

NEWSLETTER

May 2026 Edition

CoinDCX

— India Ka Crypto Coach —

**Crypto
Currents**

Your Monthly Web3 & Crypto Policy Snapshot

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THE HEADLINES THIS MONTH

01

The US **CLARITY Act** cleared the Senate Banking Committee 15-9 on 14 May, splitting digital-asset oversight between the SEC and CFTC and banning passive stablecoin yield while permitting activity-based rewards. The draft Act is now headed for the Senate floor.

02

The **European Commission** launched a formal MiCA review on 20 May - the opening move toward "MiCA 2" - reopening conversations around stablecoins, the contested interest-payment ban, DeFi, staking, and tokenized assets.

03

Charles Schwab rolled out spot crypto trading across its 38 million accounts, the most material legacy-broker entry since the GENIUS Act, while Coinbase and Circle advanced white-label stablecoin and wrapped-Bitcoin products.

04

The **Bank of England and FCA** published a joint UK tokenization roadmap, confirming stablecoins can settle fund-unit deals and that on-chain records can serve as a firm's primary records ahead of the 2027 framework.

05

Vietnam cleared five firms to run licensed crypto exchanges ahead of a Q3 2026 launch, while the **UAE** built a regulated dirham-dollar stablecoin conversion rail linking AE Coin and USDU.

HERE'S A ROUND-UP OF EVERYTHING that happened last month

KEY STORY | The CLARITY Act Breaks Through - America's Crypto Market-Structure Bill Clears the Senate

May 2026 marked a decisive turn for US crypto regulation, with the **Digital Asset Market Clarity Act (H.R. 3633)** clearing the **Senate Banking Committee** on a 15–9 vote on 14 May 2026 - the first comprehensive Senate crypto market-structure bill to reach the floor. The 309-page text divides federal oversight between the SEC (digital asset securities) and the CFTC, granting the latter exclusive jurisdiction over digital commodity spot markets, while resolving the stablecoin-yield deadlock that had stalled the bill for four months.

The Stablecoin Yield Line - Section 404's Core Compromise - The committee-approved text bans yield on stablecoin *holdings* while permitting activity-based rewards on bonafide *transactions*, drawing a line between stablecoins as a payment tool and as a deposit-substitute savings product. The banking lobby rejected even this compromise days before markup and continues pushing for tighter restrictions through rulemaking, citing risks of deposit migration out of banks and restricted liquidity for lending.

A Codified Perimeter - SEC/CFTC Split, DeFi Test, and Bank Access - Beyond the agency split, adopted amendments added a decentralisation test for DeFi protocols, enabled portfolio margining, and clarified digital-asset activities for banks and credit unions. The framework builds on the March 2026 SEC-CFTC joint interpretation that classified 18 major assets, including Bitcoin and Ether, as digital commodities, bridging the gap until the law takes effect.

The Road Ahead - Ethics Is the Binding Constraint - The Banking and Agriculture Committee versions must still be reconciled before a floor vote, where a 60-vote cloture threshold means at least seven Democratic votes are needed. An unresolved ethics provision restricting officials' crypto holdings remains the principal sticking point, with a pre-Memorial Day vote ruled out.

The White House is eyeing a signing around July 2026, though enforceable SEC/CFTC rules are unlikely before 2027

■ KEY TAKEAWAY

The U.S. has shifted from enforcement-driven ambiguity toward a codified market-structure framework, aligning with the global race for regulatory clarity that Australia, Singapore, and Hong Kong are also running. But final passage now hinges less on industry consensus and more on resolving the stablecoin-yield and ethics disputes - and with a 60-vote Senate hurdle and a multi-year rulemaking runway, the rulebook is closer, not yet final.

