

Digital Assets Recent Updates

February 12, 2026

We are pleased to provide you with the January 2026 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.

REGULATION AND LEGISLATION

UNITED STATES

Senate Market-Structure Bill Delays, Narrow Committee Advancement, and Ongoing Negotiations

After the Jan. 15 announcement that the Senate Banking Committee would delay its markup of the Digital Asset Market CLARITY Act following a digital asset exchange's withdrawal of support and broader disagreements over provisions such as stablecoin rewards and DeFi treatment, legislative progress on comprehensive crypto market structure legislation has continued to evolve without resolution. Lawmakers have since worked to bridge remaining differences within and between Senate committees: the Senate Agriculture Committee, which has jurisdiction over commodity-related provisions, rescheduled its markup of its version of the bill to January 29, 2026, and subsequently advanced that legislation by a narrow 12–11 party-line vote, marking a procedural step forward even as broader bipartisan consensus remains elusive. Meanwhile, negotiations continue behind the scenes to reconcile the agriculture panel's text with Senate Banking's draft and to address internal party rifts over ethics and crypto policy amendments, leaving the overall CLARITY Act process stalled and unlikely to reach a full Senate floor vote absent further compromise. [CryptoNews](#); [CoinDesk](#); [EconoTimes](#).

Senators Lummis and Wyden Introduce Blockchain Regulatory Certainty Act to Exempt Non-Custodial Developers from Money Transmitter Rules

On January 12, Senators Cynthia Lummis (R-WY) and Ron Wyden (D-OR) introduced the Blockchain Regulatory Certainty Act (BRCA), which would clarify that software developers and infrastructure providers who do not control user funds are not “money transmitters” under federal law solely for writing code or maintaining blockchain infrastructure. The bill seeks to address industry concerns that developers of non-custodial tools could face money transmission obligations (and related potential liability) even where they do not custody or control customer assets, and frames the proposed clarification as necessary to reduce conflicting state approaches and limit the chilling effect on U.S.-based development. [Sen. Lummis Press Release](#); [Cointelegraph](#).

Wyoming Issues First State-Backed Stablecoin

On January 7, Wyoming made available for purchase the Solana-based Wyoming Frontier Stable Token (FRNT), the first dollar-pegged, state-issued, blockchain-based asset. Wyoming representatives wrote in a statement: “Designed under the leadership of the Wyoming Stable Token Commission, the [FRNT] represents a milestone in financial innovation — bringing together the security and oversight of state-managed reserves with the efficiency and transparency of blockchain technology.” The objective of FRNT is to offer to retail users instant transaction settlement and reduced fees (<\$0.01). [Law360](#); [TheBlock](#).

Federal Bill Introduced Prohibiting Use of Prediction Markets by Federal Officials

On January 9, U.S. Representative Ritchie Torres (D-N.Y.) introduced a bill that would set limits on how government officials engage with prediction markets. The bill seeks to block federal elected officials, political appointees, and executive branch employees from making trades on prediction markets on “government policy, government action or political outcome” using material nonpublic information. [Law360](#); [TheBlock](#).

American Bankers Association Appeals to U.S. Senate Regarding Perceived Loopholes in Stablecoin Legislation

On January 5, the American Bankers Association shared a letter with the U.S. Senate highlighting its concerns with a perceived circumvention of the Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act that would induce consumers to adopt stablecoins contrary to the intent of the Act. The letter states, “Among [the GENIUS Act’s] most important provisions, a ban on interest payments was put in place to ensure this new payments market can develop and mature without becoming a competitor to bank deposits and disintermediating the community-based lending that fuels our economy.” However, the letter notes, “But some companies have exploited a perceived loophole allowing stablecoin issuers to indirectly fund payments to stablecoin holders through digital asset exchanges and other partners. With this activity, the exception swallows the rule. If billions are displaced from community bank lending, small businesses, farmers, students, and home buyers in towns like ours will suffer.” The letter alleges that this could leave at risk \$6.6 trillion in community bank deposits. [Coindesk](#); [Letter to U.S. Senate](#).

