



## CryptoLink - January 2026

---

*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 January CryptoLink update includes developments and events that occurred in January 2026.*

On January 29, the Senate Agriculture Committee marked up its portion of a digital assets market structure bill. Despite earlier momentum in negotiations between Chair John Boozman (R-AR) and Senator Cory Booker (D-NJ), the markup process ultimately became partisan, and the version under consideration advanced with support solely from Republican members. While this outcome represents a setback, the failed markup does not foreclose the possibility of meaningful bipartisan legislation advancing during this Congress. Notably, during the meeting, members of both parties reiterated their interest in continuing negotiations toward a mutually acceptable framework.

Meanwhile, the Senate Banking Committee continues to face challenges with its own portion of the bill, particularly regarding yield-bearing stablecoins—a contentious issue that has exposed tensions between traditional banks and crypto firms. Critics argue that stablecoins offering interest or similar rewards could draw deposits away from banks and, in turn, constrain lending. In light of this and other unresolved issues, Senate Banking Committee Chair Tim Scott (R-SC) appears to be lagging Chair Boozman and the Agriculture Committee in advancing digital assets legislation. In the House, discussions around digital asset taxation remain ongoing, and Ways and Means Committee Chair Jason Smith (R-MO) has indicated that he intends to address the issue before the end of the year.

Recent enforcement activity involving digital assets spans criminal prosecutions, regulatory penalties and significant court decisions, underscoring the extent to which crypto continues to surface across a wide range of legal and compliance contexts. Developments this month include DOJ prosecutions related to ransomware schemes and the use of crypto to conceal fraud proceeds, state-level penalties for unlicensed crypto lending activity and CFTC fraud and registration charges against an unregistered commodity pool operator. Courts have also weighed in, with a federal judge declining to grant relief from a settled SEC enforcement action despite apparent shifts in the agency’s enforcement posture, while regulators exercised enforcement discretion in dismissing a civil case following investor remediation. At the same time, global regulatory obligations remain in focus, as crypto firms take steps to comply with forthcoming licensing regimes abroad.

---

## In This Issue

- [Akin Spotlight](#)
  - [Key Developments](#)
  - [Key Enforcement Actions](#)
  - [Akin Thought Leadership](#)
-

## Akin Spotlight

### OFAC Settlement with Blockchain Wallet Provider Spotlights Sanctions Risks for Digital Assets Intermediaries

#### Key Points

- A U.S. provider of blockchain-based wallet software agreed to pay over \$3.1 million to settle 254 apparent violations of U.S. sanctions on Iran.
- The apparent violations resulted from technical and customer support services provided by company employees, some of whom recommended that customers use VPNs to disguise their locations from third parties, including a crypto exchange.
- “Terms of Use” designed to promote sanctions compliance proved insufficient, as OFAC faulted a lack of training and practical mechanisms to prevent violations.
- In the digital assets space in particular, the case counsels for conspicuous commitment to sanctions compliance and tailored, risk-based sanctions programs that, where possible, include customer screening based on available location information.

[Click here](#) to read Akin's recent client alert.

## Key Developments

### CFTC Chairman Selig Announces Amir Zaidi as Chief of Staff

On December 31, 2025, Commodity Futures Trading Commission (CFTC) Chairman Michael S. Selig announced Amir Zaidi will serve as the CFTC’s Chief of Staff. Zaidi returns to the CFTC after having previously served in several roles at the agency from 2010 to 2019, including as director of the Division of Market Oversight, where he oversaw the certification and deployment of the bitcoin futures contract—the first federally regulated crypto product.

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

### UK FCA Sets September 2026 Expected Start Date for Crypto Licensing Regime

On January 8, 2026, the United Kingdom Financial Conduct Authority (FCA) announced that firms wishing to undertake any of the new crypto asset regulated activities will need to be authorized by the FCA under the Financial Services and Markets Act 2000 (FSMA) with permission to undertake those activities at the point the new regime commences. Firms that are already authorized under FSMA by the FCA to undertake other regulated activities will need to have varied their existing permissions before the commencement of the new regime. The FCA further announced its intention to run a series of information sessions for crypto asset firms who may be

in scope of the new regime. In addition, firms can request a pre-application meeting with the FCA to introduce and explain their business model, discuss the authorization process and understand the FCA's expectations. The FCA confirmed that it expects the application period will open in September 2026.

