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July 10, 2025

Look Ahead Calendar – PolicyPartner

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- Upcoming Events
 - Weekly Commentary
 - Senate Market Structure Hearing Takeaways
 - Genius Act Primer and Policy Roundup
 - Crypto IPO Landscape Tracker and Look Ahead for 2025-2026
 - Tax proposals – Retail Trading and Staking
 - Hester Pierce Tempers Tokenization Expectations
 - State Policy Roundup
-

Upcoming Events

PolicyPartner is organizing a series of small group discussions for clients with policymakers and legal experts on the efforts of the ECB, FCA, MAS, HKMA, BaFin, and other international regulatory bodies to develop reciprocal relationships with US Treasury in preparation for the GENIUS Act. [RSVP](#)

Weekly Commentary

The policy pendulum has swung completely in the crypto industry's favor. Congressional leadership and the Trump administration are pushing hard to deliver positive results for the industry.

While crypto's moment has undoubtedly arrived and it's hard to imagine the investment and acceptance ceding the material gains of 2025, policy and politics naturally swing back and forth. What the industry gets for all this goodwill is yet to be seen. In the throes of the Biden administration, three principal problems were apparent:

- No federal regulation for retail access to spot digital commodities
- No clear definitions or uniform treatment of digital assets that were not securities
- A regulatory firewall preventing the use of distributed ledger technology in traditional finance

While # 3 is under improvement via regulatory actions and new personnel, delivery on 1 and 2 is now a matter of execution. The stablecoin bill is very likely to pass the House and be signed by the president before August 1st. Shortly thereafter, the administration will roll out a series of actions in response to the recommendations from the president's working group. In the late summer and early fall, the Senate will need to get organized on market structure as attention is already shifting to the coming [midterm elections](#) on Capitol Hill.

The GOP is a favorite to win the Senate again just from the raw count. 21 GOP members are in

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safe races while the Dems must run 14, two of which are toss-ups. On the House side, math is far more balanced, with each side facing the same number of toss-ups.

Senate Market Structure Hearing Takeaways

Following a tense hearing in the Senate, it is clear that crafting a bipartisan compromise will require addressing at least a portion of Democrats' concerns, which distill down to 5 key items presented by Senator Elizabeth Warren. Key items proposed:

- The new framework should not destroy security laws. Senator also proposed closing the gap between tokenized and regular securities.
- Customer protection must play a central role
- No bailouts and greater scrutiny on systemic risks of digital assets
- Counter the threat of illicit finance
- Curb the Trump family's involvement

Senator Tina Smith and several other prominent Democrats echoed the priority of consumer protections and illicit finance – these provisions are most likely to be included in the eventual Senate draft.

On the Republican side of the aisle, the GOP presented a largely unified front, with a notable engagement from Senator Kennedy, who emphasized the importance of “getting it right” and the need to work with industry leaders who understand technical issues in the existing regime.

Genius Act Primer and Policy Roundup

As President Trump calls for a clean GENIUS Act to be voted on in the House, we refreshed a deep dive graphic analyzing the legislation in its most recent form. Additionally, we compiled a compendium of regulatory actions over the past week and what to expect as Congress gears up for "Crypto Week".

[PolicyPartner GENIUS Act graphic PDF](#)

Read the policy roundup note [here](#).

Crypto IPO Landscape Tracker and Look Ahead for 2025-2026

The cryptocurrency IPO landscape has transformed dramatically following Circle's explosive debut, establishing crypto as a legitimate investable institutional asset class. With regulatory clarity under the Trump administration, the next six months will present multiple opportunities for investors.

The convergence of a fruitful IPO window (market optimism and alignment of filing times), regulatory clarity, institutional adoption, and successful precedents has created optimal conditions for crypto IPOs through January 2026. **The public market unlocks can finally**

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bring innovative business models like token issuer foundations or US-based development companies to the market.

We took a look at companies across exchanges, custody, asset management, mining, Layer 1 protocols, and brokerages rumored to pursue an IPO and found a maturing market with \$150-200 billion in total pipeline value.