House Financial Services Democrats Send Letter Criticizing SEC “Retrenchment” from Crypto Enforcement

On January 15, three Democratic members of the House Financial Services Committee sent a letter to SEC Chair Paul Atkins expressing concern over what they described as a “dramatic retrenchment” in crypto-related enforcement, including the dismissal or closure of multiple cases

involving crypto firms. The letter argues that the pullback risks leaving investors unprotected and questions whether the SEC's enforcement posture is consistent with the agency's statutory mandate. [House Financial Services Committee Democrats Letter](#); [Gizmodo](#).

Senate Agriculture Committee Releases Draft "Digital Commodity Exchange Act" to Clarify CFTC Authority Over Spot Crypto Markets

On January 21, the Senate Agriculture Committee released a discussion draft of the Digital Commodity Exchange Act aimed at granting the Commodity Futures Trading Commission (CFTC) exclusive oversight authority over U.S. spot cryptocurrency markets and clarifying regulatory responsibilities for exchanges and brokers. The draft would reshape how widely traded digital commodities such as Bitcoin and Ethereum are supervised and creates a hearing date of January 27, 2026 for further committee consideration. [BingX](#).

South Dakota State Lawmaker Introduces a Bill to Authorize the State to Invest in Bitcoin

On January 27, South Dakota Representative Logan Manhart (R) released the text of House Bill 1155, which aims to change the state's public investment statutes to allow its State Investment Council to place up to 10% of certain public funds in Bitcoin. The bill also specifies allowable methods of Bitcoin investment as well as custody and security requirements for the state's holdings. The bill was read in the state's House of Representatives and has been referred to its Commerce and Energy committee for consideration. [SD Legislative Research Council](#); [The Block](#).

SEC Divisions Provide Their Views on Tokenized Securities

On January 28, the SEC's Division of Corporation Finance, Division of Investment Management, and Division of Trading and Markets issued a statement providing their views on the taxonomy of tokenized securities. The statement provides a definition of tokenized securities, explaining that they would fall within the scope of the term "security" under federal securities laws. It also notes two broad types of tokenized securities and recognizes that they can be created under a variety of models with different features. [SEC Statement](#).

SEC and CFTC Hold Joint "Harmonization" Event on Crypto Oversight and U.S. Financial Leadership

On January 29, 2026, Securities and Exchange Commission Chairman Paul S. Atkins and Commodity Futures Trading Commission Chairman Michael S. Selig hosted a joint public event titled "SEC – CFTC Harmonization: U.S. Financial Leadership in the Crypto Era" at the CFTC's headquarters in Washington, D.C. The session, open to attendees and livestreamed online, featured opening remarks by both chairs followed by a moderated fireside chat intended to articulate a more coordinated approach to digital-asset regulation and to signal ongoing efforts to reduce legacy jurisdictional silos between the two agencies. Chairmen Atkins and Selig framed the discussion within the broader goal of delivering on the administration's vision of making the United States the global "crypto capital," emphasizing clearer regulatory expectations and closer interagency cooperation as critical to investor protection and U.S. market competitiveness. [Finance Feeds](#).

INTERNATIONAL

Numerous Jurisdictions Begin Collecting Data from Cryptocurrency Platforms Under CARF

On January 1, data collection under the Organization for Economic Co-operation and

Development's (OECD) Crypto-Asset Reporting Framework (CARF) began in 48 jurisdictions, including the United Kingdom and in the European Union. CARF seeks to address the information gaps faced by tax authorities in effectively assessing crypto asset transactions by requiring that certain crypto service providers collect and report information related to both transactions and users. The United States has not yet implemented CARF. [Yahoo Finance](#); [Cointelegraph](#).

UK FCA Confirms September 2026 Deadline for New Crypto Licensing Regime

On January 9, the UK Financial Conduct Authority (FCA) set September 2026 as the application deadline for a new crypto licensing regime set to take effect in October 2027, ending the current registration-only system. Digital-asset businesses will now have to undergo a full regulatory review and approval to operate or continue to operate in the UK. The application window will open in September 2026, and applicants must submit licensing requests before the close of the application window, which will occur 28 days prior to the launch of the new licensing system. [CryptoNews](#).

