FINREG Focus

U.S. Financial Services Regulatory Center Update

August 24, 2026

Executive Summary

1. U.S. Department of the Treasury (Treasury) issues GENIUS Act proposal as the Office of the Comptroller of the Currency (OCC) shares implementation timeline.
2. SEC proposes new framework for crypto asset securities offerings.
3. FASB proposes enhanced cash equivalent disclosures and clarifies evaluation of certain digital assets.

Overview of Key Developments

1. Treasury Releases GENIUS Act Proposal; OCC Discusses Next Steps

What Happened?

On August 17, 2026, Treasury issued a notice of proposed rulemaking to implement Section 3 of the GENIUS Act. The proposal addresses when payment stablecoins are considered issued, offered, sold, or otherwise made available in the United States. Comments are due October 19, 2026.

Among other provisions, the proposal would:

- Define an issuance as the first transfer by an issuer that gives another person the right to use, transfer, convert, redeem, or have the stablecoin repurchased. A stablecoin would generally be considered issued in the U.S. if either the issuer or the recipient is located in the U.S. at the time of issuance.
- Establish conditions under which a foreign issuer would be deemed not to issue stablecoins in the U.S., including maintaining reasonably designed policies, procedures, and controls and avoiding advertising or solicitation directed at persons located in the United States.
- Address when digital asset service providers may offer or sell foreign-issued payment stablecoins. The proposal would permit reliance on a foreign issuer’s representation that it can and will comply with lawful orders and reciprocal arrangements, but only after reasonable due diligence and when the provider does not know, have reason to know, or should know that the representation is false.
- Provide exemptions and safe harbors, including limited relief for certain pending applicants when granted by the applicable federal regulator.

The proposal implements statutory restrictions expected to begin on January 18, 2027, including the general prohibition against issuing a payment stablecoin in the U.S. without the appropriate federal or state authority. A separate restriction is scheduled for July 18, 2028, when digital asset service providers generally may not offer or sell payment stablecoins to persons in the U.S. unless the coins are issued by an authorized issuer or qualify under the act’s foreign-issuer provisions.

Separately, on August 19, Comptroller Jonathan Gould said the OCC expects to issue its final GENIUS Act rule by November. He also noted that 23 of the 40 new bank-charter applications received during the prior approximately 18 months included some form of digital asset activity in their business plans.

Why Does It Matter?

Treasury's proposal gives issuers and digital asset service providers a more detailed view of how Section 3 could apply to domestic and cross-border activities. The proposed location standards, due diligence provisions, and controls for avoiding transactions with persons located in the U.S. could affect onboarding, geographic screening, advertising, distribution arrangements, and reviews of foreign issuers. These provisions remain proposed and may change after Treasury considers public comments.

The OCC's November target provides a separate implementation marker for companies considering an OCC-regulated stablecoin issuer or bank charter. Gould's comments also indicate that stablecoin and other digital asset activities are becoming increasingly common in charter applications reviewed by the agency.

The Bottom Line:

Treasury has proposed detailed rules for determining where stablecoin issuance and sales occur and how foreign-issued stablecoins may reach U.S. markets. Financial institutions and digital asset businesses should review the proposal, evaluate potential effects on their controls and distribution models, and monitor Treasury's October 19 comment deadline and the OCC's stated November target for a final rule.

2. SEC Proposes Crypto Asset Offering Framework

What Happened?

The SEC has proposed Regulation Crypto Assets, a new framework that would establish securities offering exemptions and a conditional safe harbor for certain investment contracts involving crypto assets. The proposal follows the SEC's March 2026 interpretive guidance on the application of federal securities laws to certain crypto asset activities and is intended to provide greater clarity around capital formation in crypto markets. The proposal would create two new *Securities Act* registration exemptions specifically designed for qualifying crypto asset offerings:

- A startup exemption permitting offerings of up to $5 million over a four-year period.
- A fundraising exemption permitting offerings of up to $75 million during a 12-month period.

