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## Crypto Policy Tracker

# White House Hosts Crypto Meetings, Treasury Secretary Addresses GENIUS Act Implementation, CFTC Withdraws Event Contracts Guidance and Updates Stablecoin Definition, SDNY Signals Focus on Prediction Markets and CME Unveils Tokenized Collateral

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The White House Crypto Policy Council convened a meeting with executives and trade associations representing both the crypto industry and traditional financial institutions to discuss legislation on digital asset market structure. Although no formal compromise was reached, representatives from both sides indicated that the discussion was productive. The White House directed banking and crypto stakeholders to return with proposed language changes to advance the bill. The White House has scheduled a second meeting to take place on Tuesday, Feb. 10.

Separately, CFTC Chairman Michael Selig projected that market structure legislation could reach the President's desk within the next couple of months. Treasury Secretary Scott Bessent also encouraged industry representatives to come to an agreement and support the legislation so it can get signed into law, stating, "We've got to bring safe, sound and smart practices and the oversight of the U.S. government, but also allow for the freedom that is crypto."

Secretary Bessent, who chairs the Financial Stability Oversight Council (FSOC), also delivered his annual report to the House Financial Services and Senate Banking Committees. He stated that the Treasury Department is moving forward with implementation of the GENIUS Act "with deliberate speed" and clarified that the strategic digital asset reserve refers to the government's retention of seized bitcoin related to criminal activity and not taxpayer dollars.

The CFTC announced the withdrawal of prior guidance prohibiting certain event contracts, including sports- and politically related prediction markets. This action follows last week's SEC-CFTC joint roundtable, during which Chairman Selig discussed the agency's plans to pursue formal rulemaking on event contracts and to reassess active litigation involving prediction markets. Separately, Manhattan U.S.

Attorney Jay Clayton stated that his office is evaluating how existing laws apply to prediction markets and indicated that fraud cases may be brought against bad actors exploiting those markets.

The CFTC also reissued CFTC Staff Letter 25-40, with a limited revision to the definition of “payment stablecoin.” The revision specifies that a national trust bank may be a permitted issuer of a payment stablecoin for purposes of the no-action position.

Finally, the Chicago Mercantile Exchange (CME) announced plans to expand its blockchain initiatives by launching a tokenized collateral solution. During CME’s most recent earnings call, CEO Terry Duffy confirmed that the firm is exploring “initiatives with our own coin that we could potentially put on a decentralized network,” signaling growing institutional interest in tokenized collateral infrastructure.

### **White House and Regulatory Updates**

#### **White House Meetings Between Banking and Crypto Stakeholders on Stablecoin Yield**

- On Feb. 2, the White House Crypto Policy Council [convened executives and trade associations](#) from the crypto industry and traditional finance to discuss digital asset market structure legislation. While no agreement was reached, participants described the meeting as constructive. The White House directed TradFi and crypto industry representatives to return with specific proposed language changes.
- Following the meeting, [banking representatives stated that](#) “any legislation must support local lending to families and small businesses that drives economic growth and protects the safety and soundness of our financial system.”
- [Crypto representatives responded that](#) “these conversations are exactly what’s needed to bridge differences, build consensus, and ensure Congress can deliver clear, durable rules of the road that protect consumers and support responsible innovation.”
- On Feb. 3, in a [Fox Business interview](#), CFTC Chairman Michael Selig stated that market structure legislation could be on the President’s desk within the next couple of months.
- Treasury Secretary Bessent encouraged stakeholders to come to an agreement and support the legislation so that it gets signed into law.
- The White House has scheduled a second meeting on Tuesday, Feb. 10.

#### **FDIC Extends Comment Period for GENIUS Act Regulations**

- On Feb. 6, the FDIC [announced a 90-day comment period extension](#) for the agency’s notice of proposed rulemaking (NPR) to implement the GENIUS Act, with respect to FDIC-supervised state nonmember banks and state savings associations seeking to issue payment stablecoins through a subsidiary. The FDIC said the extension is to “provide additional time for the public to prepare comments to address the matters raised by the NPR.” The comment period will now close on May 18.

