



CRYPTO B R I E F



May 8, 2025

Lowenstein Crypto advises leading digital asset and cryptocurrency projects, exchanges, and trading firms. Our practice covers regulatory advice, transactions and structuring advice, investigations, and adversarial matters including commercial disputes, bankruptcy, and related litigation. As these markets continue their rapid growth and market participants continue to evolve and mature their businesses, we are providing this weekly digest as a resource that highlights and summarizes a selection of key recent legal regulatory developments.

SEC Commissioner Hester Peirce Suggests Consideration For Regulatory Sandbox For Tokenized Securities

On May 8, Commissioner Hester Peirce shared her thoughts on the tokenization of traditional securities at the SEC's 31st International Institute for Securities Market Growth and Development. In her speech, Peirce noted that the SEC's Crypto Task Force is considering a potential exemptive order that would allow firms to use decentralized ledger technology to issue, trade, and settle securities, citing the challenges automated market makers may face in complying with the SEC's Regulation National Market System (Reg NMS). As contemplated, and under the notion of the potential exemptive relief being a work-in-progress, exempted entities would be relieved from certain registration and/or regulatory requirements, but still be subject to anti-fraud provisions of applicable laws and regulations. Additionally, Peirce suggests that additional conditions may apply such as providing disclosures relating to smart contract risks and custody arrangements, and establishing policies and procedures related to blockchain and wallet security. *See [here](#) for the complete statement.*

House Leaders Release Draft Bill for U.S. Digital Asset Regulation Framework

On May 5, key House committee leaders, including Chairmen French Hill (R-AR), G.T. Thompson (R-PA), Bryan Steil (R-WI), and Dusty Johnson (R-SD), released a discussion draft of a bill aimed at establishing a comprehensive regulatory framework for digital assets in the U.S. The proposed legislation seeks to provide clarity for the digital asset industry by protecting consumers, fostering innovation, and closing regulatory gaps, while reinforcing U.S. leadership in financial technology. This effort signals the intent to collaborate with the Trump administration to finalize a digital assets regulatory framework. A joint House subcommittee hearing on the topic was scheduled for May 6, continuing the House committees' recent momentum in shaping digital asset policy. *See the full press release [here](#) and a copy of the discussion draft bill [here](#). Please see the Lowenstein Crypto Client Alert for a more comprehensive analysis of the draft bill [here](#).*

New Hampshire Becomes First U.S. State To Authorize Crypto Reserve Fund

On May 6, Gov. Kelly Ayotte signed House Bill 302 (HB302) into law, making New Hampshire the first U.S. state to allow its government to invest in cryptocurrency. HB302 permits the state treasury to invest in digital assets with a market capitalization exceeding \$500 billion, effectively excluding most smaller tokens and meme coins. This move positions New Hampshire at the forefront of state-level crypto adoption, ahead of similar but unsuccessful efforts in Arizona and Florida. HB302 also aligns with broader federal proposals from President Donald Trump and Sen. Cynthia Lummis to establish a

national strategic bitcoin reserve. *See a post on X announcing the law [here](#) and the official bill text [here](#).*

CFTC Moves To Drop Appeal in Kalshi's Event Contracts Case

On May 6, the Commodity Futures Trading Commission (CFTC) voluntarily dropped its appeal of a federal court ruling that allowed the KalshiEx (Kalshi) exchange, a New York-based prediction market, to offer betting markets on U.S. political election outcomes. As part of the voluntary dismissal, Kalshi waived its right to sue the CFTC over all legal claims it has arising from the litigation. Kalshi's conflict with the CFTC began in 2023 when the CFTC blocked Kalshi's proposal to allow bets on congressional control, calling it unlawful gaming. Kalshi sued, and the Federal District Court of Washington, D.C., sided with Kalshi. Despite the CFTC's initial efforts to overturn the ruling, its stance shifted following leadership changes and broader policy shifts under acting CFTC Chair Caroline Pham. *See a post on X by Kalshi announcing the dismissal [here](#).*