Issuers relying on either exemption would be required to provide principles-based disclosures tailored to crypto asset offerings. Issuers using the larger fundraising exemption would also be subject to financial statement and ongoing reporting requirements. The proposal also introduces a conditional investment contract safe harbor. Under the proposed framework, a crypto asset would no longer be treated as subject to an investment contract if the issuer certifies that it has completed or permanently ceased all essential managerial efforts promised to investors and satisfies other specified conditions. In addition, the proposal would preempt certain state securities registration and qualification requirements for securities issued pursuant to the proposed exemptions, as well as certain secondary market transactions.

The SEC is accepting public comments for 60 days following publication in the **Federal Register**.

Why Does It Matter?

The proposal represents a significant recent effort to establish a dedicated framework for crypto asset capital formation under existing federal securities laws. Rather than requiring issuers to rely exclusively on traditional registration pathways, qualifying issuers could access new exemptive avenues tailored to crypto-related fundraising activities.

One of the proposal's most notable features is the safe harbor framework. If adopted, it would provide a mechanism for determining when a crypto asset is no longer associated with an ongoing investment contract, addressing a long-standing area of uncertainty for issuers, investors, and intermediaries.

For firms operating in digital asset markets, the proposal could provide additional clarity regarding offering requirements, disclosure expectations, and the circumstances under which certain crypto asset activities remain subject to federal securities laws. The framework is also intended to support capital raising while maintaining core investor protection safeguards through disclosure, reporting, and eligibility requirements.

The proposal arrives as policymakers continue broader discussions regarding the long-term regulatory treatment of digital assets. Chairman Paul Atkins stated that the proposal is intended to provide clearer pathways for capital formation and reduce uncertainty surrounding the application of securities laws to crypto asset fundraising activities.

The Bottom Line:

The SEC's proposal would establish new exemptions for certain crypto asset offerings and create a conditional safe harbor tied to the lifecycle of an investment contract. Digital asset market participants, financial institutions, and compliance teams should monitor the rulemaking process and evaluate whether the proposed framework could affect fundraising, disclosure, or regulatory compliance activities.

3. FASB Proposes Stablecoin Cash Equivalent Guidance

What Happened?

On August 18, 2026, FASB released a proposed Accounting Standards Update (ASU), Statement of Cash Flows (Topic 230): *Cash Equivalents—Disclosure Enhancement and Evaluation of Certain Digital Assets*. Comments are due by November 19, 2026.The proposal is intended to address growing questions about whether certain digital assets, including stablecoins, qualify as cash equivalents under U.S. GAAP to reduce diversity in practice.

Rather than revising the existing definition of cash equivalents, FASB proposes a series of illustrative examples showing how that definition may be applied to digital assets designed to maintain a stable value relative to a fiat currency.

The examples focus on three attributes that FASB identified as key considerations when evaluating whether a digital asset designed to maintain a stable value may satisfy the existing cash-equivalent definition:

- A contractual right to redeem the asset for cash on demand, without significant fees or restrictions;
- A direct redemption right with the issuer for a known amount of cash; and
- Reserve assets maintained by the issuer in segregated accounts on at least a one-to-one basis in cash or other short-term, highly liquid assets.

FASB also includes examples of circumstances in which a digital asset would not qualify as a cash equivalent. In one example, a holder's ability to sell a stablecoin in active secondary markets is not sufficient because the holder lacks an on-demand contractual redemption right directly with the issuer. In another, a stablecoin backed by crypto assets and gold does not qualify because the reserve assets present more than an insignificant risk of changes in value.

Separately, FASB proposes new annual disclosures requiring entities to report the significant components and related amounts included in cash equivalents. Examples could include Treasury bills, commercial paper, stablecoins, and money market funds. The disclosure requirement would apply to all entities that present assets as cash equivalents, regardless of whether they hold digital assets.

Why Does It Matter?

The proposal is aimed at improving consistency in practice without expanding or narrowing the existing definition of cash equivalents. FASB noted that some entities currently conclude that certain stablecoins qualify as cash equivalents while others do not, reducing comparability across financial statements. The proposed examples are intended to promote a more consistent application of existing guidance.

Importantly, classification would remain an accounting policy election. Even if a digital asset exhibits characteristics consistent with the examples, an entity would not be required to present it as a cash equivalent. FASB also proposes clarifying that entities should consider applicable laws and regulations when establishing their cash-equivalent policies, particularly as the regulatory framework for digital assets continues to evolve.