From a policy perspective, the surge in IPO activity can be attributed to a short window of opportunity for prominent companies, aiming to capitalize on the political capital acquired by industry in the last 12 months. While the enforcement is reduced, the proposed GENIUS Act effectively gives banks a carte blanche to issue stablecoins, while CLARITY puts existing broker-dealers at the top of the totem pole to engage in digital commodity trading. Given that both pieces of proposed legislation benefit incumbent TradFi players, the favorable environment of loose enforcement before enactment is the short timeframe where going public is most lucrative.

Additionally, the political calculus supporting crypto-friendly policies depends on continued market stability and the absence of major fraud events, which we have seen plenty of in the last 4 years. Therefore, **prominent companies should actively pursue the public market status before a potential pendulum swing or increased competition from established TradFi players. Go big or go home.**

Key technical takeaways from the rumored deals:

- 5 companies have filed or announced concrete IPO plans
- Kraken leads exchanges with \$1.5B revenue and 28% margins
- BitGo dominates institutional custody with \$100B+ AUC
- Tron generates \$2.1B in protocol revenue with 80%+ margins
- Circle's success validates 25-35x revenue multiples for quality names

Click [here](#) to see our crypto IPO tracker (or download an image below).

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Company	Sector	IPO Timeline	Latest Valuation	Competitive Advantage	Policy Tailwinds	Regulatory Headwinds
Chainalysis	Analytics	Exploring - 2025/2026	\$8.6B (2022)	1,000+ customers, \$11 monthly tracking Law enforcement leader, 70 countries coverage	Regulatory compliance demand, AML, KYC requirements, Government contracts, Crime fighting focus	Past Earm program issues, NYDFS \$37M fine (resolved), Ongoing compliance costs
Paraxis	Asset Mgmt	Q4 2025 SPAC	\$200M SPAC size	341% returns (2023) Multi-strategy expertise, Bitcoin-native approach, Top-tier performance	Hedge fund adoption, Performance track record, Alternative asset demand	No federal banking charter, SEC scrutiny on listings, AML/KYC requirements
Animoca Brands	Asset Mgmt	May 2025 announced	\$5.9B (2022)	540+ portfolio companies, Web3 ecosystem leader, \$2.5B token reserves, Gaming focus	Web3 gaming growth, Metaverse adoption, Hong Kong crypto hub	Limited US presence, Previous SPAC failure, Late market entry
FalconX	Brokerage	Exploring - 2025/2026	\$8B (2022) → \$15-20B target	\$1.5T cumulative volume, CFTC swap dealer (first), 30% ETF creation flow, 600+ institutions	Institutional gateway, Regulatory first-mover, ETF ecosystem critical	Past governance issues, Regulatory scrutiny history, Market share loss to Upbit
BitGo	Custody	H2 2025	\$1.65B (2021) → \$4.6B target	\$100B+ AUC, Qualified custodian status, 1,500+ institutions, WBTC monopoly	Institutional custody demand, ETF custody opportunity, MiCA compliance ready	Market concentration risk, Limited global presence, Korean regulatory changes
Anchorage Digital	Custody	Exploring - 2025/2026	\$3B (2023)	First OCC charter, Institutional custody, Staking services, Compliance leader	Banking charter advantage, Institutional demand, Regulatory clarity, Security focus	Competition from banks, Concentration risk, Technology risk
Alchemy	Developer Tools	Exploring - TBD	\$10.2B (2022) → \$5-7B est	Blockchain APIs, Developer infrastructure, Web3 AWS positioning, Multi-chain support	Developer adoption, Web3 growth, Infrastructure critical, Network effects	Small AUM base, SPAC structure discount, Performance sustainability
Bitfumb	Exchange	H2 2025	\$2-3B target	25% Korean market share, 240% revenue growth, Turnaround complete, Samsung Securities underwriting	Korean crypto adoption, First mover in Korea IPO Retail trading boom	Conglomerate complexity, Token volatility, Valuation concerns
