

Digital Assets Recent Updates

November 12, 2025

We are pleased to provide you with the September-October edition of Gibson Dunn's digital assets regular update. This update covers recent legal news regarding all types of digital assets, including cryptocurrencies, stablecoins, CBDCs, and NFTs, as well as other blockchain and Web3 technologies. Thank you for your interest.

ENFORCEMENT ACTIONS

UNITED STATES

President Trump Pardons Binance Founder Changpeng Zhao

On October 21, President Trump pardoned Binance founder Changpeng Zhao. In a statement, White House press secretary Karoline Leavitt said Trump had “exercised his constitutional authority by issuing a pardon for Mr. Zhao, who was prosecuted by the Biden Administration in their war on cryptocurrency.” [Executive Grant of Clemency](#); [Reuters](#).

DOJ Enters Deferred Prosecution Agreement with Roger Ver

On October 14, the Department of Justice (DOJ) announced that Roger Ver, who has been referred to as “Bitcoin Jesus,” entered into a deferred prosecution agreement to resolve federal tax charges arising from his alleged failure to file certain expatriation-related tax returns and to pay taxes on the capital gains on his world-wide assets, including his bitcoins. Ver paid nearly \$50 million in taxes, penalties and interest. [Department of Justice](#); [Reuters](#).

DOJ Charges Cambodian Executive and Seeks Forfeiture of Approximately 127,271 Bitcoin

On October 14, federal prosecutors in the Eastern District of New York unsealed an indictment charging Chen Zhi, chairman of Cambodia's Prince Group, with wire-fraud and money-laundering

conspiracies tied to forced-labor compounds that ran crypto investment schemes. The DOJ simultaneously filed a civil forfeiture complaint for approximately 127,271 bitcoin (worth about \$15 billion), reportedly the largest forfeiture action in DOJ history. Simultaneously, OFAC designated Zhi and the Prince Group as Specially Designated Nationals. [Department of Justice](#); [OFAC](#).

Imprisoned Founder of Pearl Tokens Defaults in SEC Action

On September 23, U.S. District Judge P. Kevin Castel of the Southern District of New York entered default judgment against Pearl tokens founder Amir Bruno Elmaani in a case filed by the SEC. As alleged, Elmaani sold unregistered securities, profited by secretly minting millions of unauthorized Pearl tokens for free, and then sold them on the secondary market, causing the value of other tokens to drop. In a prior criminal tax evasion case, Elmaani pleaded guilty and was sentenced to 48 months' imprisonment and ordered to pay more than \$5.5 million in restitution to the IRS. [Order](#); [Law360](#).

Judge Orders Couple to Pay \$6.8 Million in CFTC Case

On September 22, U.S. District Judge Aleta A. Trauger of the Middle District of Tennessee entered a consent order against Michael and Amanda Griffis of Tennessee, ordering them to pay more than \$6.8 million to resolve a lawsuit filed by the CFTC. As alleged, the couple started soliciting participants in 2022 for a commodity pool called, among other things, "Blessings Thru Crypto" and "Blessings of God Thru Crypto." In doing so, the couple allegedly lied about their operation, including the earning potential for investors. According to the Consent Order, the couple convinced at least 145 people to contribute more than \$6.5 million, falsely claiming the funds would be used to trade commodity futures. [Order](#); [CFTC Press Release](#); [Law360](#).

Promoter of Forcount Trader Systems Inc. Sentenced for His Role in Ponzi Scheme

On September 18, U.S. District Judge Analisa Torres of the Southern District of New York sentenced defendant Ramon Perez for his role as a promoter of the fake crypto firm Forcount Trader Systems Inc. As alleged, Perez and others had participated in a \$14 million Ponzi and pyramid scheme, inducing thousands of investors worldwide into investing with Forcount and creating the illusion that it was a real trading platform that would generate profits. Taking into account his cooperation and assistance to prosecutors, Judge Torres sentenced Perez to a year and a day in prison and ordered him to pay more than \$2.6 million in restitution jointly and severally with his co-defendants. [Law360](#).