SEC To Host Tokenization Roundtable Exploring TradFi and DeFi Integration

On May 12, the Securities and Exchange Commission's (SEC) Crypto Task Force will hold a public roundtable on the intersection of TradFi and DeFi. The roundtable will feature industry leaders from firms such as BlackRock, Fidelity, Nasdaq, and Robinhood. Led by SEC Commissioner Hester M. Peirce, the roundtable aims to examine how tokenization could reshape financial markets and guide the SEC's regulatory approach. The roundtable agenda includes panels on the evolution of capital markets and the future of tokenization, with live streaming available on the SEC's website. *See the full press release and roundtable agenda [here](#).*

Congressional Roundtable Pushes for Clear U.S. Digital Asset Regulation

On May 6, the Subcommittees on Digital Assets of each the House Committee on Financial Services and the House Committee on Agriculture held a joint roundtable led by Chairmen Bryan Steil (WI-01) and Dusty Johnson (SD-AL) to evaluate the roles of the SEC and CFTC in overseeing digital assets and to discuss legislative principles for a regulatory framework. The roundtable followed the release of a bill aimed at establishing clear, durable rules for the digital asset industry. Lawmakers and industry leaders emphasized the need to end regulatory uncertainty that has driven innovation overseas, citing the conflicting authority between the SEC and CFTC as a major barrier. Witnesses, including executives from Haun Ventures, Hiro Systems, and Coinbase, urged Congress to pass legislation that recognizes the unique nature of digital assets, protects consumers, and positions the U.S. as a global leader in financial innovation. *See the full press release [here](#) and a copy of the discussion draft bill [here](#).*

Nigeria Recognizes Bitcoin as a Security Under New Investment Law

Nigeria has officially recognized bitcoin and other digital assets as securities following the signing of the Investment and Securities Act (ISA) 2025 by President Bola Ahmed Tinubu. The ISA provides a formal regulatory framework for Nigeria and puts virtual assets under the oversight of the Nigerian Securities and Exchange Commission (Nigerian SEC), aiming to enhance investor protection, promote transparency, and align with international standards. While signing the ISA offers long-awaited clarity for businesses and investors, some in the crypto community view the classification of bitcoin as a security as a potential problem due to its decentralized nature. Concerns have also been raised about increased compliance costs and barriers to entry for smaller digital asset players. Nonetheless, this development is a necessary step toward a more structured and sustainable environment for digital assets in Nigeria. *See a post on X by the Nigerian SEC [here](#).*

Bhutan Introduces National Crypto Tourism Payment System

On May 7, Bhutan launched the world's first national-level cryptocurrency-based tourism payment system through a partnership with Binance Pay and DK Bank. The initiative enables travelers with Binance accounts to use digital assets to pay for a wide range of services, including flights, visa fees, accommodations, monument entry, local guides, and small vendor purchases. More than 100 local merchants have been integrated into the system, allowing for a largely cashless and cardless travel experience. Transactions are completed using QR codes via the Binance app. The system is designed to reduce transaction and currency exchange fees while improving accessibility for both tourists and local businesses. It also provides small vendors with the ability to accept payments without traditional banking infrastructure. DK Bank, Bhutan's first fully digital bank, plays a key role in settlement and compliance, with oversight from the Royal Monetary Authority of Bhutan. *See a blog post by Binance discussing the initiative [here](#).*

If you would like to update your mailing preferences for Lowenstein Sandler communications, please [click here](#).

For more information about any matters in this newsletter, contact cryptobrief@lowenstein.com or your Lowenstein Sandler LLP contact.

[MANAGE MY PREFERENCES](#)

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

[NEW YORK](#)

[PALO ALTO](#)

[NEW JERSEY](#)

[UTAH](#)

[WASHINGTON, D.C.](#)

© 2025 Lowenstein Sandler LLP | 1251 Avenue of the Americas, New York, New York 10020 | +1 212.262.6700

We respect your right to privacy, [click here](#) to view our privacy policy. If you would like to update your mailing preferences for Lowenstein Sandler communications, please [click here](#).

To unsubscribe from Lowenstein Sandler email communications, [click here](#).