Kraken	Exchange	Q1 2026	\$20-25B target	\$1.5B revenue, 28% margins, Wyoming SPDI advantages, 685B trading volume, Institutional infrastructure	Wyoming regulatory innovation, SPDI banking charter benefits, Pro-crypto Congress	Small scale, Alt-coin volatility, Dual-class structure
Upbit	Exchange	Exploring - 2026+	\$25-30B target	80%+ Korean market, 68.5% operating margins, \$1.3B revenue run rate, Dunaum ecosystem	Korean retail dominance, Southeast Asia expansion, Naver partnership	Political risk, Bitcoin price dependency, Merger complexity
Gemini	Exchange	Filed - Q3/Q4 2025	\$7B (2021) → \$12-15B target	NY BitLicense holder, SEC settlement complete, Institutional compliance focus, Clean regulatory record	Trump admin crypto-friendly, Clear stablecoin framework, Banking access improving	SEC lawsuit (paused), Justin Sun reputation, US restrictions
Bullish	Exchange	Filed - Q4 2025	\$9B (2021 SPAC)	Peter Thiel backing, EOS blockchain integration, Institutional platform, Gibraltar regulatory base	International regulatory arbitrage, Institutional adoption wave, DeFi integration potential	CFTC \$1.8M settlement, Competition from TradFi, Margin compression risk
Blockdaemon	Infrastructure	Exploring - TBD	\$3.25B (2022) → \$2B est	Node infrastructure, Staking services, Enterprise focus, Multi-protocol	Institutional adoption, Staking growth, Infrastructure demand, Security focus	SEC appeal pending, XRP security classification, US market restrictions, Regulatory uncertainty
Consensys	Infrastructure	Exploring - 2025/2026	\$7B (2022)	MetaMask wallet, Ethereum tooling, Infura infrastructure, Enterprise solutions	Ethereum dominance, Developer ecosystem, MetaMask growth, Web3 infrastructure	Market saturation risk, Competition rising, Crypto privacy trends, Revenue concentration
Tron	Layer 1	Q3 2025 reverse merger	\$210M merger → multiples higher	\$2.1B protocol revenue, \$60B stablecoin TVL, 115% revenue growth, DeFi/legacy model	Stablecoin infrastructure, Global usage (non-US), DeFi growth	SPAC failure history, Regulatory complexity, Revenue concentration, Market volatility
American Bitcoin/Gryphon	Mining	Q3 2025 merger	\$1B+ target	Eric Trump involvement, Hut 8 backing, 899 PH/s hashrate, Bitcoin accumulation model	Trump family connection, US mining renaissance, Energy narrative	SEC Wells notice, Ethereum dependency, Competition rising, Revenue model shifts
BQN	Mining	Filed - Q4 2025	\$50M IPO target	Alcon mining focus, 47,000+ rigs sold, Specialized ASICs, First-mover advantage	Mining decentralization, Alt-coin adoption, Hardware demand	Competition from banks, Limited retail exposure, High compliance costs, Market concentration
Revolut	Neobank/Crypto	2025 expected	\$45B (2024)	40M+ users, Crypto trading integrated, Banking license, Global expansion	Fintech leader, Crypto mainstream play, Multi-product platform, Strong growth	Regulatory scrutiny, Crypto small % revenue, Competition intense, Compliance costs
Ripple	Payments	2026 (post-SEC case)	\$11.3B (2024) → \$20-30B target	XRP Ledger creator, RippleNet global network, \$25B+ crypto reserves, Cross-border payments leader	SEC case resolution, CBDC partnerships, Asian expansion, Bank adoption growing	Valuation reset needed, Revenue model questions, Competition rising, Market dependency
eToro	Trading Platform	Filed - Q2 2025	\$5B+ target	Multi-asset platform, Social trading pioneer, \$12B crypto revenue, Global reach	Retail trading boom, Social features unique, Established brand, Multi-jurisdiction	FTX contagion impact, Valuation concerns, Competition intense, Market volatility

Tax proposals – Retail Trading and Staking

On July 3rd, Senator Cynthia Lummis [Released](#) a [draft](#) of digital asset tax legislation that would:

