



CryptoLink - October 2025

CryptoLink is a compilation of news stories published by outside organizations. Akin aggregates the stories, but the information contained in them does not necessarily represent the beliefs or opinions of the firm. Akin's October CryptoLink update includes developments and events that occurred in October 2025.

On November 12, the House of Representatives passed a continuing resolution (CR) that was subsequently signed by President Trump to end the longest government shutdown in U.S. history. The CR opens the government after 43 days without funding, includes backpay for federal workers, reverses reductions in forces (RIFs) since October 1 and reauthorizes key federal programs. Notably, the package includes the FY 2026 Ag-FDA, Mil-Con-VA and legislative branch appropriations bills, but funding for the rest of the government will expire under the CR on January 30.

Prior to the government's reopening on Monday, November 10, the Senate Agriculture Committee released a discussion draft of its digital assets market structure bill. The bipartisan draft, led by Chairman John Boozman (R-AR) and Sen. Cory Booker (D-NJ) builds on the House-passed CLARITY Act and focuses on the Commodity Futures Trading Commission's (CFTC) role in regulating digital commodities. While significant questions remain unanswered in the bill, including how the Senate plans to deal with decentralized finance (DeFi), the draft signals that there is bipartisan momentum to negotiate and advance a bill.

Importantly, the Senate Agriculture draft only enumerates the authorities of the CFTC and is mute on the role of the Securities and Exchange Commission (SEC) in regulating digital securities. That responsibility is reserved for the Senate Banking Committee, which has made less progress than other committees of jurisdiction on this issue. This may be a result of Senate Republicans' more partisan strategy and failure to produce legislative text that mirrors the vocabulary and structure of the CLARITY Act. In the coming months, passage of any comprehensive bill will hinge on negotiations between Senate Banking Chair Tim Scott (R-SC) and down-dais Senate Banking Democrats.

Civil and criminal authorities continue to pursue fraud-based enforcement actions involving crypto, even as the President pardoned Binance founder and former CEO Changpeng Zhao, who pleaded guilty in 2023 to failing to maintain an effective anti-money laundering program. The CFTC obtained a multimillion-dollar restitution order for victims defrauded in a crypto

guilty plea from a self-described crypto influencer for stealing victims' money under the guise of providing crypto staking and investment opportunities. In mid-October, DOJ's National Security Division and federal prosecutors in New York filed a complaint for the forfeiture of \$15 billion in Bitcoin connected to forced-labor, pig butchering schemes, and further north, Canadian civil authorities imposed a nine-figure penalty against a virtual currency transaction facilitator for AML and anti-terrorism compliance failures. These cases demonstrate ongoing enforcement and asset recovery efforts in the digital assets space with a fraud-based focus and notable involvement from civil regulators.

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Key Developments

SEC Issues No-Action Letter Regarding the Use of State Trust Companies

On September 30, 2025, the Securities and Exchange Commission's (SEC) Office of Chief Counsel for the Division of Investment Management issued a no-action letter. The question the Division addressed was whether it would recommend enforcement action to the SEC under the relevant provisions of the Investment Advisers Act of 1940 (as amended, the Advisers Act) or the Investment Company Act of 1940 (as amended, the 1940 Act) against investment advisers registered under the Advisers Act or issuers registered as investment companies under the 1940 Act, or that have elected to be regulated as business development companies under the 1940 Act, for treating a "State Trust Company" as a bank with respect to the custody of crypto assets and cash and/or cash equivalents reasonably necessary to effect transactions in crypto assets. The no-action letter indicates that the Division would not recommend enforcement action to the SEC in the aforementioned circumstances, provided that certain criteria were met.

The No-Action Letter can be found [here](#) and Akin's client alert about the No-Action Letter can be [here](#).