CEO of Praetorian Group International Pleads Guilty to Criminal Charges

On September 17, DOJ announced Praetorian Group International CEO Ramil Ventura Palafox pleaded guilty to wire fraud and money laundering charges in the Eastern District of Virginia. The government has alleged that Palafox operated a Ponzi scheme and ultimately defrauded more than 90,000 investors across the globe, falsely claiming that Praetorian was engaged in bitcoin trading. Palafox now faces up to 40 years in prison at sentencing. [DOJ Press Release](#); [TheBlock](#); [Law360](#).

The SEC and Gemini Trust Co. Reach Tentative Deal in Crypto Lending Dispute

On September 15, the SEC and Gemini Trust Company filed a joint letter to U.S. District Judge Edgardo Ramos of the Southern District of New York, informing the Court that they had reached a "resolution in principle that would completely resolve" the SEC's litigation against the company. In 2023, the SEC had sued Gemini and co-defendant Genesis Global Capital LLC, alleging that they had engaged in the unregistered offer and sale of securities in connection with the launch of a crypto lending program. The terms of the resolution have not yet been publicly

filed. Gemini has consistently denied any wrongdoing. [Joint Letter](#); [TheBlock](#); [Law360](#); [CoinTelegraph](#).

Court Signs Off on Settlement Between CFTC and Voyager Digital's Ex-CEO

On September 15, U.S. District Judge Lewis A. Kaplan of the Southern District of New York signed a Consent Order pursuant to which Voyager Digital's former CEO Stephen Ehrlich agreed to pay \$750,000 to resolve the CFTC's claims against him. The CFTC had alleged that, as CEO, Ehrlich failed to register crypto lender Voyager Digital as a commodity pool and led investors to believe that the platform was a safe place to deposit funds for high returns before it collapsed in July 2022. [Consent Order](#); [Law360](#); [Bloomberg](#).

Denver Couple Found Liable in \$3.3 Million Crypto Scheme

Following a three-day bench trial in a matter brought by the Colorado Securities Commissioner, a Colorado state court judge issued a decision on September 12, that Denver pastor, Eli Regalado, and his wife, Kaitlyn—along with their firm, INDXcoin LLC—committed securities fraud in violation of the Colorado Securities Act. The judgment against them amounted to more than \$3.3 million. The court found that the Regalados and their crypto firm raised millions of dollars from individuals in the Denver Christian community, promising them low-risk, high-profit returns through their “Kingdom Wealth Exchange” platform. That exchange quickly collapsed, leaving investors with nothing. This case gained notoriety because Eli Regalado issued a video responding to the charges against him, in which he admitted that certain investor funds were used for a “home remodel the Lord told us to do.” [Colorado Division of Securities Press Release](#); [TheBlock](#).

California Man Sentenced in Connection with Digital Asset Investment

On September 8, Shengsheng He of La Puente, California was sentenced to 51 months in prison following a guilty plea in the U.S. District Court for the Central District of California for his role in laundering \$36.9 million stolen from American investors through an international crypto investment scam. Acting Assistant Attorney General Matthew R. Galeotti of the Justice Department's Criminal Division explained that He “was part of a group of co-conspirators that preyed on American investors by promising them high returns on supposed digital asset investments when, in fact, they stole nearly \$37 million from U.S. victims using Cambodian scam centers.” As part of his sentence, He was also ordered to pay nearly \$27 million in restitution to his victims. [DOJ Press Release](#); [TheBlock](#).

OFAC Sanctions Entities Tied to Crypto Investment Scams in Southeast Asia

On September 8, the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) announced that it had imposed sanctions against a sprawling network of scam centers across Southeast Asia. Specifically, OFAC targeted entities in Myanmar and Cambodia that were tied to crypto scams like “pig-butchering,” where scammers use the promise of potential romantic relationships or friendships to gain the trust of their victims, and then convince them to invest in fake crypto investment platforms, ultimately stealing the invested money. [Treasury Press Release](#); [OFAC Designations List](#); [TheBlock](#).