■ FOR IN-DEPTH ANALYSES of our key stories in April and May, read:

- [*The Yield Conundrum: How Stablecoins Are Quietly Rewriting the Rules of Money*](#)
- [*Australia's April Watershed: Inside the Digital Assets Framework and What It Signals for VDA Regulation*](#)

Market Pulse

Key technical & financial indicators from this month

Now, before we go deeper into the regulatory updates from across the world, **let's get an update on some key technical & financial indicators from the markets.**

MARKET-WIDE METRICS

Metric	Value	MoM Change
Total Crypto Market Cap	<u>\$2.58T</u>	- 3%
Total Active Crypto Addresses	<u>345M</u>	- 0.86%
Total Value Locked in DeFi	<u>\$80.5B</u>	-4.62%
DEXs Volume (May)	<u>\$159.62B</u>	-5.36%
Stablecoin Float (total m-cap)	<u>\$298.40B</u>	-0.01%
Total Tokenized Market Cap	<u>\$10.98B</u>	+57.2%

TOP CRYPTO ASSETS

Coins	Price (EoM)	Avg. Price	MoM Jump
BTC	\$73,843	\$77,250	- 2.84%
ETH	\$2,021	\$2,200	- 13.71%
XRP	\$1.34	\$1.40	- 4.29%
SOL	\$82.88	\$86.2	- 2.59%

Market Updates

Major launches, partnerships & institutional milestones

- ◆ [Coinbase](#) and Flipcash launched USDF, a US dollar-denominated stablecoin issued on Solana and fully backed 1:1 by USDC, minted through Coinbase's Custom Stablecoin platform with reserves custodied by Coinbase. The launch signals a broader push toward white-label stablecoin issuance, allowing any business to spin up its own branded dollar token without building reserve and compliance infrastructure from scratch.
- ◆ Circle launched the testnet for [cirBTC](#), an institutional-grade wrapped Bitcoin token backed 1:1 by BTC, ahead of a full rollout debuting first on Ethereum and Circle's Arc Layer 1. Designed for OTC desks, market makers and lending protocols and integrated with USDC and Circle Mint, cirBTC positions Circle to challenge BitGo's WBTC and Coinbase's cbBTC.
- ◆ [MoonPay](#) went live in the ChatGPT App Store as the first crypto onramp embedded inside an AI chatbot, letting users buy Bitcoin, Ethereum, Solana, USDC and 100-plus assets across 30-plus chains without leaving the chat. The move signals AI interfaces emerging as a mainstream distribution channel for digital assets.
- ◆ [Charles Schwab](#), one of the largest US retail brokerages, launched spot crypto trading for its 38 million customer accounts, marking the most material entry of a legacy TradFi broker into spot crypto since the GENIUS Act took effect.
- ◆ [Gemini](#) launched Agentic Trading, described as the first agentic trading tool offered directly through a regulated US exchange. The feature lets users connect AI models including Anthropic's Claude and OpenAI's ChatGPT to their accounts via the Model Context Protocol, enabling autonomous market monitoring, trade execution and risk management.

- ◆ [Qivalis](#), the bank-led euro stablecoin initiative, expanded to 37 banks across 15 countries, adding names including ABN Amro, Intesa Sanpaolo, Rabobank, Nordea and Raiffeisen Bank International. The consortium aims to launch a regulated euro-pegged stablecoin in the second half of 2026 and is in talks with crypto exchanges for distribution.

- ◆ [JPMorgan](#) Asset Management filed for a second tokenized money-market fund on public Ethereum, JLTXX, via its Kinexys Digital Assets platform. The fund is engineered to qualify as a GENIUS Act-compliant reserve asset for stablecoin issuers, with the bank committing \$100 million of its own capital at launch and Anchorage Digital as a key partner.