- Create a de minimis exclusion from capital gains tax for digital asset gains or losses under \$300 (with a \$5,000 yearly cap)
- Expand Section 1058 securities lending rules to include digital assets
- Revise Section 1091 to cover “specified assets” (both securities and digital assets)
- allow digital asset dealers and traders to elect for mark-to-market treatment of transactions for tax purposes
- Restructure the taxation of mining and staking rewards to only be taxed as income when the assets are dispossessed
- Exempt actively traded digital assets from qualified appraisal requirements for charitable contributions

Given that the draft is nameless and referred to in relation to the larger market structure legislative package, we believe the proposed bill text is a first look at Senator Lummis’ CLARITY Amendments. [As we discussed last month](#), Senator Lummis has been [vocal](#) about her intentions to modify the existing tax treatment of digital assets, and the purpose of this draft is likely to open her ideas for early comment from industry.

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One such idea is the [comprehensive policy playbook](#) from Owl Explains (Ava Labs), Cahill, and Fenwick, which proposes a three-step approach to clarify staking reward taxation. Their proposal includes:

- Treasury should issue a revenue ruling clarifying that newly created tokens are not income at creation but only upon disposition, correcting any misunderstanding of Rev. Rul. 2023-14 and modifying Notice 2014-21.
- Congress should pass legislation confirming this treatment, placing it in Subchapter B (not Section 451 to avoid incorrect inferences) and including transaction fees and MEV rewards for administrative simplicity.
- Legislative history should explicitly state no negative inference about pre-enactment treatment.

The approach rests on existing tax law—including *Commissioner v. Glenshaw Glass*, the case that stated property lacks a "clear realization event" until sold, just as manufacturers don't recognize income when producing goods, and the Jarrett case, where the IRS refunded taxes on newly created staking token— to underscore these proposals. The proposed statutory language would broadly define staking to encompass validator nodes, MEV providers, liquid staking pools, and future innovations.

Hester Pierce Tempers Tokenization Expectations

In a July 9 [statement](#), Commissioner Peirce emphasized that while blockchain offers innovative ways to distribute and trade securities through tokenization, ultimately improving capital formation, it doesn't change the fundamental nature of securities or exempt them from federal laws. The speech also encouraged market participants to consult with the SEC when structuring tokenization offerings. Key recommendations from the commissioner included:

- Purchasers of tokenized stocks should consider unique counterparty risks.
- Issuers of tokenized securities should adhere to the SEC's disclosure requirements.
- Distributors and purchasers should also consider the technical aspects of the instruments they are purchasing and whether they represent a proper share or a security-based swap.

Despite being strict, the overall tone of the speech was productive, with the Commissioner indicating the agency's openness to modernize rules and generate exemptions.

The Commissioner's speech could have been inspired by Robinhood [issuing](#) tokenized OpenAI stock, the legitimacy of which was subsequently scrutinized by both the stock issuer and regulators.

