

# Regulatory Alert

Regulatory Insights



April 2025

## First 100 Days: Upcoming Regulatory Signals for Digital Assets

### *KPMG Regulatory Insights*

- **A 180-Degree Shift?:** Congress and agencies move to establish digital assets policies and related regulatory frameworks, including stablecoins, in response to what was perceived as “regulation by enforcement”.
- **From “Debanking” to “Mainstreaming”?:** More regulatory changes to come out of concerns around “debanking” and existing regulatory guardrails, including those impacting digital asset companies.
- **Regulatory Hurdles Ahead:** Legislation still needed to clarify agency jurisdictions over specific types of digital assets and approach to new/novel offerings and trading technologies.

Within the first few days of taking office, the new Administration took immediate action to set forth directives and Executive Orders that lay the foundation for incoming agency leadership and Congress to establish policies and regulatory frameworks intended to promote digital assets and related innovative technologies. Actions are being taken on all levels (e.g., Executive, Legislative, Agency) raising a variety of signals for regulatory change:

1. Executive & Legislative Actions and Directions, including public-private collaboration, establishing executive oversight, and congressional activity
2. Agency Actions and Directions, including regulatory flexibility, modifications or withdrawals of rules and guidance, approvals of novel bank charters/M&A transactions, steps to establish a regulatory framework, and responses to “debanking” concerns.

# 1. Executive & Legislative Actions and Directions

A series of executive directives and Congressional actions look to strengthen digital finance, including digital assets. Early Executive Orders set the foundation for current and forthcoming legislative and agency actions:

- Executive Order 14178, “Strengthening American Leadership in Digital Financial Technology,” which sets forth a policy to support the growth of and use of digital assets. It establishes and directs the President’s Working Group on Digital Assets Markets to recommend legislative proposals to further the policy and regulatory frameworks to govern the issuance and operation of digital assets as well as market structure, oversight, consumer protection, and risk management.
- Executive Order 14233, “Establishing a Strategic Bitcoin Reserve and the United States Digital Assets Stockpile,” which orders the Reserve and the Stockpile to be capitalized with Bitcoin and other digital assets, respectively, that have been forfeit as part of criminal or civil asset forfeiture proceedings.” The Secretary of the Treasury and the Secretary of Commerce are to develop “budget-neutral” strategies for acquiring additional Bitcoin but no other digital assets without “further executive or legislative action.”

Other executive and legislative actions that signal regulatory change include:

Signals	Description/Examples	Source
<b>Public-Private Collaboration</b>	<p>Convening of a White House Crypto Summit covering legislation/regulation related to digital assets with representation from the Administration as well as executives of private digital asset platforms and publicly traded fintech and investment firms. Public comments related to regulatory matters included:</p> <ul style="list-style-type: none"> <li>– Ending “Operation Chokepoint 2.0” focused on digital assets and related innovation</li> <li>– Congressional efforts to introduce legislation giving regulatory certainty to dollar-backed stablecoin (see discussion below)</li> </ul>	White House, Media Reports
<b>Establishing Executive Oversight</b>	<p>Naming of Special Advisor for AI and Crypto (i.e., the “AI and Crypto Czar”) with responsibilities for overseeing regulatory frameworks and collaborating with officials and stakeholders, including the President’s Council of Advisors on Science and Technology (PCAST).</p> <p>Establishment of the President’s Working Group on Digital Asset Markets to be led by the Special Advisor for AI and Crypto and to include heads of departments and agencies, including Treasury, SEC, and CFTC. The working group is to submit a report by July 22, 2025, recommending regulatory and legislative proposals on digital assets, including stablecoins.</p>	White House <a href="#">here</a> and <a href="#">here</a>

Signals	Description/Examples	Source
<b>Congressional Activity</b>	Formation of a bicameral Congressional working group, comprised of members of the Senate Banking Committee, the House Financial Services Committee, and the Senate and House Agriculture Committees, to focus on digital assets and build consensus around a regulatory framework	<a href="#">Senate Release</a>
	<p>Multiple hearings in the House and Senate focused on digital assets including:</p> <ul style="list-style-type: none"> <li>• “Navigating the Digital Payments Ecosystem”</li> <li>• “Exploring Bipartisan Legislative Frameworks”</li> <li>• “A Golden Age of Digital Assets: Charting a Path Forward”</li> </ul> <p>Proposed legislation introduced at these hearings covers a variety of areas, including stablecoins. Potential for new legislation on stablecoins by August 2025 (based on media reports).</p> <p>Industry identified concerns include:</p> <ul style="list-style-type: none"> <li>• Treatment of foreign issuers vs U.S. issuers</li> <li>• Federal vs state authority (e.g., licensing, preemption)</li> <li>• Consumer protections, including in the event of issuer bankruptcy</li> <li>• Application of prudential requirements (e.g., AML/CFT, capital/liquidity)</li> <li>• Restrictions on issuers (e.g., affiliate relationships, investments)</li> <li>• Enforcement</li> </ul>	<p>Hearings and Testimony <a href="#">here</a>, <a href="#">here</a>, and <a href="#">here</a></p> <p><a href="#">CSBS Statement</a></p>
	<p>Senate investigation of the impact of “debanking” (i.e., closure of bank accounts where account holders are perceived to pose financial, legal, regulatory, or reputational risk), based on factors such as business purpose (e.g., digital assets, gun manufacturing).</p> <p>Potential consideration of legislation to remove reputation risk as a component of supervisory ratings and as a measure to determine the safety and soundness of a regulated financial institution (to include FRB, OCC, FDIC, NCUA, and CFPB).</p>	<p><a href="#">Senate Banking Committee Hearing</a></p> <p><a href="#">Senate Banking Committee Release</a></p>

## 2. Agency Actions and Directions

In alignment with Executive Orders and directives, regulatory agencies are shifting their supervisory, enforcement, and regulatory activities to allow for further innovation and adoption of digital assets.