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

## **Senator Elizabeth Warren Requests SEC Response to Crypto Regulations Following President Trump's Executive Order Regarding Americans' Retirement**

On January 12, 2026, Sen. Elizabeth Warren (D-MA) wrote to Securities and Exchange Commission (SEC) Chairman Paul Atkins requesting information regarding the Trump administration's Executive Order, "Democratizing Access to Alternative Assets for 401(k) Investors" (EO). Sen. Warren asserted that the EO endangers investors by clearing the way for pension funds and retirement accounts to hold volatile crypto assets. The letter stated that the EO comes as Congress considers crypto market structure legislation that could create a tokenization loophole through which nearly any financial product offered on the blockchain could sidestep the SEC's authority to regulate securities—risking Americans' retirement savings and investments. Sen. Warren asked Chairman Atkins (1) if the SEC has ensured that the valuations reflected in disclosures are fair market value given the volatility crypto securities often experience, (2) if the SEC assessed the use of manipulative and deceptive practices in crypto markets, or if the SEC plans to publish research for retail investor awareness, and (3) what investor awareness the SEC offers for retail investors that may purchase crypto assets traditionally or through retirement plans following the EO.

Sen. Warren's letter can be found [here](#).

## **Unlicensed Crypto Businesses Could Face Criminal Charges Under New York Bill**

On January 15, 2026, Manhattan District Attorney Alvin Bragg and Sen. Zellnor Myrie (D-NY) announced new legislation that, if passed, would criminalize the operation of virtual currency business in the state without a license. The "Cryptocurrency Regulation Yields Protections, Trust, and Oversight" Act (CRYPTO Act) would amend New York State Financial Services Law to include a new section, § 408-b. Under that change, a business operating without a license could face criminal prosecution for "Unlicensed Virtual Currency Business Activity." Possible charges range from an "A" misdemeanor to a "C" felony, depending on the amount of currency transmitted. Conviction on a C felony carries up to a five-to-15-year prison sentence.

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

## **CFTC Chairman Selig Announces America's Financial Markets Are Ready for a Golden Age**

On January 20, 2026, CFTC Chairman Michael Selig released a public statement stating that the agency's regulations must adapt to meet the nation's builders where they are, thus launching the "Future-Proof" initiative. As part of this initiative, the CFTC's staff will undertake a comprehensive review of the CFTC's existing rules and regulations and modernize these requirements to ensure a level playing field for new entrants and incumbents alike. This is in part due to the growth of the digital asset economy from a mere experiment in cryptography to a

more than \$3 trillion market with ever greater types of assets being generated on blockchain networks. According to Chairman Selig, should Congress deliver on making America the crypto capital of the world and send digital asset market structure legislation to the president's desk, the CFTC will have a broad set of new responsibilities.

Chairman Selig's public statement can be found [here](#).

## **Senate Agriculture Committee Releases Updated Crypto Market Structure Legislation**

On January 29, 2026, U.S. Senate Committee on Agriculture, Nutrition and Forestry advanced the Digital Commodity Intermediaries Act—legislation that would provide new authority to the CFTC to regulate digital commodities and strengthen consumer protections for the emerging market. Chairman John Boozman stated, “[t]his is a critical step toward creating clear rules for digital asset markets. Advancing this bill brings us closer to a U.S. regulatory framework that protects consumers while allowing American innovation and businesses to thrive.” The committee-passed legislation builds on the House-passed CLARITY Act and incorporates negotiated provisions and input received during bipartisan meetings with stakeholders. The Digital Commodity Intermediaries Act addresses key issues by developing a comprehensive framework that includes, among other things, a clear legal definition of digital commodities and the establishment of a spot market digital commodity intermediary regulatory regime with the CFTC and requirements for the CFTC and SEC to coordinate and collaborate on necessary inter-agency rulemakings.

The Senate Committee's press release and section-by-section draft of the bill can be found [here](#) and [here](#).

## **SEC and CFTC Announce the Next Phase of Project Crypto**

On January 29, 2026, SEC Chairman Paul S. Atkins and CFTC Chairman Michael S. Selig held a joint SEC and CFTC event at the CFTC headquarters to discuss harmonization between the two agencies and their efforts to deliver on President Trump's promise to make the United States the crypto capital of the world. During the event, the SEC and CFTC announced the re-launching of Project Crypto as a joint policy initiative to “better prepare U.S. markets for the digital era.” Chairman Selig and Chairman Atkin noted that Project Crypto represents a modern model of inter-agency coordination and is designed to ensure that when Congress acts the United States is ready to “reinforce our global financial leadership”, including “creating clear regulatory on-ramps for compliant participants; modernizing surveillance tools to reflect on-chain and hybrid market activity; and engaging transparently with new entrants, incumbents, investors and consumers alike.” According to Chairman Selig and Chairman Atkin, at its core, Project Crypto reflect a shared philosophy: “financial regulation must be precise, not punitive.”

The SEC's press release can be found [here](#), [here](#) and [here](#).