India's FIU Issued New Guidelines for User Onboarding to Crypto Platforms

On January 9, India's Financial Intelligence Unit (FIU), which establishes India's anti-money-laundering and know-your-customer regulations, issued new rules requiring regulated crypto exchanges to verify users through live selfie pictures and geographic location verification. Exchanges will also be required to collect geolocation and IP addresses at the time of account creation. [Cointelegraph](#).

South Korea to Permit Corporate Crypto Investment

As of January 11, South Korea's Financial Services Commission (FSC) preliminarily issued updated guidelines allowing corporations to invest in digital assets, ending a nine-year ban. Listed companies and professional investors may invest up to 5% of their equity capital in digital assets. However, investable digital assets will be limited to the top 20 by semi-annual market capitalization based on the disclosure of the five major virtual currency exchanges in South Korea. A senior financial official familiar with the matter said, "The authorities will release the final guidelines in January ~ February and allow virtual currency transactions for investment and financial purposes by corporations." [Cointelegraph](#); [Seoul Economic Daily](#).

Turkmenistan Law Legalizing Cryptocurrency Mining and Exchanges Goes into Force

On January 1, a law providing for the legalization and regulation of digital assets in Turkmenistan officially took effect. The legislation, which was signed by President Serdar Berdimuhamedov in November 2025, defines the legal and economic status of cryptocurrencies and creates a licensing system for cryptocurrency mining companies and digital-asset exchanges supervised by the country's central bank. [Reuters](#); [The Block](#); [CoinDesk](#).

Kazakhstan Adopts Legislation Creating a Regulatory Framework for Digital Assets

On January 16, Kazakhstan's Head of State, Kassym-Jomart Tokayev, signed legislation on "Banks and Banking Activities in the Republic of Kazakhstan" that, among other things, established a framework for the regulation of digital assets in the country. It gives the Kazakh central bank authority to decide which digital assets can be traded via regulated exchanges, while placing digital assets into three categories with different types of oversight. [Yahoo Finance](#).

Vietnam Begins Accepting License Applications for Digital Asset Trading Platforms

On January 20, the State Securities Commission of Vietnam (SSC) announced that it would start

accepting applications for the issuance, amendment, and revocation of licenses for the provision of crypto asset trading services. This announcement came in conjunction with the country's Ministry of Finance issuing a decision establishing the underlying administrative procedures for the applications, which it linked to its efforts to advance a September 2025 government resolution to implement a crypto asset market in Vietnam. [SSC Announcement](#); [Cointelegraph](#).

UK FCA Launches Stablecoin Sprint to Shape Future Stablecoin Payments Standards

On January 28, the UK Financial Conduct Authority published details for its upcoming Stablecoin Sprint, a multi-stakeholder innovation event scheduled for March 4–5, 2026 in London designed to bring together fintech firms, banks, payment institutions, stablecoin issuers, technology providers, consumer and merchant groups, and regulators to co-design practical standards and inform future policy for stablecoin-based payments. According to the FCA's updated information, the sprint will focus on use cases including retail payments, cross-border transfers, e-commerce, B2B transactions, and remittances, and will be followed by a trade payments roundtable in May 2026. The initiative is intended to feed insights into the FCA's broader effort to finalise a bespoke regulatory framework for stablecoins, complementing last year's consultations on stablecoin issuance, prudential requirements, disclosure rules, and the application of the FCA Handbook to crypto activities; applications to participate were extended through midnight on February 8, 2026, with participants to be notified by February 13. [FCA](#); [Finextra](#).

ENFORCEMENT ACTIONS

UNITED STATES

Federal Prosecutors Will Not Attempt to Retry Case Against Former OpenSea Manager for Fraud Related to NFT Trading

On January 21, prosecutors of the U.S. Attorney's Office for the Southern District of New York filed a letter in the U.S. District Court for the Southern District of New York stating that they would not seek to retry criminal charges against Nathaniel Chastain for wire fraud and money laundering. Chastain, a former manager at OpenSea, had been accused of buying nonfungible tokens (NFTs) that he allegedly knew would be promoted on the platform's homepage and then selling them for a profit once their appearance generated a price increase. His May 2023 conviction had been vacated by the Second Circuit based on erroneous jury instructions. [Letter](#), [Law 360](#).

