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Crypto Policy Tracker

Congress Encourages Retirement Access to Alternative Assets, Treasury Launches Stablecoin Rulemaking and US–UK Taskforce Announced

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Last week's developments highlight continued momentum in digital asset and financial innovation policy across Congress and federal agencies. On Capitol Hill, House lawmakers encouraged the SEC to support implementation of the President's executive order on expanding retirement access to alternative assets, while Senate Democrats released a framework outlining priorities for bipartisan market structure legislation. The House Financial Services Committee also intensified oversight of the Federal Reserve's approach to combating payments fraud and held a subcommittee hearing examining the promise and risks of artificial intelligence in the financial sector.

The U.S. Treasury and U.K. Treasury launched a new Transatlantic Taskforce for Markets of the Future to coordinate on digital asset and capital markets policy, the SEC Chairman delivered opening remarks at the Investor Advisory Committee Meeting noting the evolving landscape of foreign private issuers in U.S. capital markets and the CFTC named new members to its Global Markets Advisory Committee. The U.S. Treasury also issued an advance notice of proposed rulemaking under the GENIUS Act.

Congressional Updates

Lawmakers Encourage the SEC to Provide Swift Assistance Regarding Alternative Assets in Retirement Plans

- On September 22, House Financial Services Committee Chairman French Hill (R-AR), Subcommittee on Capital Markets Chair Ann Wagner (R-MO) and other members of the House Financial Services Committee sent [a letter to SEC Chairman Paul Atkins](#) regarding [Executive Order 14330](#) on "Democratizing Access to Alternative Assets for 401(k) Investors." The letter encourages the SEC to provide swift assistance to the Secretary of Labor to make any necessary revisions to current regulations and guidance regarding retirement plans and provide access to retail investors (or all investors) to alternative investments, including digital assets. The letter also requests the SEC review bipartisan legislation being advanced in the 119th Congress on the accredited investor standard ([H.R. 3394](#), [H.R. 3348](#), [H.R. 3339](#)). The letter contends that such actions will help the 90 million Americans who are currently restricted from investing in alternative assets (including a wide variety of investment opportunities that have played a significant role in wealth creation) "to secure a dignified, comfortable retirement."

- [Executive Order 14330](#) was issued by the President on August 7, asserting that it is the policy of the United States that every American preparing for retirement should have access to funds that include investments in “alternative assets,” which include private investments, real estate, holdings in digital asset investment vehicles, commodities and more. The Secretary of Labor was directed to consult with the Treasury, SEC and other regulators to implement regulatory changes, and the SEC was directed to consider ways to facilitate access to alternative asset investments for retirement plans and consider changes to regulations and guidance related to accredited investor and qualified purchaser status.
- On September 18, SEC Chairman Paul Atkins [stated that he was](#) “delighted by President Trump’s Executive Order to democratize access to alternative assets. The Commission is exploring ways to facilitate the ability of individual investors to participate in the private markets, while at the same time protecting those investors from bad actors and fraud.”

Senate Democrats Release Statement on Market Structure Legislation

- On September 19, certain Democratic senators issued [a statement on market structure legislation](#), stating that digital assets are a \$4 trillion global market that will require a considered and bipartisan approach to regulation. The statement continued that they hope their Republican colleagues will agree to a bipartisan authorship process and engage in true collaboration.
- The statement comes after the senators [released a framework](#) containing seven key pillars that any market structure legislation should include:
 1. Closing the gap in the spot market for non-security digital assets
 2. Clarifying the legal status of digital assets and regulator jurisdiction
 3. Incorporating digital asset issuers into the regulatory framework
 4. Incorporating digital asset platforms into the regulatory framework
 5. Preventing illicit finance
 6. Preventing corruption and abuse
 7. Ensuring fair, effective regulation

Chairman Hill Writes Op-Ed on Market Structure Legislation

- On September 16, House Financial Services Committee Chairman French Hill (R-AR) published an [op-ed in CoinDesk](#) on the pressing need for digital asset market structure legislation. Chairman Hill argued that without legislation, the U.S. risks losing consumers and investors to Latin America and European markets that have comprehensive market structure frameworks. He emphasized that regulations should not “crowd out small innovative firms, creating a landscape where only large institutions can successfully comply within the legal framework.” Chairman Hill said market structure legislation needs to be enacted by the end of this year.

House Subcommittee Holds Hearing on AI and Financial Services

- On September 18, the House Subcommittee on Digital Assets, Financial Technology and Artificial Intelligence held a hearing titled “[Unlocking the Next Generation of AI in the U.S. Financial System for Consumers, Businesses, and Competitiveness](#)” and issued a [press release](#) the next day.
- On the potential for regulators to use AI, Chairman French Hill (R-AR) stated: “We saw demonstrated how AI has the potential to boost efficiency, cut costs, and strengthen the tools used to protect consumers from fraud detection to anti-money laundering[.]”
- On AI and the spread of misinformation, Rep. Zach Nunn (R-IA) stated: “[AI] has lowered the barrier to entry. It’s allowed misinformation to expand an accelerated rate.”

