

CLIENT ALERT

SEC and CFTC Chairmen Pledge to Harmonize U.S. Crypto Regulation

February 3, 2026

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On January 29, 2026, Chairman Paul Atkins of the Securities and Exchange Commission (the “SEC”) and newly sworn-in Chairman Michael Selig of the Commodity Futures Trading Commission (the “CFTC”)¹ held a joint event that marked a watershed moment in interagency coordination and their shared commitment to creating a pro-innovation regulatory blueprint for digital asset markets in the United States.² Each Chairman offered remarks, and they then participated in a fireside chat moderated by Eleanor Terrett, co-founder and host of the *Crypto in America* podcast. The Chairmen emphasized their intention to harmonize regulatory standards across the agencies, deliver clearer guidance with respect to digital assets, and embrace innovation.

¹ Press Release, *Willkie Alum Michael Selig Confirmed as 16th CFTC Chairman* (Dec. 19, 2025), available [here](#).

² *SEC-CFTC Harmonization Roundtable: U.S. Financial Leadership in the Crypto Era* (Jan 29, 2026), recording available [here](#).

Chairman Atkins' opening remarks emphasized his commitment to the swift development of a regulatory framework for crypto assets.³ He outlined several key actions the SEC has taken in its "Project Crypto" initiative under his leadership and that of SEC Commissioner Hester Peirce, including the clarity provided with respect to the security status of memecoins, stablecoins, mining and staking activities,⁴ the published FAQs clarifying the staff's views about broker-dealer financial responsibility and transfer agent obligations in the context of crypto assets,⁵ and the SEC Division of Investment Management's long-awaited guidance that state-chartered financial institutions can maintain crypto assets for registered advisers and regulated funds.⁶ In keeping with this administration's tone of deregulation, Chairman Atkins offered his view that the responsibility of regulators is to "apply the minimum effective dose of regulation – no more, no less." Chairman Atkins' speech also emphasized the importance of cross-agency coordination with respect to digital assets to "cement America's leadership in the global financial system" and keep the United States "the world's most trusted and dynamic capital market." Chairman Atkins also referenced the pending cryptocurrency market structure legislation, stating that Congress has "never been closer" to reaching consensus and that the two agencies stand ready to implement any new legislation. Finally, Chairman Atkins announced that the CFTC would join the SEC in "Project Crypto," making the initiative a joint agency endeavor.

Chairman Selig next offered his first public remarks as the 16th Chairman of the CFTC. Chairman Selig echoed Chairman Atkins' goal of supporting responsible innovation and outlined the importance of Project Crypto to the American financial system, stating, "America's financial regulators must modernize and harmonize their approach to regulation to future-proof our markets for the innovations of tomorrow."

Chairman Selig identified several priority workstreams for CFTC action under Project Crypto. He previewed an interagency memorandum of understanding with the SEC to formalize coordination on digital asset jurisdiction and supervision; a rulemaking to codify Chairman Atkins' crypto asset taxonomy to provide clearer lines between securities and commodities; and initiatives to expand recognition of eligible tokenized collateral. He also signaled a path to list and clear "true" perpetual crypto derivatives in the U.S.; exploration of a narrowly tailored "innovation exemption" to permit supervised experimentation in decentralized finance; and development of a fit-for-purpose framework for leveraged spot crypto transactions offered on designated contract markets. In addition, Chairman Selig indicated the CFTC will consider calibrated substituted compliance and other harmonization tools for dually SEC-CFTC registered firms to reduce regulatory compliance burden.

³ Chairman Paul S. Atkins, *Opening Remarks at Joint SEC-CFTC Harmonization Event – Project Crypto* (January 29, 2026), available [here](#) ("Atkins Remarks"). For an overview of crypto-related developments in 2025, see Matthew Comstock et al., *U.S. Crypto Markets Into the New Year: SEC, DTCC and OCC Regulatory Developments* (Jan. 26, 2026), available [here](#); Matthew Comstock et al., *Inside the Emerging U.S. Crypto Regulatory Framework: Recent Key Developments and Takeaways* (Oct. 20, 2025), available [here](#). For IRS safe harbor guidance for investment trusts engaging in staking, see Roger Wise, *IRS Revenue Procedure 2025-31 Attempts to Put Stake Through Heart of Concerns about Staking by Digital Asset Exchange-Traded Products* (Nov. 14, 2025), available [here](#).

⁴ SEC Div. of Corp. Fin. *Statement on Meme Coins* (Feb. 27, 2025), available [here](#); SEC Div. of Corp. Fin. *Statement on Stablecoins* (April 4, 2025), available [here](#); SEC Div. of Corp. Fin. *Statement on Certain Proof-of-Work Mining Activities* (March 20, 2025), available [here](#); SEC Div. of Corp. Fin. *Statement on Certain Protocol Staking Activities* (May 29, 2025), available [here](#).

⁵ Div. of Trad. and Mkts.: *Frequently Asked Questions Relating to Crypto Asset Activities and Distributed Ledger Technology* (May 15, 2025), available [here](#).

⁶ SEC Div. of Inv. Mgmt., *No-Action Letter* (Sept. 30, 2025), available [here](#).

Chairman Selig also provided notable updates for the prediction markets industry, announcing that he had asked CFTC staff to withdraw the 2024 event contracts rule proposal⁷ that would prohibit political and sports-related events contracts and the 2025 staff advisory,⁸ which cautioned registrants about offering access to sports-related event contracts due to ongoing litigation with state gambling authorities.⁹ He announced that a rulemaking on event contracts would be forthcoming from the CFTC and planted a stake in the ground vis-à-vis the pending lawsuits, announcing that the CFTC “has the expertise and responsibility to defend its exclusive jurisdiction over commodity derivatives.”

The Chairmen then continued discussing these themes in the fireside chat, outlining tangible day-to-day changes driven by closer SEC-CFTC coordination through routine staff-level collaboration, data and information sharing, and solutions that spare market participants from a requirement to register with both agencies (or from duplicative or conflicting regulations for firms that are dually registered). The Chairmen emphasized their support for Congressional action and hope to “future-proof” their partnership through a memorandum of understanding and joint rulemakings by both agencies.

Conclusion

The roundtable showcased the close relationship between the two Chairmen, their joint pledge for coordination and efficiency and their deep commitment to regulatory clarity for digital asset innovation, including event contracts and decentralized market structures. While time will tell how the discussion is translated into rulemaking and other action, for now the message remains strong – the priority on furthering financial market innovation, especially in the area of digital assets, is here to stay at both agencies.

⁷ 89 Fed. Reg. 48968 (June 10, 2024).

⁸ CFTC Staff Advisory 25-36 (Sept. 30, 2025).

⁹ For background on the regulation of event contracts, see Kari S. Larsen et al., *Betting on Uncertainty in the Regulation of Event Contracts* (Nov. 21, 2025), available [here](#).

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