If finalized, the guidance could affect how entities evaluate holdings of stablecoins and other digital assets, document redemption rights, assess reserve backing, and support accounting conclusions. In addition, organizations that present digital assets as cash equivalents may need to enhance reporting processes to identify significant cash-equivalent categories and prepare the proposed annual disclosures.

FASB has not proposed an effective date and will determine implementation timing after reviewing stakeholder feedback. The illustrative guidance would be applied using a modified prospective approach, while the disclosure requirements would be adopted prospectively. During the adoption year, affected entities would be required to disclose the impact on beginning cash, cash equivalents, restricted cash, and restricted cash equivalents. Early adoption would be permitted.

The Bottom Line:

FASB's proposal would provide additional clarity on how the existing cash-equivalent definition may apply to certain digital assets, including stablecoins, while increasing transparency into the assets companies include in cash-equivalent balances. Organizations holding digital assets or presenting significant cash-equivalent positions may want to assess the proposal's potential impact on accounting policies, disclosures, and reporting processes.

Accounting/Audit Threshold Considerations for Credit Unions

As covered in a prior FINREG Focus, the *Main Street Capital Access Act* (H.R. 6955), which indexes key statutory and prudential asset thresholds to GDP/CPI, passed the House and is now before the Senate Banking Committee. Among the threshold changes, the bill would establish an indexing process that initially raises the opinion-level audit threshold to $2 billion and the threshold to apply GAAP to $34 million for credit unions. As the measure continues to gain momentum, institutions near the current audit thresholds should monitor Senate action.

National Credit Union Administration (NCUA) Updates Board Meeting Requirements

Federal credit unions with composite CAMELS ratings of 1 or 2 and management ratings of 1 or 2 may now hold as few as six board meetings per year, provided the board meets at least once each fiscal quarter. This flexibility stems from the *Credit Union Board Modernization Act* (CUBMA), which replaced the long-standing monthly board meeting requirement for qualifying institutions. NCUA recently clarified[1] that eligible credit unions may implement the change immediately by amending their bylaws without waiting for updates to agency regulations or model bylaws.

Key Updates

- Qualifying federal credit unions may reduce board meetings from 12 annually to as few as six annually.
- Boards must continue to meet at least once during each fiscal quarter.
- Federal credit unions in their first five years of operation and institutions with composite CAMELS or management ratings of 3, 4, or 5 remain subject to monthly board meeting requirements.
- Eligible institutions may implement the change immediately through a bylaw amendment and do not need to wait for NCUA to update its regulations or model bylaws.

What This Means for Institutions

The change provides governance flexibility for well-rated federal credit unions while maintaining quarterly board oversight and preserving more frequent meeting requirements for newer and lower-rated institutions. Credit unions considering the change should evaluate whether a reduced meeting schedule aligns with their governance, oversight, and operational needs.

1. "NCUA Clears Qualifying Credit Unions to Use New Board Meeting Schedule," America's Credit Unions, Aug. 20, 2026.

Recent Key Regulatory Developments

U.S. Department of the Treasury

Date	Topic	Summary
8/17	Treasury Seeks Public Comment on GENIUS Act Stablecoin Implementation Proposal	Treasury issued a Notice of Proposed Rulemaking seeking public comment on proposed regulations implementing key licensing and market access provisions of the GENIUS Act for payment stablecoin issuers and digital asset service providers.
8/19	Treasury Expands Long-End Liquidity Support Buyback Operations	Treasury announced it will at least double the size of liquidity support buybacks for longer-dated nominal Treasury securities beginning September 9, 2026, increasing the maximum operation size from $2 billion to at least $4 billion.
8/20	Treasury Proposes Investment Eligibility Standards for Trump Accounts	Treasury proposed guidance that would limit eligible Trump Account investments to low-cost, broadly diversified index-based products and establish criteria for future trustees selecting investment options.

Office of the Comptroller of the Currency

Date	Topic	Summary
8/19	OCC Discusses GENIUS Act Implementation Timeline	Comptroller Jonathan Gould said digital asset activities are increasingly common in new bank charter applications and indicated the agency expects to issue a final GENIUS Act implementation rule by November 2026.