INTERNATIONAL

Canada Fines Cryptomus a Record-Breaking C\$176.9 Million for AML and KYC Violations

On October 22, Canada's financial intelligence agency Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) imposed a record C\$176.9 million (approximately \$126

million USD) penalty on Xeltex Enterprises Ltd., operating as Cryptomus, alleging sweeping anti-money laundering failures, including their failure to report over 1,000 suspicious transactions and more than 1,500 large virtual-currency receipts in a single month, with links to ransomware, child-sex-abuse material and sanctions evasion. The enforcement action is the largest in FINTRAC's history. [FINTRAC](#); [TheBlock](#).

FCA Sues HTX for Unlawful Promotion of Cryptocurrencies to Consumers

On October 22, the Financial Conduct Authority (FCA) launched civil proceedings in London's High Court against HTX (formerly Huobi), a global crypto exchange, alleging unlawful promotion of crypto asset services to UK consumers. According to the FCA, HTX is not authorized to operate in Britain. [Reuters](#).

Dubai VARA Fines 19 Unlicensed Crypto Firms

On October 8, Dubai's Virtual Assets Regulatory Authority (VARA) announced cease-and-desist orders and fines of roughly AED 100K–600K (~\$27K–\$163K) against firms allegedly operating without licenses or breaching marketing rules. VARA warned that unlicensed activity and unauthorized marketing will not be tolerated, emphasizing that only VARA-licensed entities are authorized to provide digital asset-related services in or from Dubai. [Blockhead](#).

India FIU-IND Issues Notices to 25 Exchanges

On October 1, India's Financial Intelligence Unit (FIU-IND) issued notices to 25 cryptocurrency exchanges, including Huione and Paxful, alleging anti-money laundering law violations and ordering the takedown of their apps and URLs. The notices stated that the platforms were serving Indian users without mandatory registration. Virtual digital assets (VDA) service providers operating in India—whether offshore or onshore—that engage in activities like exchanging VDAs and fiat currencies, transferring VDAs, or safeguarding or administering VDAs, are required to be registered with FIU-IND as reporting entities. [Ministry of Finance](#); [The Economic Times](#).

South Korean Actor Receives Multi-Year Sentence for Embezzling Millions to Invest in Crypto

On September 25, a South Korean court sentenced actor and former K-pop singer Hwang Jung-eum to two years in prison, with a four-year suspended sentence, after she admitted she embezzled funds from her own management agency to invest in crypto. According to prosecutors, Hwang transferred company funds 13 times in early 2022—purportedly as advances after taking out loans in her agency's name—ultimately investing 4.2 billion won (~\$3 million) in crypto. [TheBlock](#); [Decrypt](#); [Bitget](#).

Canadian Mounties Seize Around \$40 Million in Crypto

On September 18, the Royal Canadian Mounted Police (RCMP) announced that it seized 56 million Canadian dollars (~\$40 million) in assets from crypto exchange TradeOgre. An investigation conducted by the RCMP's Money Laundering Investigative Team found that TradeOgre was allegedly running an unregistered operation as a money services business and failed to identify its clients, most of whom the RCMP stated were associated with "criminal sources." This was reportedly the largest crypto seizure in Canadian history. [RCMP Press Release](#); [TheBlock](#); [CoinDesk](#); [CoinTelegraph](#).

REGULATION AND LEGISLATION

UNITED STATES

Nasdaq Asks SEC for Permission to Allow Trading of Tokenized Securities

On September 8, Nasdaq filed a proposed rule change with the SEC, seeking approval for member firms and investors to trade tokenized versions of equity securities and exchange-traded products on its markets. Subject to the SEC's approval, this development would mark the first instance of tokenized securities being allowed to trade on a major U.S. stock exchange. Public comments on the proposal were due by October 14. [SEC Filing](#); [Reuters](#); [TheBlock](#); [Law360](#); [CoinDesk](#); [CoinTelegraph](#).

