

December 2025

Follow us on [LinkedIn](#) 

Crypto Policy Tracker

CFTC Nomination Hearing Highlights Market Structure Legislation, OCC Issues Interpretive Letter 1186 and Congress Introduces ‘Bitcoin for America Act’

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

Welcome back from the Thanksgiving holiday. The Senate Agriculture Committee held a nomination hearing for Michael Selig, who is currently chief counsel for the SEC Crypto Task Force, to become the CFTC Chair. The OCC issued Interpretive Letter 1186 confirming that, as part of the “business of banking,” national banks may hold and use crypto assets as principal to pay network gas fees on blockchain networks required to conduct otherwise permissible activities and to test crypto-asset platforms, whether internally built or provided by third parties.

In Congress, the “Bitcoin for America Act” was introduced to permit Americans to pay federal taxes in bitcoin, with payments directed to the Strategic Bitcoin Reserve. Additionally, House leaders continued efforts to include a central bank digital currency (CBDC) ban in the National Defense Authorization Act (NDAA), lawmakers urged the Treasury and the IRS to revisit guidance on the taxation of staking rewards and the Financial Accounting Standards Board (FASB) added a new project to clarify accounting for certain crypto-asset transfers, including wrapped and receipt tokens.

Congressional Updates

CFTC Chair Nomination Hearing: Market Structure Legislation

- On Nov. 19, the Senate Agriculture Committee held a nomination hearing for Michael Selig, currently chief counsel for the SEC Crypto Task Force, to serve as CFTC Chair.
- Regarding market structure legislation, Selig praised the Committee's bipartisan draft and stated that, once enacted, the CFTC would work quickly to implement the law and keep pace with rapid industry innovation. He also highlighted the CFTC's existing authority to police fraud and manipulation in crypto spot markets, as well as its jurisdiction over futures markets.
- On Nov. 20, the [Senate Agriculture Committee](#) voted in favor of [advancing Selig's nomination](#) to the Senate floor for consideration. Acting Chair Caroline Pham is currently the only sitting member of the five-seat Commission.

Senate Advances FDIC Chair Nomination

- On Nov. 19, [the Senate Banking Committee advanced](#) the [nomination of Travis Hill](#) to formally be the Chair of the FDIC, following his [nomination hearing](#) in [October](#).
- As [discussed here](#), the President [nominated Travis Hill](#) to serve as Chair of the FDIC on Sept 30. Hill has been acting as Chair since Jan. 20 and previously served as Vice Chair during the Biden Administration. In his roles to date, Hill has eased restrictions on banks' crypto activities, removed "reputational risk" from exam criteria, worked with other regulators to update bank capital requirements and updated supervision policies.
- On Nov. 13, at the Federal Reserve Bank of Philadelphia Fintech Conference, Hill also mentioned that the agency is developing guidance for tokenized deposit insurance.

Representative Davidson Introduces New Bill to Pay Taxes With Bitcoin

- On Nov. 20, [Rep. Warren Davidson \(R-OH\) introduced](#) the [Bitcoin for America Act](#). The legislation would allow Americans to pay federal taxes with bitcoin and send the payments to the U.S. Strategic Bitcoin Reserve. The bill states that accepting bitcoin would strengthen "the Nation's financial resilience against currency devaluation, economic instability, and global market volatility."

House Financial Services Committee Chair Hill Pushes for CBDC Ban

- On Nov. 19, House Financial Services Committee [Chair French Hill \(R-AK\) said](#) CBDC ban language must be included in the final NDAA for fiscal year 2026, which must pass annually. The House version of the NDAA featured text from the Anti-CBDC Surveillance State Act ([H.R. 1919](#)), but was not included in the Senate version of the bill.

Senator Young Urges IRS to Update Crypto Staking Tax Guidance

- On Nov. 18, Sen. Todd Young (R-IN) sent [a letter](#) to Treasury Secretary and Acting IRS Commissioner Scott Bessent requesting additional information about the IRS 2023 guidance ([Revenue Ruling 2023-14](#)) on how crypto staking rewards are treated as gross income.
- The letter stated that while the 2023 "ruling offers an initial view on this important issue, many engaged stakeholders have expressed concern that the guidance is incomplete and may not fully reflect the economic realities or appropriate tax policy considerations underlying staking activities."
- The letter asks: "What considerations led the IRS to conclude that staking rewards should be recognized as gross income upon receipt, rather than deferred until sale or disposition — particularly given that many staking rewards remain illiquid or subject to transfer restrictions when first received?"