## **Senate Agriculture Committee Advances Crypto Market Structure Legislation**

On January 29, 2026, the U.S. Senate Agriculture Committee on Agriculture, Nutrition and Forestry advanced the Digital Commodity Intermediaries Act, legislation that would provide new authority to the CFTC to regulate digital commodities and strengthen consumer protections for the emerging market. The committee-passed legislation builds on the bipartisan, House-passed

CLARITY Act and incorporates provisions negotiated with Senate Democrats as well as input received during bipartisan meetings with stakeholders. Committee Chairman John Boozman stated that this is a “critical step toward creating clear rules for digital asset markets. Advancing this bill brings us closer to a U.S. regulatory framework that protects consumers while allowing American innovation and businesses to thrive. There’s still more work ahead, but I’m proud to lead this important effort and hopeful this will build momentum in the Senate to advance this legislation.” The Digital Commodity Intermediaries Act addresses key issues by developing a comprehensive framework that includes a clear legal definition of digital commodities and the establishment of a spot market digital commodity intermediary regulatory regime with the CFTC, requirements for the CFTC and SEC to coordinate and collaborate on necessary inter-agency rulemakings and a new funding stream for the CFTC to stand up a spot market regulatory regime.

The Senate Committee’s press release can be found [here](#).

## **Key Enforcement Actions**

### **Cybersecurity Defendants Plead Guilty to Targeting Multiple U.S. Victims Using ALPHV BlackCat Ransomware**

On December 30, 2025, the U.S. Department of Justice (DOJ) announced that a federal district court in the Southern District of Florida accepted the guilty pleas of Ryan Goldberg and Kevin Martin (who worked in the cybersecurity industry) for conspiring to obstruct, delay or affect commerce through extortion in connection with ransomware attacks via ALPHV BlackCat in 2023. After successfully extorting one victim for approximately \$1.2 million in Bitcoin, the men split their 80% share of the ransom three ways and laundered the funds through various means. ALPHV BlackCat targeted the computer networks of more than 1,000 victims around the world. The group used a ransomware-as-a-service model in which developers were responsible for creating and updating ransomware and for maintaining the illicit internet infrastructure. Affiliates were responsible for identifying and attacking high-value victim institutions with the ransomware. After a victim paid, developers and affiliates shared the ransom.

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

### **DFPI Fines Crypto Lending Platform Nexo Capital Inc. \$500,000 in Penalties**

On January 14, 2026, the California Department of Financial Protection and Innovation (DFPI) announced that Nexo Capital Inc. (Nexo), a Cayman Islands corporation, will pay \$500,000 in penalties for violating California financial laws, including making loans to California residents without a valid license. Between July 2018 and November 2022, Nexo offered crypto-backed loans and services to at least 5,456 Californians without first considering the borrower’s ability to make timely repayments, existing debt, credit history or other documents relating to the borrower’s overall financial condition, thus violating California Financing Law (CFL). In addition to the penalty, Nexo must, within 150 days, transfer all funds belonging to California residents to Nexo Financial LLC, a U.S.-based affiliate that holds a CFL license with the DFPI. In a separate action in 2022, the DFPI co-led a North American Securities Administrators Association task force

to investigate Nexo's crypto interest-earning program. The DFPI negotiated a \$22.5 million multistate settlement with Nexo on behalf of over 50 United States jurisdictions for violations of state securities laws.

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

### **CFTC Charges Oklahoma Man and His Unregistered Commodity Pool Operator with Fraud and Registration Violations**

On January 16, 2026, CFTC filed a complaint in the U.S. District Court for the Northern District of Oklahoma against Travis Ford and his company, Wolf Capital Crypto Trading LLC, charging them with fraud and registration violations. The complaint alleges that Ford and Wolf Capital fraudulently solicited and accepted the equivalent of more than \$10 million from investors for an unregistered commodity pool operated by Wolf Capital. In a related criminal case, the DOJ charged Ford with conspiracy to commit wire fraud. On November 13, 2025, Ford was sentenced to five years in prison and ordered to pay certain monetary relief.

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

### **Health Care Executive Pleads Guilty to Kickback Scheme in Vermont**

On January 20, 2026, the DOJ announced that Evelyn Herrera pleaded guilty for participating in a conspiracy to pay health care kickbacks. As part of the scheme, Herrera tried to hide the source of the funds generated fraudulently by her company, Merida Medical Supplies Inc, including transferring more than \$300,000 in fraud proceeds to a cryptocurrency exchange and another \$125,000 via international wire transactions for the purchase of a property in Mexico. Herrera is scheduled to be sentenced on May 11, and faces a maximum penalty of five years in prison.