North Dakota to Issue Stablecoin Through its State-owned Bank

stable-value token, in partnership with Fiserv Inc. and the Bank of North Dakota—its state-owned bank. The token seeks to improve efficiency and quality control in bank-to-bank transactions. The stablecoin will be available to banks and credit unions in the state in 2026. Fully backed by U.S. dollars, the Roughrider coin will be the first U.S. state stablecoin to launch on the Fiserv digital asset platform. North Dakota's stablecoin announcement follows one from Wyoming, which was the first state to issue its own stablecoin with the launch of its Frontier Stable Token in August 2025.

Further information can be found [here](#) and [here](#).

CFTC Digital Asset Task Force Head Returns to Akin

On October 9, 2025, Akin announced that the former head of the Commodity Futures Trading Commission's (CFTC) Digital Asset Task Force and senior trial attorney, Jack Murphy, rejoined Akin as senior counsel in the White-Collar Defense & Investigations practice in New York. At the CFTC, Murphy investigated and prosecuted violations of the Commodity Exchange Act and the CFTC's regulations, with a focus on fraud, market manipulation and regulatory compliance in financial markets. As head of the Digital Asset Task Force, he advised on legal and regulatory developments, investigative tools and enforcement strategies in the digital asset space.

Further information can be found [here](#) and [here](#).

NYC Mayor Creates Office of Digital Assets and Blockchain Technology

On October 14, 2025, New York City Mayor Eric Adams issued Executive Order 57, creating an Office of Digital Assets and Blockchain Technology (ODABT). The ODABT will support the growth of the digital asset and blockchain technology industry in NYC and will liaise with the Deputy Mayor for Intergovernmental Affairs to advance digital asset-related policies and legislation. The ODABT will also encourage investment in the city by the digital asset and blockchain technology industry in coordination with the NYC Economic Development Corporation. The announcement comes weeks before the 2025 mayoral election.

The Executive Order can be found [here](#).

U.K. FCA Supports Tokenisation to Boost Efficiency and Innovation in Asset Management

On October 14, 2025, the United Kingdom (U.K.) Financial Conduct Authority (FCA) issued a press release setting out its plans to "support tokenisation, to drive innovation and growth in asset management." The plans include guidance to provide firms with additional clarity to aid adoption of this new technology. Simon Walls, executive director of markets at the FCA, stated that "Tokenisation has the potential to drive fundamental changes in asset management, with benefits for the industry and consumers. [...] The UK has the opportunity to be a world-leader here and we want to provide asset managers with the clarity and confidence they need to deliver."

The FCA's press release can be found [here](#).

CFTC's Pham Expects Spot Crypto Trading by End of Year

caption "[l]isted spot crypto trading and tokenized collateral by the end of the year." The article reports on Pham's remark that the CFTC is moving quickly to implement the White House's recommendations for enabling digital asset trading and innovation, with listed spot crypto trading expected to go live this year.

The *Law360* article can be found [here](#) and further information can be found [here](#).

Michael Selig Becomes Second Nomination for CFTC Chair

On October 25, 2025, Michael Selig confirmed through a post on X that he is President Donald Trump's nominee to lead the CFTC. Since March 2025, Selig has worked as a top attorney at the SEC's cryptocurrency task force. The new nomination comes approximately one month after President Trump withdrew the previous candidate, Brian Quintenz. Despite the current government shutdown, Selig may be confirmed as soon as November 2025, as the Agriculture Committee continues to hold hearings.

Further information can be found [here](#).

Key Enforcement Actions

CFTC Obtains Order for Over \$5.5 million Restitution for Victims Defrauded in Fraudulent Crypto Commodity Pool

On September 25, 2025, the CFTC announced that the U.S. District Court for the Middle District of Tennessee entered a consent order against Michael and Amanda Griffis for fraud involving a commodity pool called "Blessings Thru Crypto." The order requires the couple to pay over \$5.5 million in restitution to defrauded victims, in addition to another \$1.3 million in civil monetary penalties, bringing the total judgment to over \$6.8 million. The order also permanently enjoins them from trading and registering with the CFTC. The original CFTC enforcement action was filed in July 2023 after the couple used their connections as realtors to solicit more than \$6.5 million in funds from at least 145 people for "Blessed Thru Crypto."