Securities & Exchange Commission

Date	Topic	Summary
8/18	SEC Proposes Regulation Crypto Assets to Create Tailored Securities Framework for Certain Crypto Offerings	SEC proposed a new framework that would create tailored securities offering exemptions, disclosure requirements, and a conditional safe harbor for certain investment contracts involving crypto assets, aiming to provide clearer capital-raising pathways while maintaining investor protections.

Recent Key Regulatory Developments

Commodity Futures Trading Commission

Date	Topic	Summary
8/17	The National Futures Association Proposes Expanding Fingerprint Filing Alternative for Certain Registrants	NFA submitted amendments to Registration Rule 209 that would broaden an existing alternative to fingerprint card submissions by easing certain FINRA registration timing requirements and expanding eligibility for dual registrants.
8/17	National Futures Association Proposes Modernizing Business Continuity and Disaster Recovery Requirements	NFA proposed amendments to Compliance Rule 2-38 and related guidance that would recognize cloud-based recovery sites as an alternative to physical disaster recovery locations and update business continuity expectations for members.
8/18	CFTC Proposes Registration Exemptions for Certain Commodity Pool Operators and Trading Advisors	CFTC issued a proposed rule that would establish new registration exemptions for certain SEC-registered investment advisers and adjust the small commodity pool exemption threshold to reflect inflation.
8/19	CFTC Requests Comment on Emerging Compute Derivatives Markets	CFTC issued a request for comment on compute derivatives markets, seeking input on market structure, liquidity, oversight considerations, customer protections, and perpetual compute futures contracts.
8/20	CFTC Proposes Removing Order Book Requirement for Certain Swap Transactions	CFTC proposed amendments that would eliminate the requirement for swap execution facilities (SEFs) to maintain an order book for permitted transactions, citing limited market use and a desire to provide greater operational flexibility.

Financial Accounting Standards Board

Date	Topic	Summary
8/18	FASB Proposes Enhanced Cash Equivalent Disclosures and Digital Asset Guidance	FASB issued a proposed Accounting Standards Update that would enhance cash-equivalent disclosures and provide illustrative guidance on the treatment of certain digital assets, including stablecoins, under existing GAAP requirements.
8/19	FASB Addresses Consideration-Payable Accounting, Revenue Recognition, and Crypto Asset Transfers	FASB added a project addressing consideration payable to a customer under Topic 606, declined to pursue certain other revenue-recognition agenda requests, and continued development of proposed accounting guidance for crypto asset transfers.

Deadlines & Compliance Calendar

Agency	Requirement	Due Date
Joint Agency	Comments due on CRA regulations	Oct 13, 2026
FRB	Comments due on AML/CFT Programs	Sep 8, 2026
	Comments due on regulatory modernization and relief for Mutual Holding Companies	Oct 5, 2026
	Comments due on loans to executive officers, directors, and principal shareholders	Oct 5, 2026
OCC	Comments due on OCC rules regarding the availability of OCC information	Oct 5, 2026
FDIC	Comments due on assessments thresholds, rate schedules, and adjustments	Aug 31, 2026
	Comments due on resolution submission required for covered depository institutions proposal	Aug 31, 2026
	Comments due on reporting forms and instructions for FDIC-supervised PPSIs	Sep 18, 2026
	Comments due on extension of credit to insiders	Oct 5, 2026
SEC	Comments due on regulatory agenda	Sep 14, 2026
	Comments due on electronic delivery of information under the federal securities laws	Sep 21, 2026
	Comments due on Regulation Crypto Assets	Oct 20, 2026
CFTC	Comments due on 24/7 futures trading and energy perpetual contracts	Aug 26, 2026
	Comments due on conflicts and affiliations	Oct 5, 2026
	Comments due on CPO/CTA and small commodity pool exemptions	Oct 5, 2026
	Comments due on listing of compute derivatives contracts	Oct 20, 2026
SEC/CFTC	Comments due on swap and security-based swap data reporting	Aug 24, 2026
	Comments due on definition of “swap” and “security-based swap” and on alternative compliance	Aug 24, 2026
	Comments due on request for comment on implementation of margining and cross-margining of securities and derivatives	Aug 31, 2026