Key Global Regulatory Moves

Region-by-region round-up

United States

- ◆ The [CLARITY Act](#) cleared a major hurdle as the Senate Banking Committee advanced the crypto market structure bill to the Senate floor in a bipartisan 15-9 vote on 14 May, following the release of the full [309-page text](#) on 11 May. The updated draft bans passive stablecoin yield equivalent to bank deposit interest while permitting activity-based rewards on stablecoins. The bill must now be reconciled with the Digital Commodities Intermediaries Act from the Senate Agriculture Committee, with an unresolved ethics provision the chief remaining obstacle.
- ◆ A bipartisan group reintroduced the [Parity Act](#), directing the IRS to study de minimis exemptions for crypto transactions under \$200 and to clarify tax treatment for staking rewards, wash sales and payment stablecoins. Separately, a bipartisan ARMA bill proposed building a one-million-Bitcoin strategic reserve through Treasury acquisitions of 200,000 BTC a year over five years, funded by gold revaluation.
- ◆ [US FinCEN](#) issued an advisory warning banks about the IRGC's use of digital assets, front companies and obfuscated transactions to evade sanctions, estimating Iran-linked government and IRGC digital asset activity could be worth billions annually. The advisory puts crypto exchanges explicitly on notice, requiring enhanced screening for front companies in Iran-linked jurisdictions.
- ◆ The [FDIC](#) advanced a proposed Bank Secrecy Act (BSA) and sanctions compliance rule for FDIC-supervised stablecoin issuers under the GENIUS Act, requiring AML/CFT programmes, sanctions controls, and reporting obligations, while opening a 60-day public comment period on the proposal.

- ◆ The [European Commission](#) launched a formal public consultation on MiCA on 20 May, open until 31 August - the first step toward what observers are already calling "MiCA 2." The review covers stablecoins, including the contested ban on interest payments that has weakened euro-denominated tokens against dollar rivals, alongside DeFi, staking, tokenized assets and the classification of wrapped and synthetic assets.
- ◆ The [Bank of England](#) and FCA jointly published a tokenization roadmap for UK wholesale markets, seeking feedback on where existing rules support or constrain the technology. The FCA confirmed stablecoins can settle fund unit deals as an interim measure ahead of the full crypto framework taking effect in October 2027, and that blockchain records can now serve as a firm's primary records without a duplicate off-chain copy.
- ◆ The [UK](#) imposed a major crypto-focused sanctions package targeting 18 exchanges, payment providers, and individuals linked to Russia's sanctions-evasion networks, extending Regulation 17A obligations to crypto asset exchanges for the first time. The measures included sanctions on HTX and entities connected to the A7A5 stablecoin, Grinex, and the Kremlin-backed A7 network, which was allegedly used to facilitate military procurement and process oil-sale proceeds.
- ◆ The [Bank of Italy's](#) Deputy Governor called for the EU to explore a tokenized extension of the Single Euro Payments Area (SEPA) as a complement to the digital euro, arguing that Europe's existing payments infrastructure offers scale and interoperability that could be built upon rather than replaced - a sign of growing central-bank interest in adapting the two-tier monetary system to tokenized environments.
- ◆ [France's AMF](#) set a June 30 deadline for crypto firms to secure MiCA authorisation or submit orderly wind-down plans, signalling the end of the transition period for unlicensed operators. Firms that fail to comply risk enforcement action, blacklisting, and being barred from serving EU customers under the MiCA regime.