The CFTC's press release can be found [here](#).

New York Man Pleads Guilty to Impersonating Crypto Influencers in Investment Scam

On September 30, 2025, the U.S. Attorney's Office for the District of Maryland announced that Noman Saleem had pled guilty in connection with his role in a wire fraud scheme. Saleem conspired to steal the victims' money "under the guise of a crypto staking or crypto investment opportunity with guaranteed returns." According to the plea agreement, beginning in December 2020 and continuing through at least March 2021, Saleem engaged in the investment scheme by promoting himself as a popular online crypto influencer, convincing several victims to send crypto to virtual wallets that he owned and controlled and subsequently ceasing to communicate with them and disappearing with their crypto. While conducting the crypto influencing and staking

these losses back in the form of crypto and U.S. currency, as identified in the plea agreement. Saleem, whose sentencing is set for March 3, 2026, is facing a maximum sentence of 20 years in federal prison for wire fraud.

The U.S. Attorney's Office press release can be found [here](#).

DOJ Files Largest Ever Forfeiture Action Against Approximately \$15 Billion in Bitcoin

On October 14, 2025, the U.S. Attorney's Office for the Eastern District of New York and the U.S. Department of Justice's (DOJ) National Security Division filed a civil forfeiture complaint against approximately 127,271 Bitcoin (worth approximately \$15 billion) that were previously stored in unhosted cryptocurrency wallets and were proceeds of fraud and money laundering schemes. The complaint is the largest forfeiture action in the history of the DOJ. An indictment was unsealed in federal court in New York charging Cambodian national Chen Zhi, the founder and chairman of Prince Holding Group, a multinational business conglomerate based in Cambodia, with wire fraud conspiracy and money laundering conspiracy for "directing Prince Group's operation of forced-labor scam compounds across Cambodia." According to the DOJ's press release, individuals held against their will in the compounds engaged in cryptocurrency investment fraud schemes (known as "pig butchering" scams) that stole billions of dollars from victims in the U.S. and globally. If convicted, the defendant faces a maximum penalty of 40 years in prison.

The DOJ's press release can be found [here](#).

FINTRAC Imposes Administrative Monetary Penalty on Xeltox Enterprises Ltd.

On October 22, 2025, the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) announced that it had imposed an administrative monetary penalty on Xeltox Enterprises Ltd. (operating as Cryptomus and previously known as Certa Payments Ltd.). Following a compliance examination, FINTRAC imposed an administrative monetary penalty of over \$176 million for non-compliance with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and associated Regulations. According to the press release, Cryptomus was found to have committed a number of administrative violations, including failing to report the receipt from a client of an amount in virtual currency of \$10,000 or more in the course of a single transaction. In addition, FINTRAC found that Cryptomus failed to submit suspicious transaction reports for transactions where there were "reasonable grounds to suspect that they were related to the laundering of proceeds connected to trafficking in child sexual abuse material, fraud, ransomware payments and sanctions evasion."

FINTRAC's press release can be found [here](#).

Trump Pardons Convicted Binance Founder Changpeng Zhao

On October 23, 2025, President Donald Trump pardoned Binance founder Changpeng Zhao. Previously, in November 2023, Binance pleaded guilty and agreed to pay over \$4 billion to resolve the DOJ's investigation into violations related to the Bank Secrecy Act, failure to register as a money transmitting business and the International Emergency Economic Powers Act. Binance's guilty plea was part of coordinated resolutions with the Department of the Treasury's Financial

In addition, Zhao had also pleaded guilty to failing to maintain an effective anti-money laundering program, in violation of the Bank Secrecy Act and resigned as CEO of Binance.

Further information can be found [here](#) and [here](#).

Akin Thought Leadership

[NFA Repeals NFA Interpretive Notice 9073 and Amends NFA Compliance Rule 2-51](#) (October 24, 2025)

[SEC Allows State-Chartered Trust Companies to Serve as Crypto Custodians](#) (October 7, 2025)

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