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Crypto Policy Tracker

Federal Regulators Speak at Bitcoin 2026, Fed Chair Nomination Progresses, CLARITY Act Negotiations Continue and CFTC Sues Wisconsin over Prediction Markets

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Officials convened at the Bitcoin 2026 Conference in Las Vegas last week to outline the current administration's approach to digital asset policy. SEC Chairman Paul Atkins and CFTC Chairman Michael Selig delivered back-to-back remarks underscoring their commitment to interagency harmonization, previewing an imminent innovation exemption for tokenized securities and affirming the need for durable market structure legislation. Acting Attorney General Todd Blanche addressed the conference alongside FBI Director Kash Patel to clarify the Department of Justice's enforcement posture toward blockchain software developers, reaffirming that the DOJ will not target developers whose code is used by third parties to commit crimes without the developer's knowledge.

The SEC also held a Small Business Capital Formation Advisory Committee meeting focused on revitalizing IPO activity, and CFTC Chairman Selig separately announced plans to deploy artificial intelligence tools for registration review and market surveillance.

Regulatory Updates

Federal Regulators Speak at Bitcoin 2026 Conference

- On April 27-29, federal regulators spoke at the Bitcoin 2026 Conference in Las Vegas to provide regulatory clarity on current key issues affecting market participants.
- [SEC Chairman Paul Atkins](#). Atkins [told attendees](#) that while bringing regulatory clarity to crypto has been a focus of the SEC and CFTC, market structure legislation is needed to future-proof crypto regulations. Atkins also discussed an upcoming innovation exemption for tokenized securities and the recently released token taxonomy guidance.
- [CFTC Chairman Michael Selig](#). Selig [discussed CFTC and SEC's joint harmonization efforts](#) to bridge regulatory gaps between the two agencies, highlighting the recent joint crypto taxonomy guidance and memorandum of understanding. He affirmed his support for the CLARITY Act and emphasized the need for "statutory guardrails" to prevent future administrations from overturning the work that has been done.

- [Acting Attorney General Todd Blanche](#). Blanche [told attendees](#) that, in line with the [April 2025 memo](#) titled “Ending Regulation By Prosecution,” the Department of Justice will no longer target blockchain developers whose software is unknowingly used by third-party actors to commit crimes. Blanche said instead the agency is focused on prosecuting bad actors committing illicit financial crimes.
- [Executive Director of the President’s Council of Advisors for Digital Assets Patrick Witt](#). Witt [told attendees](#) that the council plans to release next steps on the Strategic Bitcoin Reserve in the coming weeks. Witt said that the legal framework behind the reserve would need to be backed by legislation to ensure longevity.

SEC Small Business Advisory Committee Holds Meeting on IPOs

- On April 28, the SEC’s Small Business Capital Formation Advisory Committee [held a meeting](#) 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. Currently, the SEC has four proposed rules pending review by the White House’s Office of Information and Regulatory Affairs, including those related to crypto assets, semiannual reporting, the enhancement of emerging growth company accommodations and simplification of filer status for reporting companies and registered offering reforms. The Chairman’s and Commissioner’s remarks during the meeting provide some insight into what to expect from the rules.
- Chairman Atkins [told attendees](#) that he has directed SEC staff to evaluate proposals like a regulatory IPO “on-ramp” that would provide smaller companies with more certainty by not automatically terminating them five years after a company becomes public. He also underscored the importance of providing small public companies with full access to shelf registration and the benefits of optional semiannual reporting.
- SEC Commissioner Hester Peirce [said the Commission](#) is exploring ways to change Regulation S-K to reduce ongoing compliance costs that do not provide investor protection to encourage more companies to go and remain public. She also proposed questions regarding the IPO process related to how deal size impacts underwriter interest, the level of management attention needed to facilitate an IPO process, the length of the process and its impact on deal execution risk and potential to be shortened.
- SEC Commissioner Mark Uyeda [said compliance costs, underwriter economics and current regulatory frameworks](#) have contributed to the decline in IPOs for smaller companies and questioned what changes could encourage smaller companies to access public markets.