SEC to Dismiss Gemini Trust Company Lawsuit

In a January 23 press release, the Securities and Exchange Commission confirmed that it filed a joint stipulation with Gemini Trust Company to dismiss with prejudice the SEC's ongoing civil enforcement action against it. The SEC acknowledged a "100 percent in-kind return of Gemini Earn investors' crypto assets" through the Genesis Global Capital bankruptcy process and state, the primary factor for its decision, and regulatory settlements related to the Gemini Earn program. The SEC had previously charged Genesis and Gemini in January 2023 alleging that Gemini Earn program constituted an unregistered securities offering. Genesis and Gemini entered into an arrangement whereby Gemini customers can loan their cryptocurrency to Genesis for an APY of up to 7.4%. However, Genesis locked up approximately \$940 million of customer cryptocurrency in November 2022 amid the post-FTX credit crisis. [SEC News Release](#); [The Block](#).

FBI Arrests Former Olympian Ryan Wedding on Crypto-Enabled Drug Trafficking Activities

Former Olympic snowboarder Ryan Wedding was arrested by FBI agents on Friday, January 23 in Mexico City and extradited to the United States to face charges related to cocaine trafficking and murder. Though the focus was on the trafficking and murder charges, U.S. Treasury officials have identified cryptocurrency as instrumental in the financing of the trafficking operations led by Wedding and his associates. The operations were linked to multiple blockchains including Bitcoin, Ethereum, Tron, and Solana. [The Block](#).

OFAC Sanctions Two Digital Asset Exchanges Operating in Iran's Financial Sector

On January 30, the Office of Foreign Assets Control (OFAC), as part of a press release sanctioning senior Iranian officials and one businessman accused of being a money launderer and sanctions evader, designated two digital asset exchanges connected to the businessman that allegedly processed significant funds associated with counterparties linked to the Islamic Revolutionary Guard Corps (IRGC). The exchanges, Zedcex Exchange, Ltd. and Zedxion Exchange, Ltd., are both registered in the United Kingdom. Per the release, "[t]his marks OFAC's first designation of a digital asset exchange for operating in the financial sector of the Iranian economy," while Secretary of the Treasury Scott Bessent noted in it that the Treasury Department will target the "regime's attempts to exploit digital assets to evade sanctions and finance cybercriminal operations." [OFAC Press Release](#).

INTERNATIONAL

South Korean Regulator Imposed a \$1.9 Million Penalty on Korbit for Alleged Compliance Failures

On December 31, South Korea's Financial Intelligence Unit (FIU) imposed a fine of 2.73 billion won, or about \$1.9 million dollars, on the cryptocurrency exchange Korbit for alleged violations of the country's Special Financial Transactions Act. The alleged misconduct involved breaches of anti-money laundering and customer verification obligations by the company that were uncovered as part of an October 2024 on-site inspection by the FIU. In addition to the fine, the FIU issued an institutional warning to Korbit, a warning to its CEO, and a reprimand to the employee responsible for reporting. [FIU Press Release](#); [CoinDesk](#).

South Korea's Customs Authority Uncovers International Criminal Scheme That Laundering Millions of Dollars of Cryptocurrency

On January 19, South Korea's Korea Customs Service (KCS) announced that it had identified an international criminal enterprise that it accused of laundering approximately 150 billion won (\$102 million dollars) of cryptocurrency in violation of the country's Foreign Exchange Transactions Act. The scheme allegedly consisted of suspects purchasing cryptocurrency in other countries, transferring it to South Korean digital wallets, and then converting it into Korean won that was moved through domestic bank accounts. Three Chinese nationals have been referred to prosecutors in connection with the alleged scheme. [Yonhap News Agency](#); [The Block](#).

UK Advertising Regulator Restricts Certain Coinbase Ads

On January 28, the UK's Advertising Standards Authority (ASA) released a ruling after multiple complaints were lodged against several Coinbase advertisements that were alleged to have been "irresponsible because they trivialised the risks of cryptocurrency and implied it was a solution to prevalent financial concerns." Coinbase disputed this characterization, however the ASA assessment largely concurred with it and found a violation of a provision of the UK Code of Non-broadcast Advertising and Direct & Promotional Marketing (CAP Code). The regulator issued an

action banning the ads and directing Coinbase to ensure its ads don't raise similar issues. [ASA Ruling](#); [The Block](#).

