement action.

### Congressional Updates

#### Stablecoin Yield Compromise Text Draws Mixed Industry Reaction

- Draft compromise language on stablecoin yield for the market structure legislation was shared with crypto and banking industry representatives and is reported to be released this week. The compromise would reportedly prohibit yield or rewards on passive stablecoin balances and bar any rewards structure economically equivalent to interest on a bank deposit. Initial industry reaction [was mixed](#).

### House Financial Services Committee Holds Tokenization Hearing

- On March 25, the House Financial Services Committee held [a hearing titled](#) “Tokenization and the Future of Securities: Modernizing Our Capital Markets.” The hearing examined how tokenization is being used in capital markets and whether existing securities laws and regulations adequately govern these activities.
- The hearing considered two draft bills:
  - The [Modernizing Markets Through Tokenization Act of 2026](#), which would direct the SEC and CFTC to conduct a joint study on whether additional guidance or rules are needed to facilitate the development of tokenized securities and derivatives products.
  - The [Capital Markets Technology Modernization Act of 2026](#), which would clarify that broker-dealers, transfer agents, investment advisers and national securities exchanges may use blockchain-based recordkeeping consistent with applicable rules under the Securities Exchange Act of 1934. Neither bill was voted on at the hearing.

### House Financial Services Digital Assets Subcommittee Holds Innovation Hearing

- On March 25, the House Financial Services Digital Assets Subcommittee held a [hearing titled](#) “Innovation at the Speed of Markets: How Regulators Keep Pace with Technology” focused on whether federal financial regulators and their existing frameworks are adequately supporting innovation in financial products.
  - The hearing introduced the [Financial Services Innovation Act of 2026](#), which would require federal financial regulators to establish Financial Services Innovation Offices within their agencies to foster innovation in financial services. Companies could apply for an “enforceable compliance agreement” with the relevant agency, which could allow them to present an alternative compliance plan for a new financial product.

### Bipartisan Senate Bill Introduced to Ban Sports Prediction Market Contracts

- On March 23, Sens. Adam Schiff (D-CA) and John Curtis (R-UT) [introduced](#) the [Prediction Markets Are Gambling Act](#), bipartisan legislation that would amend the Commodity Exchange Act to prohibit any CFTC-registered entity from listing contracts tied to sporting events, athletic competitions or casino-style games. The bill explicitly preserves state authority to regulate or prohibit such contracts within their jurisdictions.

### Additional Updates

#### NYSE Partners With Tokenization Company to Support Tokenized Securities

- On March 24, the New York Stock Exchange (NYSE) and a tokenization company released a [Memorandum of Understanding \(MOU\)](#) to support the development of tokenized securities markets, with the tokenization company named as the digital transfer agent to mint blockchain-native securities for corporate or ETF issuers on the upcoming NYSE-affiliated tokenized securities platform (the Digital Trading Platform).
- The companies plan to collaborate on the development of standards for digital transfer agents and tokenization agents participating in the digital ecosystem, with a focus on establishing regulatory, operational and technology requirements for institutional-grade tokenized securities infrastructure.

**Nasdaq Partners With Digital Asset Infrastructure Company for Tokenized Collateral**

- On March 23, Nasdaq [announced a partnership](#) with a digital asset infrastructure company to develop an integrated solution for managing tokenized collateral. The partnership addresses structural barriers that have prevented widespread adoption of tokenized collateral in institutional markets, including the challenge of integrating digital assets into existing risk management and collateral workflows.

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