

# Digital Assets May Be In For A Growth Spurt In 2026

By **Mark Chorazak, Daniel Michael and Simon Toms** (January 28, 2026)

We expect the Trump administration's support for cryptocurrencies and other digital assets as well as its lighter-touch regulatory approach to spur the creation of more such assets throughout 2026.

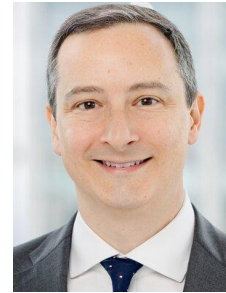
Regulations for stablecoins under the Guiding and Establishing National Innovation for U.S. Stablecoins, or Genius, Act are expected this year, which would allow traditional financial institutions to issue such cryptocurrencies.

However, substantial legal uncertainty remains regarding issues such as compliance, property rights and the applicability of securities laws. And despite more liberal regulations, private securities litigation involving digital assets is expected to continue.

The second Trump administration brought with it high expectations about a more receptive approach toward the regulation of cryptocurrencies and other digital assets. It met those expectations, and Congress and regulators have begun the hard work of creating rules of the road for the crypto industry.

In 2025, we saw:

- An executive order focused on digital assets, as well as repeated promises by President Donald Trump to make the United States "the crypto capital of the world";
- Strong and repeated pronouncements by the U.S. Securities and Exchange Commission and Commodity Futures Trading Commission about providing regulatory clarity on the issuance and offering of digital assets, including the SEC's Project Crypto plan;
- The termination of numerous SEC investigations into digital asset projects;
- A July report by the president's Working Group on Digital Asset Markets proposing a pro-innovation road map with a light regulatory overlay; and
- The enactment of the Genius Act in July regulating the issuance of stablecoins.[1]



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One initiative that fell short in 2025 was finalization of the Digital Asset Market Clarity Act, a bill designed to create a regulatory framework for the digital asset market by defining the roles of the SEC and CFTC, and establishing rules for digital asset businesses.

This bill has been more challenging to finalize given the numerous questions around definitions and approach, and the varied interested stakeholders. Whether Congress can finalize and pass the Clarity Act before it begins focusing on the 2026 midterms remains to be seen.

## **Expectations for 2026**

A key question at the start of 2025 was whether a lighter regulatory touch by the Trump administration would result in financial products and services focused on the original tenets of blockchain technology — that is, whether it would create disintermediation opportunities in the global financial system, with the resultant benefits of lower costs, more efficiencies and the democratization of financial products.

So far, there has been increased interest by traditional financial institutions, a trend we expect to continue throughout this year, particularly in the following key areas.

### ***Stablecoins***

While the Genius Act was enacted in 2025, the regulatory framework required under the act, including critical Office of the Comptroller of the Currency regulations, has not yet been revealed. We expect those regulations to be finalized this year, which would open the floodgates to the introduction of stablecoins by a variety of market participants.

This will likely bring with it new legal issues as participants seek to comply with the regulations.

One area we will be watching closely is the heated battle between banks and native digital asset companies, with banks arguing that certain companies are circumventing the Genius Act's prohibition on the payment of interest or yield on stablecoins through customer incentive and other so-called reward programs.

How this issue is resolved could shape the stablecoin landscape in the coming years.

### ***Tokenization***

One of the most exciting developments in the digital asset space has been the explosion of tokenization, i.e., the representation of real-world assets — such as securities, funds, real estate, investment-grade tangible assets and royalty streams — through an on-chain token.

Tokenization is an area that will benefit greatly from regulatory clarity, and we expect this trend to continue throughout this year as market participants tokenize different types of financial instruments.

How regulators view tokenization will largely depend on the asset being tokenized. For example, SEC Chairman Paul Atkins noted in November that tokenized securities are securities since they represent the ownership of a financial instrument enumerated in the definition of "security."

In addition, a number of legal issues surrounding tokenization remain unresolved as we start the year, including how commercial laws regarding property ownership apply and how tokens are to be treated as a form of collateral.

### ***Increased SEC Guidance***

The SEC has shifted its focus away from enforcement toward providing clearer guidance for digital asset issuers — a trend that we expect will continue throughout 2026.

Atkins announced that the SEC will be executing on its Project Crypto, which is expected to include a taxonomy of various categories of crypto-assets and how the SEC views each such categories.

There may also be a package of exemptions designed to streamline the process by which digital asset issuers can innovate while raising capital

### ***Continued Private Litigation***

Even with the SEC's decreased focus on enforcement, private securities litigation in the digital asset space increased in 2025 and is expected to continue into this year unless and until comprehensive legislation is passed that resolves many of the outstanding questions regarding application of U.S. securities laws to digital assets.

Indeed, private actions continue to assert that various digital assets, including nonfungible tokens, utility tokens, memecoins and others, constitute unregistered securities under the well-known Howey test.

Courts will continue to be called upon to draw lines in this uncertain area of the law, even as mainstream adoption of digital asset products and services increases.

### **Conclusion**

Overall, we expect that this year will witness an acceleration in digital asset product and service innovation, and while some legal issues will be clarified, other questions of first impression will need to be addressed.

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[1] See our July 17, 2025, client alert "US Establishes First Federal Regulatory Framework for Stablecoins: The GENIUS Act Passes Congress and Awaits President Trump's Signature."