SEC CorpFin Issues No-Action Relief for DoubleZero's "2Z" Token Transactions

On September 29, the SEC's Division of Corporation Finance issued a no-action letter stating that it would not recommend enforcement, if digital asset company DoubleZero's programmatic token transfers proceeded without Securities Act registration. The Division found that based on the facts presented, including "the manner in which and the circumstances under which" the programmatic token transfers are conducted, these transactions are not required to be registered under Section 5 of the Securities Act and DoubleZero is not required to be registered as a class of equity securities under Section 12(g) of the Exchange Act. [SEC](#).

SEC Investment Management Staff Opens Crypto Custody Path via State Trust Companies

On September 30, the SEC's Division of Investment Management issued a no-action letter stating that it would not recommend enforcement against registered advisers or regulated funds for maintaining digital assets and related cash and cash equivalents with certain state-chartered financial institutions. [SEC IM No-Action](#); [Commissioner Statement](#).

SEC "Innovation Exemption" Targeted for Formal Proposal by Year-End

On October 7, at a Futures and Derivatives Law Report event, SEC Chairman Paul Atkins said the agency aims to move to formal rulemaking for an "innovation exemption" that could create tailored relief for crypto activity. Though he noted that the work has been slowed by the government shutdown, Atkins said initiating rulemaking that would create an innovation exemption is still a priority for the end of the year or the first quarter of 2026. [CoinDesk](#).

NYDFS Updated Crypto Guidance after Head Departure Announcement

On September 30, Adrienne Harris, the superintendent at the New York Department of Financial Services (NYDFS) announced that the NYDFS has issued an Industry Letter to replace its January 2023 guidance. The new guidance continues to focus on segregation/accounting, limited interest/use, sub-custody and disclosures with added specificity, especially for sub-custodians, while reiterating that equitable and beneficial ownership must remain with customers. For example, under the new guidance, the establishment of any new sub-custody/third-party arrangement is a material change that requires NYDFS approval and sub-custody agreements must acknowledge applicability of DFS standards, require proper "F/B/O" titling, segregation at both VCE and sub-custodian, and bar set-off or liens over customer assets except for customary fees/expenses. [NYDFS Industry Letter](#); [CoinTelegraph](#).

California DFPI Advances Crypto Rulemaking

On September 29, California Department of Financial Protection and Innovation (DFPI) announced significant modifications to its proposed regulations under the Digital Financial Assets Law (DFAL), including further clarifications on Money Transmission Act (MTA) exemptions, and a new token listing certification for exchanges. The DFAL, set to become fully operative for licensing on July 1, 2026, introduces a comprehensive regulatory framework that will significantly impact various crypto sectors such as DeFi protocols, stablecoin and centralized crypto exchanges. [DFPI Notice](#); [WRAL News](#).

CFTC Launches Tokenized Collateral Initiative for Derivatives Markets

On September 23, CFTC Acting Chairperson Caroline D. Pham announced that the agency is launching an initiative for the use of tokenized collateral—including stablecoins—in derivatives markets. If the initiative proves successful, derivatives traders would be able to use such collateral, rather than solely more traditional forms of collateral, to secure their contract obligations. [CFTC Press Release](#); [TheBlock](#); [CoinDesk](#); [CoinTelegraph](#).

Treasury Department Solicits Public Comment on Applicability of GENIUS Act to Stablecoin Rules

On September 18, the U.S. Department of Treasury announced its issuance of an Advanced Notice of Proposed Rulemaking, through which it is soliciting public comment on its implementation of the recently enacted GENIUS Act. According to Treasury officials, “The GENIUS Act tasks Treasury 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.” Among other things, Treasury is considering the income tax implications of payment stablecoins, as well as the applicability of the Bank Secrecy Act and anti-money laundering regulations. Public comments are due by November 4. [Department of Treasury Press Release](#); [TheBlock](#); [CoinTelegraph](#); [Law360](#).