- ◆ [South Korea's](#) Financial Services Commission will release detailed tokenized securities regulations in July ahead of the country's blockchain-based securities framework taking effect in February 2027. Meanwhile, a [petition](#) to scrap the planned 22% crypto tax has crossed the 50,000-signature threshold and been referred to lawmakers, adding fresh uncertainty to the tax's scheduled 2027 implementation..
- ◆ [Hong Kong](#) advanced its digital asset regulatory framework by finalising consultation conclusions on licensing regimes for virtual asset advisory and management service providers, with legislation expected to be introduced in 2026. The proposed framework aligns crypto advisory and portfolio management activities with traditional financial services regulation under the "same business, same risks, same rules" principle.
- ◆ [Vietnam's](#) Deputy Minister of Finance confirmed the country's crypto asset market could launch as early as Q3 2026, with five companies cleared to operate digital asset trading platforms under a pilot framework. Sacom Crypto Asset Exchange passed the Ministry of Finance's initial assessment alongside CAEX, TCEX, VIX and Vietnam Digital Assets, positioning Vietnam among the first Southeast Asian markets with a formal licensed regime.
- ◆ [Bhutan's](#) Gelephu Mindfulness City has launched a fast-track licensing regime for globally regulated crypto firms, combining regulatory approvals with banking access and offering tax exemptions through 2030. The move follows over \$230 million in Bitcoin outflows from Bhutan this year, prompting speculation over state-backed mining operations.
- ◆ [Myanmar's](#) draft Anti-Online Fraud Bill proposed sentences of ten years to life imprisonment for digital currency fraud, with the death penalty applicable in cases involving coercion or exploitation of individuals in scam centres - among the most severe crypto-fraud penalties proposed globally. The bill is expected to be considered at parliament's first June session.
- ◆ [India's](#) Parliamentary Standing Committee on Finance, held a closed-door session on 20 May under the subject "A Study on Virtual Digital Assets and Way Forward," hearing from Binance, WazirX and ZebPay alongside the IFSCA and the Finance and Corporate Affairs ministries - reflecting a discernible shift in New Delhi's posture from prohibition toward a structured, compliance-led framework.

Middle East & Africa

- ◆ The [UAE](#) is building a regulated conversion rail between dirham and dollar stablecoins, with AE Coin (licensed by the UAE Central Bank) and USDU (regulated by ADGM's FSRA) at its centre. The framework targets institutional payments, treasury operations and cross-border transactions, enabling near-instant conversion between the two currencies within a compliant structure and removing correspondent banking friction.
- ◆ In [Morocco](#), the Office des Changes initiated formal enforcement proceedings against individuals holding crypto assets abroad - the first visible escalation in a sector that has operated informally since a 2017 prohibition. The action coincides with the publication of draft bill 42.25 for public consultation, Morocco's first structured attempt at a MiCA-inspired regulatory framework

Latin America

- ◆ [Argentina](#) introduced a [bill](#) to prohibit banks, payment service providers, and crypto asset service providers from facilitating transactions for unauthorised online gambling operators. The proposal would require crypto exchanges and fiat on-ramps to identify and block related transfers, reflecting a broader regional push to tighten restrictions on online gambling and prediction markets.
- ◆ [Venezuela](#) reaffirmed its nationwide ban on crypto mining amid record electricity demand, citing pressure on the national grid and challenges to infrastructure recovery. Authorities also announced enhanced oversight measures and warned of sanctions against illegal mining operations.

KEY UPCOMING EVENTS & DATES — [June 2026]

Date	Event / Release	Why it matters
8th – 10th June	ETHConf 2026 (Javits Center, New York)	A 5,000+ builder conference on Ethereum scalability, smart contracts, and DeFi infrastructure, hosted in the heart of US finance. Signals the trajectory of on-chain product development
11th – 13th June	BTC Prague 2026 (PVA EXPO Praha)	One of Europe's largest Bitcoin-only events, spanning Lightning, custody, mining, and institutional adoption. Confirmed speakers include Michael Saylor and Adam Back
18th – 19th June	Web3 Summit 2026 (Funkhaus, Berlin)	Web3 Foundation's flagship on the decentralised internet, digital identity, and open infrastructure, in an experimental builder-first format.

Annexure — Key Terminologies

Wrapped Bitcoin - A token on another blockchain (e.g., Ethereum) backed 1:1 by real Bitcoin, letting BTC be used in other ecosystems.

White-label stablecoin - A stablecoin a business issues under its own brand using another provider's reserve and compliance infrastructure.

Model Context Protocol (MCP) - An open standard that lets AI models connect to external tools and data, such as a trading account.

Agentic trading - Allowing an AI agent to autonomously monitor markets and place trades on a user's behalf.

CRYPTO ASSETS	QTRLY TRADING VOL.	REGISTERED USERS	F.I.U.	ISO/IEC
500+	₹2.44L Cr+	2 Cr+	REGISTERED	27001:2022

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