Representatives Send Letter to CFPB on Open Banking Rule

- On Nov. 14, House Financial Services Committee Chair French Hill (R-AR) and Vice Chair Bill Huizenga (R-MI) sent [a letter to the Consumer Financial Protection Bureau \(CFPB\)](#) in response to the agency's advanced notice of proposed rulemaking on consumer rights under Section 1033 of the Dodd-Frank Act. The letter asked the agency to ensure the new rule will allow consumers to share their financial data with third parties of their choosing.

Regulatory Agency Updates

OCC Issues Interpretive Letter 1186 on Bank Use of Crypto Assets

- On Nov. 18, the OCC issued [Interpretive Letter 1186](#) confirming that, as part of the “business of banking,” national banks may hold and use crypto assets as principal to (i) pay network gas fees on blockchain networks required to conduct otherwise permissible activities and (ii) test crypto-asset platforms, whether internally built or provided by third parties.
- A determination as to whether an activity is “part of the business of banking” is fact specific and is subject to significant discretion by the OCC.
- Moreover, because operating subsidiaries may engage in activities that are permissible for a national bank, the permissibility analysis in Interpretive Letter 1186 applies equally to the national bank and its operating subsidiaries.

Acting CFTC Chair Pham Delivers Speech on Agency’s Progress

- On Nov. 18, Acting CFTC Chair Caroline Pham delivered a [keynote address](#) at the Futures Industry Association (FIA) Expo, recounting the President’s Working Group Report, the joint SEC-CFTC roundtable and the CFTC Crypto Sprint. FIA is a [global trade organization](#) for the futures, options and centrally cleared derivatives markets, with offices in Amsterdam, Brussels, London, Singapore and Washington, D.C.
- Pham noted that the CFTC’s Crypto Sprint has three main components: (i) listed spot crypto trading, which will be live on a designated contract market (DCM) by the end of the year; (ii) the enabling of tokenized collateral, including stablecoins, in derivatives markets, with guidance expected by the end of the year; and (iii) a rulemaking to make technical amendments to the CFTC’s regulations for collateral, margin, clearing, settlement, reporting and recordkeeping to enable the use of blockchain technology and market infrastructure, including tokenization, in the markets. The rulemaking is expected to begin next year and be completed by August 2026.

District of Columbia Scam Center Strike Force Announced to Combat Crypto Scams

- On Nov. 12, the U.S. Attorney's Office for the District of Columbia, together with major federal law enforcement and interagency partners, [announced the creation](#) of the first District of Columbia Scam Center Strike Force to combat cryptocurrency-related fraud and scams.
- Often using U.S. social media networks or text messages to U.S.-based cell phones, certain scammers first gain the trust of their targeted victims. Over time, the scammers convince their victims to invest in real cryptocurrency, only to then trick their victims to transfer those funds into fake cryptocurrency investment websites and applications. Many of those websites are hosted by companies in the United States, but once funds are transferred, the cryptocurrency is quickly laundered into other accounts outside of U.S. jurisdiction.

Industry Updates

FASB Considers Accounting for Transfers of Crypto Assets

- On Nov. 19, the FASB [added a project](#) to its technical agenda regarding “[a]ccounting for transfers of crypto assets (including wrapped tokens and receipt tokens).” This follows a prior crypto-related research project the Board has [added this year](#), with the team committing to clarify whether certain digital assets may be classified as cash equivalents in October.
- Established [in 1973](#), the FASB is the independent, private-sector, not-for-profit organization that establishes financial accounting and reporting standards for public and private companies and not-for-profit organizations that follow Generally Accepted Accounting Principles (GAAP). The FASB is recognized by the SEC as the designated accounting standard setter for public companies.



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

Los Angeles

Stephen Turanchik
+1-213-683-6187
stephenturanchik@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 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

Lawrence D. Kaplan
+1-202-551-1829
lawrencekaplan@paulhastings.com

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.