The SEC Approves New Standards for Crypto ETFs

On September 17, following requests from Nasdaq and others, the SEC issued an order approving proposed rule changes by three national securities exchanges to adopt generic listing standards for exchange-traded products (ETPs) that hold commodities, including crypto ETFs. Under the generic standards, crypto ETFs can enter the market much faster and with fewer regulatory hurdles. According to SEC Chairman Paul Atkins: “This approval helps to maximize investor choice and foster innovation by streamlining the listing process and reducing barriers to access digital asset products within America’s trusted capital markets.” [SEC Filing](#); [SEC Press Release](#); [TheBlock](#); [Law360](#).

NYDFS Extends Blockchain Analytics Guidance to New York Banking Organizations

On September 17, the New York Department of Financial Services (NYDFS) expanded its prior virtual currency guidance by telling state-regulated banking organizations that engage in, or plan to engage in, virtual currency activities to incorporate blockchain analytics as an additional risk-management tool covering wallet screening, virtual asset service providers funds verification, third-party risk monitoring management and augmenting due diligence controls. [NYDFS Industry Letter](#); [NYDFS Press Release](#); [TheBlock](#); [Gibson Dunn Client Alert](#).

California Enacts SB 822 to Protect Unclaimed Digital Financial Assets

On October 11, California SB 822 was signed into law by Governor Gavin Newsom, updating the state’s Unclaimed Property Law to expressly include digital financial assets and establishing

transfer and custody mechanics for escheated crypto (including authority for the Controller to designate custodians). The new law protects unclaimed cryptocurrency from forced liquidation when transferred to the state's unclaimed property fund. [CA Senate Bill 822](#); [CryptoNews](#).

Florida Bill Would Allow Up to 10% of Public & Pension Funds to Be Invested in Bitcoin and Crypto ETFs

On October 15, Florida lawmakers filed HB 183 (2026), which would authorize the Chief Financial Officer to invest state funds in digital assets and exchange-traded products and permit the State Board of Administration to invest up to 10% of the Florida Retirement System assets in digital assets. The bill would take effect July 1, 2026, if enacted. [Florida House of Representatives](#); [TheBlock](#).

Fed Considers Permitting Limited Master Accounts for Crypto Firms

On October 21, Federal Reserve Governor Christopher Waller said the Fed is exploring a streamlined "payment account," a limited version of a master account, to give eligible institutions (including some crypto firms that have chartered or have applied to charter national trust companies) direct access to Fed payment services, with potential limitations such as caps on balances, no interest, no overdrafts, and no discount-window access. [Federal Reserve](#); [TheBlock](#).

INTERNATIONAL

European Regulators Grant Licenses to Major Crypto Firms

On October 23, Revolut, Blockchain.com, and Relai secured licenses under the Markets in Crypto-Assets Regulation (MiCA) from various European regulators, allowing them to operate regulated crypto services across the European Economic Area. The approvals enable firms to passport their offerings across multiple jurisdictions through a single authorization. [Parameter](#); [TheBlock](#).

Japan Weighs Allowing Bank-Affiliated Firms to Offer Crypto Services and Letting Banks Hold Crypto

According to reporting on October 21, Japan's Financial Services Agency (FSA) is considering regulatory changes that would (i) let banking-group securities subsidiaries register as crypto-asset service providers, and (ii) lift the current ban on banks buying and holding crypto as investments. The FSA would likely require enhanced risk disclosures to retail clients. [Reuters](#).

UK FCA Consults Fund Tokenization

On October 14, the UK FCA published a consultation paper seeking views on proposed new rules for fund tokenization and direct-to-fund dealing. The consultation paper sets out, among others, the FCA's proposals on guidance for operating a tokenized fund and direct dealing in conventional and tokenized authorized funds. The consultation paper further sets out the FCA's roadmap to advance fund tokenization and discusses future tokenization models. Feedback on the FCA's proposals is due by November 21, and feedback on future tokenization models is due by December 12. [FCA](#).