CFTC Chairman Selig Announces CFTC Initiative to Use AI

- On April 28, in an [interview with CoinDesk](#), CFTC Chairman Michael Selig told reporters that the agency intends to use AI to review registration applications and assist with market surveillance. Selig added that CFTC staff are currently being trained in how to use AI for these purposes, while also developing in-house tools designed for the agency.

Congressional Updates

Senate Banking Committee Votes to Advance Kevin Warsh’s Nomination

- On April 29, the Senate Banking Committee voted to advance the nomination of Kevin Warsh to serve as the Chairman of the Federal Reserve Board of Governors. The nomination now heads to the full Senate floor for a vote, expected to occur during the week of May 11. During his recent confirmation hearing, Warsh affirmed his pro-crypto stance.
- On April 29, Federal Reserve Chairman Jerome Powell [announced he will remain](#) at the Federal Reserve as a member of the Board of Governors after his term as Chairman ends on May 15.

Powell said he would not leave the Board until a time to be determined while investigations into the renovations to the Federal Reserve headquarters are complete. Powell's term to serve as a Federal Reserve Governor ends in 2028.

Two Senators Finalize Market Structure Legislation Negotiations on Stablecoin Yield

- Senate Banking Committee Chairman Tim Scott (R-SC) announced that the CLARITY Act is officially in the “red zone,” and he plans to hold committee markup this month. During a [Fox Business interview](#) on April 29, Scott stated that he is “ready to move forward” and aims to secure a full Senate floor vote in June or July so it can reach the President's desk this summer.
 - Yield Language Released: On May 1, Sens. Thom Tillis (R-NC) and Angela Alsobrooks (D-MD) released their compromise legislative language regarding stablecoin rewards. The draft prohibits payments “functionally equivalent” to bank interest while preserving “bona fide” rewards programs.
 - Legislative Timeline: The committee hopes to consider the legislation before the May 21 Memorial Day recess to get Senate floor time and keep the 2026 legislative calendar on track.
 - Markup Strategy: Chairman Scott indicated he is prepared to move the legislation forward with bipartisan support, but potentially on a party-line vote if necessary to ensure passage.
 - Remaining Negotiations: The yield deal is a significant step forward. Bipartisan negotiations continue on issues related to illicit finance and ethic.

Senate Passes Ban on Senators From Trading on Prediction Markets

- On April 30, the Senate passed a resolution with unanimous consent, prohibiting senators from trading on prediction market platforms. Sen. Bernie Moreno (R-OH), who introduced the resolution, [said he expects](#) the House to introduce a similar resolution. Senator Democratic Leader Chuck Schumer (D-NY) also [urged the House and White House](#) to pass a resolution.
- On the same day, Sens. Kirsten Gillibrand (D-NY) and Dave McCormick (R-PA) [introduced](#) the [Prediction Market Act of 2026](#) to ban members of Congress, the President, Vice President and senior executive branch officials from trading on prediction markets.

Additional Updates

State AGs Send Letter to CFTC on Prediction Markets

- On April 30, various states sent a [comment letter](#) in response to the CFTC's Advanced Notice of Proposed Rulemaking ([ANPRM](#)) related to prediction markets. The states' letter emphasized that the CFTC lacks exclusive jurisdiction over a broad range of sports-related contracts currently offered as event contracts. The letter argues that event contracts are “bet(s) for entertainment purposes,” thus falling outside the jurisdiction of the CFTC.

CFTC Sues Wisconsin and New York Over Prediction Market Lawsuits

- The CFTC [sued Wisconsin and New York](#) to seek declaratory and injunctive relief preventing the states from taking action against the CFTC-registered designated contract markets (DCMs) for violating state gambling laws. The CFTC asserts that the agency maintains exclusive jurisdiction over the DCMs. The legal battle over prediction markets remains uncertain after various courts have delivered different outcomes.

Stock Transfer Company Announces Tokenized Shares for US Issuers

- On April 29, a transfer agent [announced it will support U.S.-listed clients](#) to issue tokenized equity securities.

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

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