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

### **US District Court Denies Mango Labs' Motion for Relief from Judgment**

On January 22, 2026, U.S. District Judge Jennifer L. Rochon denied Mango Labs, LLC's motion for relief from judgment in its ongoing litigation against the SEC. The litigation arises out of the SEC's enforcement action against the operators of Mango Markets, a crypto asset trading platform. Specifically, on September 27, 2024, the SEC filed an enforcement action, alleging that Mango Labs were violating the securities laws. The SEC and Mango Labs, along with the other two defendants, settled the litigation and agreed to the entry of final judgments, and the Court entered the consented-to final judgments on October 1, 2024. On June 28, 2025, Mango Labs filed a motion for relief from the final judgment arguing that there had been a recent shift in the SEC's enforcement policy in the context of cryptocurrency, including voluntary dismissals of several pending enforcement actions. However, Judge Rochon found that Mango Labs had not satisfied the second requirement under Rule 60(b)(5) by showing that "a significant change either in factual conditions or in law" renders the application of the consented-to final judgments inequitable. Judge Rochon further found that Mango Labs had not shown that extraordinary circumstances warrant relief under Rule 60(b)(6). For these reasons, the Court denied Mango Labs' motion to set aside the final judgment.

Judge Rochon's order can be found [here](#).

## **Binance Applies for MiCA License in Greece**

On January 23, 2026, Binance announced that it submitted an application for authorization under the European Union’s Markets in Crypto-Assets Regulation (MiCA) in Greece. Crypto companies must obtain such a license by July 2026, or they will have to leave the European market.

Binance’s press release can be found [here](#).

## **SEC Announces Dismissal of Civil Enforcement Action Against Gemini Trust Company, LLC**

On January 23, 2026, the SEC filed a joint stipulation with Gemini Trust Company, LLC to dismiss, with prejudice, the SEC’s ongoing civil enforcement action against Gemini. As stated in the joint stipulation, the SEC’s decision to seek dismissal of this action is “in the exercise of its discretion,” and takes into account the “100 percent in-kind return of Gemini Earn investors’ crypto assets,” as well as state and regulatory settlements involving Gemini related to the Gemini Earn program. The SEC’s decision also “does not necessarily reflect the Commission’s position on any other case,” as stated in the joint stipulation.

The SEC’s press release can be found [here](#).

## **Akin Thought Leadership**

[Board Considerations for Public Companies Engaging with Digital Assets](#) (February 19, 2026)

[OFAC Settlement with Blockchain Wallet Provider Spotlights Sanctions Risks for Digital Assets Intermediaries](#) (January 21, 2026)

[CFTC Relief Eliminates Dual US Regulation of Certain Investment Managers](#) (December 22, 2025)

[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)

Learn more about our Digital Assets, Cryptocurrency and Blockchain practice.

[Learn More](#)

**Questions?**

If you have any questions, please contact your regular Akin lawyer or advisor or:



**Peter I. Altman**  
Partner  
Los Angeles



**James Joseph Benjamin Jr.**  
Partner  
New York



**Ryan Fayhee**  
Partner  
Washington, D.C.



**Adam Hilkemann**  
Partner  
Dallas



**Mitchell Hurley**  
Partner  
New York



**Wael Jabsheh**  
Partner  
Abu Dhabi



**Lance Jasper**  
Partner  
Los Angeles



**Brad Kahn**  
Partner  
New York



**Elizabeth Scott**  
Partner  
Dallas



Andrew Schlossberg  
Partner  
Washington, D.C.



Evan D. Wolff  
Partner  
Washington, D.C.



Jacqueline Yecies  
Partner  
New York



John C. Murphy  
Senior Counsel  
New York



Kate Powers  
Senior Counsel  
New York



Sahar Abas  
Counsel  
Dubai



Nicholas Lombardi  
Counsel  
Washington, D.C.



Jessica Mannon  
Counsel  
Dallas



Kaitlyn Tongalson  
Counsel  
New York



**Gabriel D. Weiner**  
Counsel  
Los Angeles



**Samuel Olswanger**  
Senior Policy Advisor  
Washington, D.C.



**Michael Stanley**  
Associate  
Dallas



**Patrick Gaul**  
Public Policy Specialist  
Washington, D.C.

[akingump.com](http://akingump.com)



©2026 Akin Gump Strauss Hauer & Feld LLP. All rights reserved. Attorney advertising. This document is distributed for informational use only; it does not constitute legal advice and should not be used as such. Prior results do not guarantee a similar outcome. Receipt of this information does not create an attorney-client relationship. Do not act upon this information without seeking professional counsel. All content is presented by Akin and cannot be copied or rebroadcasted without express written consent. Akin is the practicing name of Akin Gump LLP, a New York limited liability partnership authorized and regulated by the Solicitors Regulation Authority under number 267321. A list of the partners is available for inspection at Eighth Floor, Ten Bishops Square, London E1 6EG. For more information about Akin Gump LLP, Akin Gump Strauss Hauer & Feld LLP and other associated entities under which the Akin network operates worldwide, please see our Legal Notices page.

[Update Your Preferences](#) | [Unsubscribe](#) | [Subscribe](#) | [Legal Notices](#) | [Privacy Policy](#)

This email was sent by: 2001 K Street, N.W., Washington, DC 20006-1037