UK FCA Consults on Application of Regulatory Handbook Rules to Crypto Companies

On September 17, the FCA published a consultation paper seeking views on the proposed application of existing FCA Handbook rules to firms conducting regulated crypto asset activities. The consultation paper sets out, among others, proposals on the application standards pertaining

to senior management, systems and control and Environment Social and Governance (ESG) to companies carrying on regulated cryptoasset activities and also sets out the FCA's views on the approach and applicability of consumer protection standards. [FCA](#).

UK Opens Retail Access to Crypto ETPs

On October 17, the London Stock Exchange admitted its first crypto ETF. This development follows the Financial Conduct Authority's August 2025 decision to lift its prior ban on the sale of crypto exchange-traded notes to retail investors on U.K.-recognized exchanges. Issuers have begun enabling retail access to Bitcoin and Ether ETPs. WisdomTree confirmed UK-retail availability of its BTC & ETH ETPs from the week commencing October 20. [FCA](#); [CoinDesk](#); [CoinCentral](#).

EU Considers Centralizing Supervision of Crypto and Exchanges under ESMA

According to reporting on October 6, the European Commission is preparing reforms that would shift additional oversight powers from national regulators to the European Securities and Markets Authority (ESMA); crypto supervision is among the areas discussed as part of a broader capital-markets package. Under the current Markets in Crypto-Assets (MiCA) regime, licenses for crypto-asset service providers are issued by national authorities rather than a central EU body. [CoinTelegraph](#).

EBA Publishes Report on Tackling Money Laundering and Terrorist Financing Risks Relating to Crypto-Assets

On October 9, the European Banking Authority (EBA) published a report on tackling money laundering and terrorist financing (ML/TF) risks in crypto-asset services, including issuance, trading, and service provision. The report highlights lessons learned from recent ML/TF cases across the EU and sets out how competent authorities can strengthen their approaches to supervising crypto-asset related activities. The report further summarises the safeguards introduced by the Markets in Crypto-Assets Regulation (MiCA) to address ML/TF risks arising from crypto-asset related activities. [EBA](#).

EBA Publishes Opinions on Proposed Changes to Technical Standards on Liquidity Requirements of Reserve Assets under MiCA

On October 10, the EBA published two opinions on the European Commission's (EC) proposed amendments to draft Regulatory Technical Standards (RTS) specifying the composition and liquidity requirements of reserve assets for asset-referenced and e-money tokens under MiCA. The opinions broadly set out the EBA's concerns relating to the draft RTS, including that the proposed amendments could allow certain non-highly liquid financial instruments to be held as reserve assets due to its broad classification of money market funds as highly liquid financial instruments and relaxation of concentration rules and look-through limits. [EBA](#).

Australia Consults on Bringing Digital-Asset & Tokenized-Custody Platforms into AFS Regime

On September 25, Australia's Treasury released the Treasury Laws Amendment (Regulating Digital Asset, and Tokenised Custody, Platforms) Bill 2025 Exposure Draft, which would introduce a comprehensive regime for digital-asset platforms and tokenized custody platforms. This proposed legislation would require crypto exchanges and certain crypto service providers to hold Australian financial services licenses. ASIC is set to be the main regulator issuing such licenses. [Draft Bill](#); [Allens](#); [TheBlock](#).

Australia to Grant Licensure Exemptions to Stablecoin Intermediaries

On September 18, Australia's Securities and Investment Commission (ASIC) announced that, in an effort to support innovation, it will exempt certain licensed intermediaries distribute stablecoins without requiring separate, additional regulatory approvals. According to ASIC, this "first-of-its-kind relief exempts intermediaries from the requirement to hold separate [Australian Financial Services], Australian market, or clearing and settlement facility licences [sic] when providing services related to stablecoins issued by an AFS licensee." [ASIC Press Release](#); [TheBlock](#); [CoinDesk](#).

