

March 2026

Follow us on [LinkedIn](#) 

## Crypto Policy Tracker

# OCC Proposes Stablecoin Rule Under GENIUS Act, SEC Advances IPO Reform Agenda, and Senate Bill Seeks Expanded CFTC Funding

By [Chris Daniel](#), [Eric C. Sibbitt](#), [Dana V. Syracuse](#), [Josh Boehm](#), [Meagan E. Griffin](#), [Lawrence D. Kaplan](#), [Monica Jang](#), [Lisa E. Rubin](#), [Dina Ellis Rochkind](#), [Stephen J. Turnachik](#) and [Samantha Ackel](#)

Federal financial regulators and lawmakers continued advancing digital asset and capital markets policy this week. The Office of the Comptroller of the Currency (OCC) released a proposed rule to implement the GENIUS Act, outlining, in sum, application, supervisory, capital, liquidity and risk management standards for permitted payment stablecoin issuers. The proposal would establish transition standards for certain state-qualified issuers with more than \$10 billion in outstanding issuance and addresses affiliate arrangements and limitations relating to stablecoin yield. The proposal will be open for public comment for 60 days. Separately, the OCC finalized its proposed rule clarifying that national trust banks can be chartered to engage in trust company operations and related activities, including nonfiduciary activities such as custody and safekeeping. The final rule is expected to take effect on April 1.

SEC Chairman Paul Atkins, meanwhile, continued to promote his initiative to “Make IPOs Great Again,” advocating for broader “test-the-waters” flexibility for all issuers and a modernized “accredited investor” definition that could include knowledge-based qualification standards. These reforms could reduce barriers to going public and increase participation in the public markets, including by crypto-native firms. The SEC’s Division of Investment Management also announced a March 4 roundtable on private market valuation as retail investor exposure to private assets expands, and it appointed a new Chief Counsel of the Crypto Task Force.

In addition, the Federal Reserve Board opened a public comment period on a proposed rule to formally remove reputational risk as a component of bank supervision. On Capitol Hill, Senate Agriculture Committee Chairman John Boozman introduced the Digital Commodity Intermediaries Act (S.3755), which would provide the CFTC with an additional \$150 million in funding, supplementing the \$365 million appropriated for fiscal year 2026.

### Regulatory Updates

#### **OCC Releases Stablecoin Rule Proposal Under the GENIUS Act**

- On Feb. 25, the OCC released a [proposed rulemaking](#) under the GENIUS Act. The notice of proposed rulemaking generally sets forth and seeks comment on the regulations that would apply to permitted payment stablecoin issuers and foreign payment stablecoin issuers under the OCC’s

jurisdiction, as well as certain custody activities conducted by OCC-supervised entities. There is a 60-day comment period running until approximately May 1.

- The OCC also proposed implementation provisions to the GENIUS Act's transition standards for state qualified payment stablecoin issuers with an outstanding issuance value of more than \$10 billion.
- The [GENIUS Act](#) prohibits permitted stablecoin issuers from paying holders “any form of interest or yield (whether in cash, tokens, or other consideration) solely in connection with the holding, use, or retention of such payment stablecoin.” The OCC’s proposed rule implements this prohibition in proposed §15.10(c)(4), which establishes a rebuttable presumption that an issuer has violated the yield prohibition when the issuer pays an affiliate or “related third party” that in turn pays yield to stablecoin holders. An issuer may overcome the presumption by submitting written materials demonstrating to the OCC’s satisfaction that the arrangement is not prohibited and is not an attempt to evade restriction.

### **OCC Issues Final Rule for National Trust Bank Activities**

- On Feb. 27, the OCC issued a [final rule](#) codifying its longstanding position that national trust banks can be chartered to engage in trust company operations and related activities, which can include nonfiduciary activities such as custody and safekeeping. To implement the change, the OCC modified references in 12 CFR 5.20, changing the phrase “fiduciary activities” to “operations of a trust company and activities related thereto.” The final rule will become effective on April 1.

### **SEC Issues New C&DIs for Regulation A and Regulation Crowdfunding**

- On Feb. 17, the SEC’s Division of Corporation Finance released new [Compliance and Disclosure Interpretations](#) (C&DIs) clarifying procedural and substantive requirements for [Regulation A](#) and [Regulation Crowdfunding](#) offerings.
- The new interpretations address qualification, offering structure, disclosure and aggregate offering limit considerations under these exemptions, which may be relevant for digital asset projects exploring exempt capital-raising pathways.

### **SEC to Host Roundtable on Private Markets Valuation**

- The SEC Division of Investment Management will host a [roundtable on Mar. 4](#) to discuss private markets valuation as retail investor access accelerates. Director of the Division of Investment Management Brian Daly stated: “With retail exposure to alternative investments becoming more common, we want to help everyday investors understand the different valuation approaches used in these products.”

### **Federal Reserve Moves Closer to Removing Reputational Risk From Bank Examinations**

- On Feb. 23, the Federal Reserve Board [announced a public comment period](#) on a notice of proposed rulemaking to [codify the removal](#) of reputational risk from bank examinations. The proposed rulemaking requires that bank examiners prioritize risks that threaten bank safety and soundness. The comment period will close on April 27.

### **SEC Chairman Atkins and Commissioner Peirce on Revitalizing IPOs**

- On Feb. 23, SEC Chairman Paul Atkins discussed his initiative to “Make IPOs Great Again” in his [remarks at](#) the U.S. Chamber of Commerce Center for Capital Markets Competitiveness, discussing the INVEST Act ([H.R. 3383](#)) and the Empowering Main Street in America Act ([S.5139](#)). For example, he explained, allowing all companies to “test-the-waters” before their IPO could incentivize more firms to explore going public. Atkins also said that a modernized

“accredited investor” definition, meanwhile, such as a knowledge-based exam, would recognize that financial sophistication can scarcely be measured by income or net worth alone.