Effective Rule Compliance Dates

Agency	Requirement	Compliance Date
Joint Agency	*Financial Data Transparency Act* joint data standards	Oct 1, 2026
FDIC	FDIC official signs and advertisement of membership	Apr 1, 2027
NCUA	Prohibition on the use of reputational risk	Jul 27, 2026
	Simplification of share insurance rules	Dec 1, 2026
	Limits on loans to other credit unions	Sep 8, 2026
	Rescission - Interpretive Ruling and Policy Statement 08-2	Sep 8, 2026
	Purchase, sale, and pledge of eligible obligations	Sep 8, 2026
	Third-party servicing of indirect vehicle loans	Sep 8, 2026
	Rescission - Interpretive Ruling and Policy Statement 06-1	Sep 8, 2026
	Suretyship and guaranty; Segregated deposit and collateral	Sep 8, 2026
	Termination of excess insurance coverage	Sep 8, 2026
	Rescission - Interpretive Ruling and Policy Statement 10-1	Sep 8, 2026
	Requirements for insurance	Sep 8, 2026
	Corporate Credit Unions	Sep 8, 2026
	Credit Union service contracts	Sep 8, 2026
SEC	Modernization of delegations of authority to Commission staff	Jul 26, 2026
	Form N-PORT and N-CEN reporting requirements[1]	Nov 17, 2027
		May 18, 2028
CFTC	Order sunsetting certain large trader reporting requirements for physical commodity swaps	Jul 21, 2026
	Margin requirements for uncleared swaps for swap dealers and major swap participants	Aug 17, 2026
FinCEN	AML/CFT program and suspicious activity report filing requirements for registered investment advisers and exempt reporting advisers	Jan 1, 2028
	Beneficial ownership information reporting requirement revisions	Aug 14, 2026

1. Compliance dates based on asset size: November 17, 2027 for fund groups with net assets of $1 billion or more; and May 18, 2028 for fund groups with less than $1 billion in net assets as of the end of their most recent fiscal year-end.

Agencies Without Recent Key Developments

Several key regulators maintained their prior positions for the period, with no new actions to report, including:

- Legislative
- Financial Stability Oversight Council
- Federal Financial Institutions Examination Council
- Joint Banking Agencies
- Federal Reserve Board
- Federal Deposit Insurance Corporation
- National Credit Union Administration
- Consumer Financial Protection Bureau
- Financial Crimes Enforcement Network
- Financial Stability Board
- Basel Committee on Banking Supervision
- International Organization of Securities Commissions

U.S. Financial Services Regulatory Center Recent FORsights™

We're committed to changes and obligations regulators demand, helping you meet business objectives and enhance shareholder value. For more information on our latest work, please see our FORsights below:

Quarterly Insights: Financial Services Q2 2026

Download our Q2 2026 insights featuring major regulatory and supervisory developments.

FFIEC Proposes Sweeping Overhaul of CAMELS Framework

Discover proposed CAMELS overhaul linking ratings to material risk and transparency.

Agencies Propose CRA Revisions for Lending Accountability

OCC and FDIC propose targeted CRA updates for lending and community development grants.

Reframing AML for Digital Finance

FinCEN proposes AML reforms for financial institutions and stablecoin issuers, emphasizing effectiveness.

SEC Implementation of Daily Rule 15c3-3 Reserve Computations

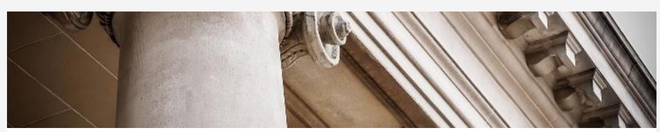
Explore how daily reserve computations affect sweep activity and customer credits.

An Overview of the Modernization of the U.S. Regulatory Capital Framework

A breakdown of proposals on Revised Standardized Approach, Basel III/ERBA, and G-SIB Recalibration.

Implications of the Updated Interagency MRM Guidance

Understand evolving guidance in model risk management.



SEC Allows Broker-Dealers to Use Equities as Collateral

The SEC allows equity collateral under Rule 15c3-3, boosting flexibility with strong controls.

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