Hong Kong Regulators Publish Joint Circular on Virtual Asset-Related Activities by Intermediaries

On September 30, the Hong Kong Securities and Futures Commission (SFC) and Monetary Authority (HKMA) published a joint circular setting out requirements for intermediaries which intend to engage in, or are engaging in, certain virtual asset dealing services, advisory services, asset management services and/or distribution of investment products with exposure to virtual assets. Notably the circular provides clarifications regarding the applicability of aspects of the 2023 joint circular on intermediaries' virtual asset-related activities issued by the SFC and the HKMA, and provides additional guidance to the industry in relation to the provision of staking services by licensed intermediaries. The SFC and HKMA have also made corresponding updates to the licensing or registration conditions and terms and conditions for licensed corporations or registered institutions providing virtual asset dealing services and virtual asset advisory services. [SFC](#).

Pakistan Opens Door to Licensure for Global Crypto Firms

On September 13, the Pakistan Virtual Assets Regulatory Authority (PVARA)—which was formed in July 2025—issued a statement inviting Expressions of Interest (EOIs) from crypto firms seeking to become licensed in that jurisdiction. To apply, crypto firms must have already been recognized by regulators in a major region, such as the U.S. or E.U. According to the Pakistani government, the country has "over 40 million users and an estimated annual trading volume exceeding \$300 billion," and "represents one of the world's most dynamic frontier opportunities." [Dawn](#); [TheBlock](#); [CoinTelegraph](#).

India Hesitant to Regulate Cryptocurrency on a Comprehensive Basis

According to reporting on September 10 regarding an unidentified government document, India is not inclined to institute comprehensive legislation to regulate cryptocurrencies. Citing the Reserve Bank of India's fear of granting cryptocurrencies "legitimacy," the government document is said to express concerns that integrating digital assets into its financial system could raise systemic risks. Thus, the government's view reportedly is that current tax and other laws sufficiently deter illegal activities relating to digital assets. [Reuters](#); [TheBlock](#); [CoinTelegraph](#).

Dubai VARA Consults on Implementation of Crypto-Assets Reporting Framework

On October 10, the Dubai Virtual Assets Regulatory Authority (VARA) published a consultation paper on the UAE's implementation of the Crypto-Asset Reporting Framework (CARF) developed by the Organization for Economic Cooperation and Development. The timelines, due diligence procedures and potential compliance challenges and enforcement considerations. [VARA](#).

DFSA Consults on Enhancements to Regulatory Framework for Crypto Tokens

On October 1, the financial regulatory for the Dubai International Financial Center, the Dubai Financial Services Authority (DFSA), published a consultation paper seeking views on proposed

changes to the existing suitability assessment regime for crypto tokens (other than fiat crypto tokens). Notably, the DFSA has proposed to depart from the existing regulator-led suitability assessment to place responsibility on licensees to undertake a suitability assessment to determine whether a crypto token is suitable for use. The consultation paper further sets out, among others, the DFSA's expectations in terms of how such a suitability assessment should be undertaken. [DFSA](#).

ADGM FSRA Consults on Proposed Regulatory Framework for Staking of Virtual Assets

On September 30, FSRA published a consultation paper seeking views on its proposed regulatory framework for regulating staking virtual assets. Broadly, the consultation paper outlines the categories of Authorized Persons that would be permitted to carry on staking activities using virtual assets belonging to clients and sets out proposed regulatory compliance requirements that such Authorized Persons will need to comply with. [FSRA](#).

ADGM FSRA Consults on Proposed Regulatory Framework for Regulating Activities Involving Fiat-Referenced Tokens

On September 9, the Financial Services Regulatory Authority (FSRA) of the Abu Dhabi Global Market (ADGM) published a consultation paper seeking views on its proposed regulatory framework for regulated activities involving fiat-referenced tokens (FRT). The consultation paper sets out, among others, the FSRA's approach to "accepting" FRTs for use in the ADGM, proposed expansions to the scope of activities pertaining to FRTs which may be subject to regulation and proposed rules applicable to custody of FRTs. [FSRA](#).