- These reforms could lower the cost and complexity of going public, potentially increasing the number and diversity of IPOs, including crypto firms.
- On Feb. 24, SEC Commissioner Hester Peirce delivered [remarks before](#) the Small Business Capital Formation Advisory Committee, reflecting that “[s]ome of the growth in private secondary markets may stem from an IPO market that, while showing some promising signs of activity, is still not where we would like it to be.” Peirce expressed her support for capital formation in the private and public markets and Atkins’ goal of revitalizing IPOs. She stated that the “Commission can do more to improve liquidity in our private markets, but public markets facilitate price discovery and retail access in a way that the private secondary market cannot duplicate perfectly.”

### SEC Crypto Task Force Names Chief Counsel

- On Feb. 23, SEC Commissioner Peirce [welcomed Taylor Lindman](#) as Chief Counsel of the Crypto Task Force, after its previous chief, Michael Selig, left to lead the CFTC. Lindman most recently served as Deputy General Counsel of Chainlink Labs.

### Congressional Updates

#### Representatives Introduce Bill to Protect Blockchain Developers

- On Feb. 26, Reps. Scott Fitzgerald (R-WI), Ben Cline (R-VA) and Zoe Lofgren (D-CA) [introduced the Promoting Innovation in Blockchain Development Act of 2026](#) to protect software developers who solely write code from criminal prosecution under [18 U.S.C. § 1960](#). The bill clarifies that criminal code §1960 only applies to a person who controls customer assets and transmits funds on behalf of customers. [Rep. Cline stated](#): “This bipartisan bill restores needed clarity by protecting developers who don’t control customer funds, while ensuring law enforcement can continue to target real criminals.”

#### Senate Banking Committee Holds Prudential Regulators Hearing

- On Feb. 26, the Senate Banking Committee held [a hearing titled](#) “Update from the Prudential Regulators: Rightsizing Regulation to Promote American Opportunity.” Senate Banking Committee Chairman Tim Scott (R-SC) delivered opening remarks regarding the GENIUS Act. Comptroller of the Currency Johnathan Gould said the agency welcomes applications for bank charters and is looking forward to the public’s comments on the OCC’s newly published [notice of proposed rulemaking](#) implementing the GENIUS Act. Federal Reserve Vice Chair for Supervision Michelle Bowman stated the agency is coordinating efforts with other banking regulators on capital and liquidity regulations for stablecoin issuers. National Credit Union Administration Chairman Kyle Hauptman said the agency is working with other federal payment stablecoin regulators on notices of proposed rulemaking for stablecoin issuer standards. Federal Deposit Insurance Corporation Chairman Travis Hill discussed the agency’s notice of proposed rulemaking to implement the Act, released December 2025, and the [extension of the public comment period](#) to May 18.

#### Sen. Boozman Seeks Additional Funding for CFTC

- Earlier this month, Senate Agriculture Committee Chairman John Boozman (R-AK) introduced the Digital Commodity Intermediaries Act ([S.3755](#)) to grant the CFTC an additional \$150 million in government funding and create a fee-based program for digital commodity brokers, dealers,

exchanges and custodians who will be required to register with the agency. This comes after [Congress appropriated \\$365 million](#) to the agency for the fiscal year 2026.

### **Additional Updates**

#### **Crypto Trade Association Releases Principles for Digital Asset Tax Policy**

- A crypto trade association group released [10 guiding principles](#) for Congress to modernize digital asset tax policy, including that tax policy should weigh the impact of unduly burdensome compliance requirements for individual taxpayers and the realities of IRS administrability. The tax-writing committees in the House and Senate — Senate Finance and House Ways & Means — have been actively working on legislation addressing the tax treatment of digital assets.

✧ ✧ ✧

*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](mailto:chrisdaniel@paulhastings.com)

Meagan E. Griffin  
+1-404-815-2240  
[meagangriffin@paulhastings.com](mailto:meagangriffin@paulhastings.com)

#### **Los Angeles**

Stephen J. Turanchik  
+1-213-683-6187  
[stephenturanchik@paulhastings.com](mailto:stephenturanchik@paulhastings.com)  
[m](#)

#### **New York**

Josh Boehm  
+1-212-318-6033  
[joshboehm@paulhastings.com](mailto:joshboehm@paulhastings.com)

Dana V. Syracuse  
+1-212-318-6034  
[danasyracuse@paulhastings.com](mailto:danasyracuse@paulhastings.com)

Monica Jang  
+1-212-318-6628  
[monicajang@paulhastings.com](mailto:monicajang@paulhastings.com)

Samantha Ackel  
+1-212-318-6385  
[samanthaackel@paulhastings.com](mailto:samanthaackel@paulhastings.com)  
[m](#)

#### **San Francisco**

Eric C. Sibbitt  
+1-415-856-7210  
[ericsibbitt@paulhastings.com](mailto:ericsibbitt@paulhastings.com)

Lisa E. Rubin  
+1-415-856-7027  
[lisarubin@paulhastings.com](mailto:lisarubin@paulhastings.com)

#### **Washington, D.C.**

Dina Ellis Rochkind  
+1-202-551-1938  
[dinaellis@paulhastings.com](mailto:dinaellis@paulhastings.com)

Lawrence D. Kaplan  
+1-202-5512-1829  
[lawrencekaplan@paulhastings.com](mailto:lawrencekaplan@paulhastings.com)  
[m](#)

#### Paul Hastings LLP

Stay Current 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 © 2025 Paul Hastings LLP.