LITIGATION

UNITED STATES

U.S. District Court for the Southern District of Florida Dismisses a Class Action Suit Related to the Marketing of Trading Platform Operated by Voyager Digital, LLC

On December 30, Judge Roy K. Altman of the U.S. District Court for the Southern District of Florida entered an order in *Dominik Karnas v. Mark Cuban*, 1:22-cv-22538, (S.D. Fla.), dismissing without prejudice the class-action lawsuit filed against defendants Mark Cuban and the Dallas Mavericks. The complaint alleged violations of state securities and consumer fraud statutes related to the defendants' alleged promotion of a crypto platform operated by Voyager Digital, LLC, which declared bankruptcy in 2022. The district court held that the plaintiffs failed to plausibly allege personal jurisdiction over the defendants. The court did not reach the defendants' remaining arguments for dismissal. [Order](#).

New York Court Rules that Mango Labs Cannot Cancel Terms of SEC Settlement

On January 21, Judge Jennifer L. Rochon of the U.S. District Court for the Southern District of New York issued an opinion and order denying a motion by crypto company Mango Labs, LLC to vacate a judgment that reflected a settlement the entity finalized with the Securities and Exchange Commission (SEC) in October 2024. Mango Labs had argued that it was entitled to vacatur of its judgment under Rule 60(b) because it entered a settlement with the SEC months before the agency altered its enforcement approach with respect to the crypto industry. Judge Rochon rejected that argument, finding instead that "[e]ven though the enforcement landscape in the cryptocurrency space has allegedly changed, Mango Labs cannot now unwind that finality based on buyer's remorse." [Order](#); [Law 360](#).

OTHER NOTABLE NEWS

Iran's Ministry of Defense Export Center Indicates It Will Accept Cryptocurrency Payments for Weapons

On January 1, it was reported that Iran's Ministry of Defense Export Center, known as MindEx, is offering to accept cryptocurrency payments as part of contracts for the sale of weapons systems, including drones, ballistic missiles, and warships. This has been linked to efforts by the country to bypass extensive U.S. and European sanctions against it. [Financial Times](#); [The Block](#); [CoinDesk](#).

Crypto Crime Exceeded \$150 billion in 2025

According to a new Chainalysis report shared with the Block on January 8, illicit cryptocurrency addresses received a total of at least \$154 billion in 2025, a 162% increase from the 2024 estimate of \$57.2 billion. Chainalysis suggested that this increase was primarily caused by an increase in activity tied to sanctioned entities, including state actors seeking to evade sanctions. Chainalysis also noted that these transactions still constitute less than 1% of cryptocurrency transaction volume, though the share of illicit transactions is slightly greater in 2025 than in 2024. [The Block](#); [Chainalysis Report](#).

SEC Commissioner Caroline Crenshaw Leaves the Agency

On January 2, Securities and Exchange Commission (SEC) Commissioner Caroline Crenshaw officially exited the agency after more than a decade of work there in various capacities. Crenshaw was the SEC's last Democratic commissioner, and the agency now has three of five commissioner positions filled by Republican-appointed members. [SEC Statement](#); [The Block](#).

Senate Agriculture Committee Holds Hearing on Digital Commodity Exchange Act Draft

On January 27, following the release of the Digital Commodity Exchange Act draft, the Senate Agriculture Committee convened a hearing to consider the proposal and discuss potential amendments, including how exclusive CFTC authority could apply to spot cryptocurrency markets and what protections would be needed for market participants. [BingX](#).

Political Action in Crypto Sector Surges Ahead of 2026 Midterms

On January 30, reporting indicated that crypto-focused political action committees were actively raising and deploying significant funds in advance of the 2026 midterm elections, with one PAC reportedly assembling a war chest exceeding \$100 million from major industry contributors to advocate for pro-crypto candidates and policy priorities. [The Block](#).

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