

April 2026

Follow us on [LinkedIn](#)

Crypto Policy Tracker

SEC Issues Broker-Dealer Guidance for Crypto User Interfaces, Tokenization Initiatives Advance, CFTC Chairman Testifies and 9th Circuit Hears Prediction Markets Arguments

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

The SEC's Division of Trading and Markets issued a staff statement articulating the conditions under which providers of certain crypto asset securities user interfaces may operate without registering as broker-dealers under the Securities Exchange Act of 1934. The SEC also advanced its broader initiative regarding tokenized securities, which included remarks by Division Director Jamie Selway confirming that the Division is working on an "innovation exemption" recommendation to allow certain trading venues to trade tokenized securities.

On Capitol Hill, stablecoin yield negotiations continued, with a White House adviser expressing cautious optimism that a compromise has been reached and Sen. Thom Tillis (R-NC) indicating that updated draft legislation could be released soon. The Senate Banking Committee announced a confirmation hearing for Kevin Warsh, President Trump's nominee to chair the Federal Reserve, scheduled for April 21. Separately, the Ninth Circuit heard consolidated oral arguments from multiple federally regulated prediction market platforms challenging Nevada's efforts to enforce its gaming laws against their sports event contract offerings.

Regulatory Updates

SEC Staff Clarifies Broker-Dealer Registration for Crypto User Interfaces

- On April 13, the staff of the SEC's Division of Trading and Markets issued a [statement](#) articulating the conditions under which a "Covered User Interface Provider" may create, offer or operate a user interface for crypto asset securities transactions without registering as a broker-dealer under Section 15(a) of the Securities Exchange Act of 1934. The statement applies specifically to non-custodial interfaces, including websites, browser extensions and mobile applications designed to assist users in submitting self-initiated transactions through their own self-custodial wallets. Conditions for relying on the statement include permitting users to customize transaction parameters, providing access to more than one trading venue and refraining from providing recommendations.

- Commissioner Hester Peirce issued a [separate statement](#) stating, “wallets and interfaces do not become ‘brokers’ solely because they enable users to create or control self-custody wallets or transmit instructions to a blockchain; allow users to view onchain prices or data; or format messages for users to sign or approve from a self-custody wallet.”

SEC Director Selway on Tokenization and Innovation Exemption

- On April 13, at the Security Traders Association of New York’s 90th Annual Conference, SEC Director of the Division of Trading and Markets Jamie Selway delivered [remarks](#) on the Division’s ongoing work to advance tokenized securities. He noted that the Division has issued a no-action letter to the Depository Trust Company (DTC) related to a three-year pilot program to tokenize securities, a staff statement setting out a taxonomy for tokenized securities, and, earlier that day, the staff statement regarding wallets and user interfaces discussed above.
- Director Selway confirmed that the Division is currently preparing an “innovation exemption” recommendation to the Commission that would allow certain trading venues to trade tokenized securities and invited feedback from market participants.

SEC Small Business Advisory Committee to Hold Meeting on IPOs

- On April 16, the SEC’s Small Business Capital Formation Advisory Committee [announced](#) it will hold a meeting on April 28 to consider approaches to encouraging more companies to go public and to examine the regulatory framework that has contributed to a decline in IPO activity.

Congressional Updates

Kevin Warsh Nomination Hearing Scheduled

- The Senate Banking Committee [announced](#) that the confirmation hearing for Kevin Warsh, President Trump’s nominee to serve as the next Chair of the Federal Reserve Board of Governors, will take place on April 21. Jerome Powell’s term as Chair expires on May 15, 2026.
- The path to a full Senate vote remains uncertain. Sen. Tillis, a member of the Senate Banking Committee, has stated he will withhold his vote on the nomination until a Department of Justice investigation into Chairman Powell is resolved.

CLARITY Act Key Developments

- The Senate Banking Committee has yet to announce a markup date for the CLARITY Act as negotiations on stablecoin yield continue. On April 13, Sen. Tillis [indicated](#) that updated draft stablecoin legislation would “probably” be released this week but no draft has since been published. Tillis proposed another Hill meeting between bank and crypto representatives to resolve remaining disputes but no meeting has been scheduled.
- If the Senate Banking Committee wants to vote on the legislation the week of April 27, the markup would need to be announced by April 24.
- On April 13, Patrick Witt, Executive Director of the President’s Council of Advisors for Digital Assets, told [reporters](#) he was cautiously optimistic that a compromise on stablecoin yield had been reached and that negotiations have since turned to other open issues, including DeFi illicit finance protections.
- The White House Council of Economic Advisers released a report on the effects of a stablecoin yield prohibition on bank lending, concluding that prohibiting yield would have only a minimal impact on preventing deposit flight. The American Bankers Association raised concerns with the report’s methodology.

CFTC Chairman Selig Testifies Before House Agriculture Committee

- On April 16, CFTC Chairman Michael Selig [testified](#) before the House Agriculture Committee, affirming the Commission's position that it maintains sole regulatory authority over event contracts and 24/7 commodities trading. Chairman Selig repeatedly emphasized a zero-tolerance policy for fraud, market manipulation and insider trading across all CFTC-regulated markets.
- Democratic members of the Committee pressed Chairman Selig on the Commission's regulatory approach to prediction market platforms, raising concerns about insider trading risks, the similarities between sports event contracts and state-regulated sports wagering, and potential conflicts of interest. Members of both parties raised concerns about the Commission's current staffing levels.

Additional Updates

9th Circuit Hears Oral Arguments in Prediction Markets Cases

- On April 16, the U.S. Court of Appeals for the Ninth Circuit heard consolidated [oral arguments](#) in cases brought by multiple prediction market platforms challenging Nevada's efforts to enforce state gaming laws against their sports event contract offerings. The arguments focused on whether the Commodity Exchange Act preempts state gaming regulation in this context.

NYSE Files Proposed Rule Change Enabling Trading of Tokenized Securities

- On April 9, the NYSE filed a [proposed rule change](#) with the SEC, facilitating the trading of securities on the NYSE in tokenized form during the [DTC's tokenization pilot program](#), subject to the same conditions and restrictions as included in the [recently approved](#) Nasdaq rule change.

International Organization Awaits US Standards for Crypto Regulations

- On April 15, a senior official from the Organization for Economic Co-operation and Development (OECD) [stated](#) that the organization is awaiting U.S. Treasury's crypto regulations before determining whether to incorporate them into the OECD's Crypto-Asset Reporting Framework.

FASB Meets to Discuss Digital Assets as Cash Equivalents

- On April 15, the Financial Accounting Standards Board (FASB) [held](#) a board meeting to consider the classification of certain digital assets as cash equivalents. Board members voted to propose that companies be required to disclose annually the amounts of significant classes of cash equivalents, an example category that could include stablecoins, money-market funds and Treasury bills.

✧ ✧ ✧

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

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 Diego

Spencer Francis Young
+1-858-458-3026
spenceryoung@paulhastings.com

San Francisco

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

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

Washington, D.C.

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

Paul Hastings LLP

Crypto Policy Tracker is published solely for the interests of friends and clients of Paul Hastings LLP and should in no way be relied upon or construed as legal advice. The views expressed in this publication reflect those of the authors and not necessarily the views of Paul Hastings. For specific information on recent developments or particular factual situations, the opinion of legal counsel should be sought. These materials may be considered ATTORNEY ADVERTISING in some jurisdictions. Paul Hastings is a limited liability partnership. Copyright © 2026 Paul Hastings LLP.