Signals	Description/Examples	Source
<b>Modification or Withdrawal of Rules and Guidance</b>	Affirmation of the permissibility of crypto asset custody, distributed ledger, and stablecoin activities.	<a href="#">OCC Release</a>
	Rescission of requirement for supervisory nonobjection and demonstration that adequate controls are in place before engaging in cryptocurrency activities – no prior approval needed	<a href="#">FDIC Release</a>
	Withdrawal from Joint Statement on Crypto Asset Risks to Banking Organizations, and Joint Statement on Liquidity Risks to Banking Organizations from Crypto-Asset Market Vulnerabilities - and intent to jointly replace the guidance.	
	Withdrawal of advisory letters relating to the review of risks related to clearing digital assets and virtual currency derivative product listings.	CFTC Announcements <a href="#">here</a> and <a href="#">here</a>
	Rescission of SEC Staff Accounting Bulletin (SAB) 121 - financial reporting for companies safeguarding digital assets – and replacement with SAB 122.	<a href="#">SEC Accounting Bulletin 122</a>
	Amendments to the Call Report instructions to reflect the rescission of SAB 121.	<a href="#">FDIC Announcement</a>
<b>Approval of Novel Bank Charters/M&amp;A Transactions</b>	Approval of charter application of fintech acquisitions of national banks.  Note: Anticipation of a less restrictive approach to bank charter applications/M&A deals.	OCC <a href="#">Release</a>
	Potential for increased numbers of M&A transactions as the regulatory environment evolves in areas such as decentralized finance and blockchain infrastructure  Potential for expansion of relationships with fintechs and other innovators, including blockchain infrastructure providers, web3 platforms, and compliance solutions, to accelerate digital transformation to emerging technologies	Media Reports

Signals	Description/Examples	Source
<b>Taking Steps to Establish a Regulatory Framework</b>	<p>Acknowledged need for Congress to introduce new crypto legislation in order to reduce regulatory uncertainty, regulatory overlap, and disputes by assigning jurisdiction over particular types of crypto assets to particular federal regulators.</p>	<p><a href="#">SEC Remarks</a></p>
	<p>Rekindled collaboration/ coordination between SEC and CFTC staff to establish crypto regulations.</p> <p>Actions initiated by the SEC include:</p> <ul style="list-style-type: none"> <li>• Formation of a new Crypto Task Force dedicated to developing “a comprehensive and clear regulatory framework for crypto assets”. So far, the Crypto Task Force is: <ul style="list-style-type: none"> <li>• Reviewing public comment on a variety of topics including Security, Public Offerings, Custody, Trading, Crypto Lending, and Tokenized Securities.</li> <li>• Conducting a series of five public roundtables covering defining security status, tailoring regulation for crypto trading, and considerations for crypto custody, tokenization, and DeFi</li> <li>• Aligned with a new Cyber and Emerging Technologies Unit to enforce against misconduct related to innovation (e.g., fraud through AI, ML, blockchain technology, disclosure)</li> </ul> </li> <li>• Dropping investigations and pausing/closing outstanding lawsuits against multiple crypto firms, noting that the dismissal will facilitate ongoing efforts to “reform and renew its regulatory approach to the crypto industry”</li> </ul> <p>Actions initiated by the CFTC include announced public roundtables on evolving trends and innovation in market structure, including digital assets.</p>	<p>Media Reports</p> <p>SEC Announcements <a href="#">here</a> and <a href="#">here</a>;</p> <p><a href="#">SEC RFI</a></p> <p>SEC Roundtables <a href="#">here</a> and <a href="#">here</a></p> <p><a href="#">CFTC Announcement</a></p>
<b>Response to De-Banking Concerns</b>	<p>Elimination of reputation risk from examinations and removal of references to reputation risk from regulations, examination manuals, guidance, and policy documents (e.g., OCC, FDIC, FRB).</p> <p>Potential for new rulemaking intended to ensure that supervisors do not criticize activities or actions on the basis of reputation risk.</p>	<p><a href="#">OCC Announcement</a></p> <p><a href="#">FDIC Letter to Congress</a></p> <p><a href="#">Powell Testimony</a></p>

For more information, please contact [Amy Matsuo](#), [Brian Consolvo](#), or [DJ Hennes](#).

# Contact



**Amy Matsuo**  
Principal and National Leader  
Regulatory Insights  
[amatsuo@kpmg.com](mailto:amatsuo@kpmg.com)

Connect on [LinkedIn](#)

Learn about us:



[kpmg.com](https://www.kpmg.com)

**Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.**

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.



© 2025 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.