#### **CFTC Withdraws Event Contracts Guidance**

- On Feb. 4, the CFTC [announced the withdrawal of prior guidance](#) that had restricted certain event contracts, including sports- and politically related prediction markets. The action follows the SEC–CFTC joint roundtable held the prior week, where Chairman Selig [outlined plans](#) to pursue rulemaking on event contracts and reassess pending litigation involving prediction markets. The withdrawal rescinds Press Release No. [8907-24](#) and [Staff Letter 25-36](#).

- Chairman Selig stated that “the Commission is withdrawing that proposal and will advance a new rulemaking grounded in a rational and coherent interpretation of the Commodity Exchange Act that promotes responsible innovation in our derivatives markets in line with Congressional intent.”
- In a Feb. 3 [Fox Business interview](#), Chairman Selig reiterated that the agency supports lawful innovation in prediction markets and will provide clear regulatory guidance, emphasizing that prediction markets are derivative instruments regulated at the federal level, rather than gambling activities regulated by the states.
- On a related note, Manhattan [U.S. Attorney Jay Clayton](#) stated that his office is actively evaluating how existing laws apply to prediction markets and expects fraud cases to be brought against actors who exploit those markets.

### CFTC Staff Updates Payment Stablecoin Definition

- On Feb. 6, the CFTC’s Market Participants Division [announced it has reissued](#) CFTC Staff Letter 25-40, originally issued Dec. 8, 2025, with a limited revision to the definition of “payment stablecoin.” After issuing the letter, division staff became aware that payment stablecoins that otherwise meet the definition in the letter may be issued by a national trust bank. The division did not intend to exclude national trust banks as issuers and determined to reissue CFTC Letter 25-40 with an expanded definition of “payment stablecoin.”
- The revision specifies that a national trust bank may be a permitted issuer of a payment stablecoin for purposes of the no-action position.

### Congressional Updates

#### House and Senate Committees Hold Treasury Oversight Hearings

- On Feb. 4, Secretary Bessent, in his capacity as FSOC Chair, delivered his annual report to the [House Financial Services Committee](#). When asked about GENIUS Act ([Public Law 119-27](#)) implementation, Secretary Bessent stated, “We are moving with deliberate speed.” He further clarified that the strategic digital asset reserve reflects the retention of seized bitcoin, explaining that approximately \$1 billion of bitcoin had been seized, \$500 million retained and that those holdings have since grown to more than \$15 billion.
- On Feb. 5, Secretary Bessent delivered his annual report to the [Senate Banking Committee](#). Sen. Hagerty (R-TN) emphasized the importance of GENIUS Act implementation in preserving the U.S. dollar as the global reserve currency. Secretary Bessent noted that U.S.-regulated stablecoins could serve as an important funding source for the federal government. Sen. Lummis (R-WY) urged the immediate passage of the CLARITY Act to advance digital asset market structure reform.

#### House Financial Services Committee Holds SEC Hearing

- On Feb. 4, the House Financial Services Subcommittee on Capital Markets [held a hearing titled](#) “A New Day at the SEC: Restoring Accountability, Due Process, and Public Confidence.” The hearing focused on reforming the SEC’s regulatory and enforcement approach. Subcommittee Chair Anne Wagner (R-MO) highlighted the SEC’s shift away from regulation by enforcement under the leadership of SEC Chairman Paul Atkins, while emphasizing that additional structural reforms are needed to ensure appropriate oversight and accountability in SEC policymaking. The Senate Banking Committee is [scheduled to hold a SEC oversight hearing](#) with testimony from Chairman Atkins on Feb. 12.

**Additional Updates****CME Expands Blockchain Initiatives With Tokenized Collateral**

- The Chicago Mercantile Exchange (CME) announced plans to launch an in-house [tokenized collateral solution](#) to complement its previously announced “tokenized cash” partnership with Google in March 2025. During CME’s latest [earnings call](#), CEO Terry Duffy suggested that the firm is exploring “initiatives with our own coin that we could potentially put on a decentralized network,” noting that the offering would appeal to market participants seeking cash-like instruments backed by a systemically important financial institution.
- Manhattan [U.S. Attorney Jay Clayton](#) stated that his office is also evaluating how existing laws apply to prediction markets.

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