CIVIL LITIGATION

UNITED STATES

Court Dismisses Pre-Enforcement NFT Suit Against SEC

On September 30, U.S. District Judge Greg G. Guidry of the Eastern District of Louisiana dismissed a lawsuit by two NFT artists seeking to block a potential SEC enforcement action, holding the dispute was not ripe because no concrete enforcement threat existed. The judge ruled that the SEC's decision to begin an enforcement action against three "discrete" NFT offerings unrelated to the plaintiffs did not amount to a final SEC action and the plaintiffs had not shown that the SEC had a settled position on the "marching orders" regulated entities must follow with regard to NFTs. [Order](#); [Reuters](#).

OTHER NOTABLE NEWS

Ongoing U.S. Government Shutdown Complicating Progress on Federal Crypto Legislation

The U.S. government shutdown has delayed the Senate Banking Committee efforts to finalize a bill establishing a regulatory framework for digital assets and delineating oversight between the SEC and CFTC. [TheBlock](#).

White House Pivots on CFTC Chair Nominee

On October 25, the White House announced the nomination of Mike Selig to lead the CFTC as Chair. Selig currently serves as Chief Counsel of the SEC Crypto Task Force. On October 1, the

White House had withdrawn Brian Quintenz's nomination to chair the CFTC amid political cross-currents. [Reuters](#); [CoinDesk](#); [The Wall Street Journal](#).

Leadership Change at NYDFS

On October 17, Adrienne Harris stepped down from her position as Superintendent of the New York Department of Financial Services (NYDFS) after four years at the helm. Governor Kathy Hochul has appointed Kaitlin Asrow, currently Executive Deputy Superintendent for Research & Innovation, as Acting Superintendent effective October 18. [Governor of New York - Press Release](#); [Fortune](#).

The U.S. and U.K. Launch Joint Taskforce on Digital Assets

On September 22, U.S. and U.K. financial officials—including U.S. Treasury Secretary Scott Bessent and UK Chancellor of the Exchequer Rachel Reeves—announced the creation of a Transatlantic Taskforce for Markets of the Future. In a press release, Treasury said, the Taskforce will “report back to both finance ministries, via the UK-U.S. Financial Regulatory Working Group (‘FRWG’), on recommendations to enhance collaboration on capital markets and digital assets and other innovative financial activities.” Among other things, the Taskforce will explore “[o]ptions for short-to-medium term collaboration on digital assets while legislation and regulatory regimes are still developing, as well as options for long-term collaboration and additional opportunities for wholesale digital markets innovation.” [Department of Treasury Press Release](#); [Reuters](#); [TheBlock](#); [CoinDesk](#); [CoinTelegraph](#).

SEC Chairman Affirms U.S. Commitment to Clarify Crypto Regulation

On September 10, SEC Chairman Paul Atkins made clear during a keynote address in Paris that “most crypto tokens are not securities.” He further explained that entrepreneurs and investors should be able to raise capital relating to digital assets “without endless legal uncertainty” and emphasized the SEC's current goal of “moderniz[ing] the securities rules and regulations to enable our markets to move on-chain.” Atkins stated that the SEC's priorities moving forward will include “provid[ing] certainty regarding the security status of crypto assets.” [Keynote Address](#); [TheBlock](#).

Senate Confirms Stephan Miran to Federal Reserve Board of Governors

On September 15, the U.S. Senate confirmed, in a 48-to-47 vote, Stephen Miran to the Federal Reserve Board of Governors. A former senior strategist at Hudson Bay, Miran has previously suggested publicly that crypto regulations should be streamlined. Miran will fill the seat recently vacated by Adriana Kugler and will serve until January 31, 2026. [TheBlock](#); [Wall Street Journal](#).

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