- On how the U.S. can win the AI arms race, witness Dr. Christian Lau, Co-Founder and President, Dynamo AI responded: "... combining open marketplaces that foster innovation allow different folks to compete, and then we get to choose the best ones for our use cases, is absolutely essential here for us to be competitive in this arms race." Mr. Lau also stated: "I expect AI to further extend across the financial services value chain, including financial product operations, investment 3 analysis, and customer experience over the near term."
- On how to safeguard from AI fraud, Rep. John Rose (R-TN) stated: "What's most important is that our institutions are whether they're small banks, whether they're large ones, that they have access to that state-of-the-art screening technology[.]"

Regulatory Agency Updates

Collaboration Between UK and US Financial Systems to Drive Innovation and Growth in Global Markets

- On September 22, the U.S. Department of the Treasury [issued a press release](#) on the creation of a Transatlantic Taskforce for Markets of the Future with the U.K. Treasury. The Taskforce is to report back to both finance ministries, via the U.K.-U.S. Financial Regulatory Working Group (FRWG), on recommendations to enhance collaboration on capital markets, digital assets and other innovative financial activities. These recommendations are to be developed in close collaboration with industry partners, ensuring the Taskforce unlocks opportunities for investors, businesses and market participants on both sides of the Atlantic.
- The Transatlantic Taskforce for Markets of the Future should report within 180 days. The Taskforce is to be chaired by officials from HM Treasury and U.S. Treasury and include representatives from U.K. and U.S. regulators responsible for capital markets and digital assets regulation as appropriate.

SEC Chairman Delivers Remarks at Investor Advisory Committee Meeting

- On September 18, the SEC held the [Investor Advisory Committee Meeting](#), featuring the following panels: "Reconsidering the Eligibility Criteria and Regulatory Treatment of Foreign Private Issuers" and "Discussion of Recommendations Regarding Retail Investor Access to Private Market Assets."
- SEC Chairman Paul Atkins delivered [opening remarks](#), noting the evolving landscape of foreign private issuers in U.S. capital markets. Atkins stated the desire "to attract foreign companies to U.S. markets and provide Americans with the opportunity to invest in those companies while ensuring that U.S. and foreign firms experience a level playing field." He also noted the SEC's request for "public feedback on whether foreign companies listed in the United States should be subject to additional conditions — such as a minimum foreign trading volume or listing on a major foreign exchange — for them to receive accommodations not available to U.S. companies." Such action was not "to disincentivize such firms from listing on U.S. exchanges" but to "better understand the impact" and highlights that among the "notable changes are the makeup of foreign companies reporting to the SEC and the trend of incorporating in a jurisdiction, such as the Cayman Islands, that differs from where the company is headquartered, operates, and is subject to a governance framework[.]" His opening remarks with regards to the second panel focused on retail investors' access to private market assets. He stated that, "for over twenty years, retail investors who were not accredited lacked the opportunity to gain exposure to private assets through such vehicles as private equity and hedge funds." He continued that earlier this year, he "directed the SEC staff to reconsider this position, and, as a result, funds will no longer receive comments to this effect during the registration process."
- SEC Commissioner Hester Peirce also delivered [opening remarks](#), indicating openness to allowing retail investors greater access to private market investments.

CFTC Announces Members of Global Markets Advisory Committee

- On September 19, CFTC Acting Chairman Caroline Pham [announced new members](#) of the Global Markets Advisory Committee and subcommittees. Scott Lucas, Managing Director, Head of Markets Digital Assets at J.P. Morgan, has been appointed co-chair of the GMAC's Digital Asset Markets Subcommittee, together with co-chair Sandy Kaul, Executive Vice President, Head of Innovation at Franklin Templeton.
- The Global Markets Advisory Committee (GMAC) was [created in 1998](#) to advise the CFTC on issues that affect the integrity and competitiveness of U.S. markets. The GMAC also makes recommendations regarding international standards for regulating futures, swaps, options and derivatives markets, as well as intermediaries. Members include financial market infrastructures, market participants, end-users, service providers and regulators.

Treasury Issues Advance Notice of Proposed Rulemaking Regarding the GENIUS Act

- On September 19, the Department of the Treasury issued an [advanced notice of proposed rulemaking](#) to solicit public comment on questions relating to the implementation of the GENIUS Act. The GENIUS Act tasks Treasury (and various other federal agencies) with issuing regulations that encourage innovation in payment stablecoins while also providing an appropriately tailored regime to protect consumers, mitigate potential illicit finance risks and address financial stability risks. The comment period will close on October 20.
- Through this advanced notice, Treasury is seeking public comment on potential regulations that may be promulgated by Treasury, including regarding prohibitions on certain yield or reward payments to stablecoin holders, anti-money laundering and sanctions obligations, the balance of state-level oversight with federal oversight, comparable foreign regulatory and supervisory regimes, and tax issues, among other things.

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