State Policy Roundup

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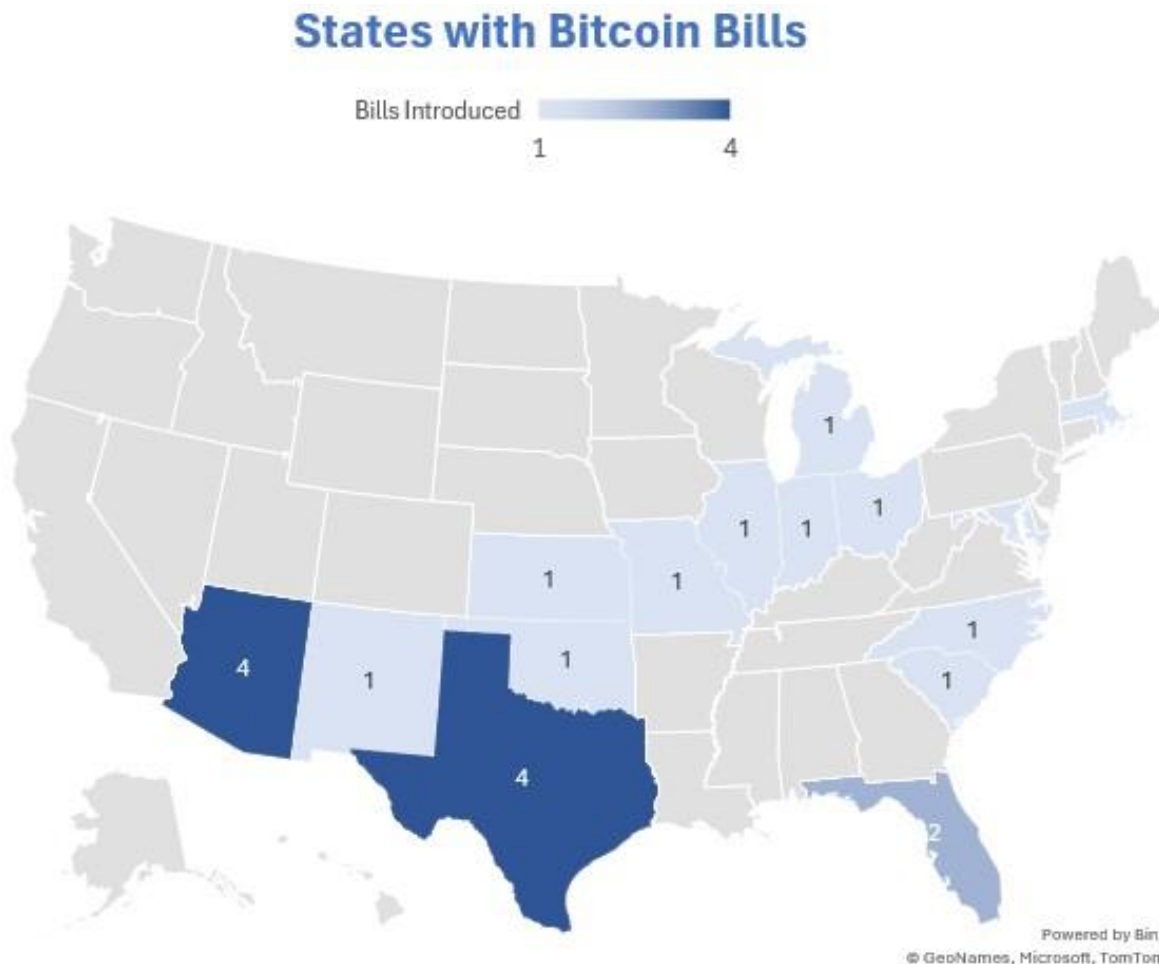
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Texas

Texas has been leading the states' adoption of Bitcoin reserves - Governor Greg Abbott has enacted Senate Bill 21, which establishes legal authority for Texas to create a state-controlled Bitcoin (BTC) reserve, approving a \$10M allocation to purchase BTC.

The introduction of state-level legislative proposals around Bitcoin reserves has been accelerating through the first half of the year. Based on [Legiscan data](#), there have been 26 bills introduced so far (See image of below). We expect this pace to continue through the end of the year.



Wyoming

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Wyoming legislature's Select Committee on Blockchain recently issued a letter clarifying key principles for the operation of state-issued stablecoins: The principles include:

- Stablecoins should be available for use in any lawful purpose.
- Wyoming Stable Token Commission should continue exploration of privacy-preserving technologies that balance confidentiality like Zk-proofs, and specialized encryption.
- **The Commission should explore a compliant yield-bearing design to promote adoption.**

On the technical implementation front, the development of the stablecoin is rapidly advancing. The Governor of Wyoming, Mark Gordon, recently indicated July as the target for the Wyoming Stable Token's launch. The Commission will host its [next public meeting](#) on July 17, 2025.

If the yield-bearing architecture is implemented, it will be interesting to see how the interplay between the GENIUS Act and the work of the Commission is addressed, given that yield-bearing stablecoins are prohibited under the proposed federal legislation.

California

California began enforcing their crypto regime by [fining](#) non-compliant kiosk operators in the state. While the kiosk provisions came into force this year, the regime for intermediaries is still pending. Earlier this year, the CA DFPI issued a proposed rulemaking on intermediary registration requirements. Attaching relevant previous research on the regime in California:

- Rulemaking analysis [note](#)
- Takeaways from the call with California's DFPI [here](#) (p.4)