

CHARLTONS  
QUANTUM

QUANTUM UPDATE PRESENTS

# GLOBAL CRYPTO REGULATORY UPDATE

AUGUST 2026

EDITION

US

## The SEC writes its first crypto offering rulebook

*A \$75 million exemption, a safe harbor, and an explicit nod to the CLARITY Act*

US

## The CFTC's Roadmap for the New Frontier of Finance

*Crypto market structure, compute markets and prediction markets, mapped in one speech*

US

## Computing power just became a regulated commodity

*A \$430 billion to \$1.3 trillion market gets its first CFTC listing framework*

AU

## AI deepfakes are now running the scam

*Scam takedowns up 182% in a year, ASIC warns*

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*Two US regulators wrote crypto rulebooks in the same eight days*

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*AI computing power becomes a regulated asset class*

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*Where the rest of the month points*

**VI** *Also This Month — briefs from the SEC and beyond*

### \$75M

The SEC's proposed 12-month crypto fundraising exemption cap

### \$430B–\$1.3T

Estimated annual gross service flow of the compute market, per the CFTC

### 182%

Rise in ASIC scam takedowns, FY26 vs FY25

### 60 days

Comment window on both the SEC's crypto proposal and the CFTC's compute RFC

### £108M

Annual industry saving from the FCA's transaction reporting reform

### 30+

Members of the CFTC's Innovation Advisory Committee, including Robinhood, Nasdaq and CME

### \$1.9B

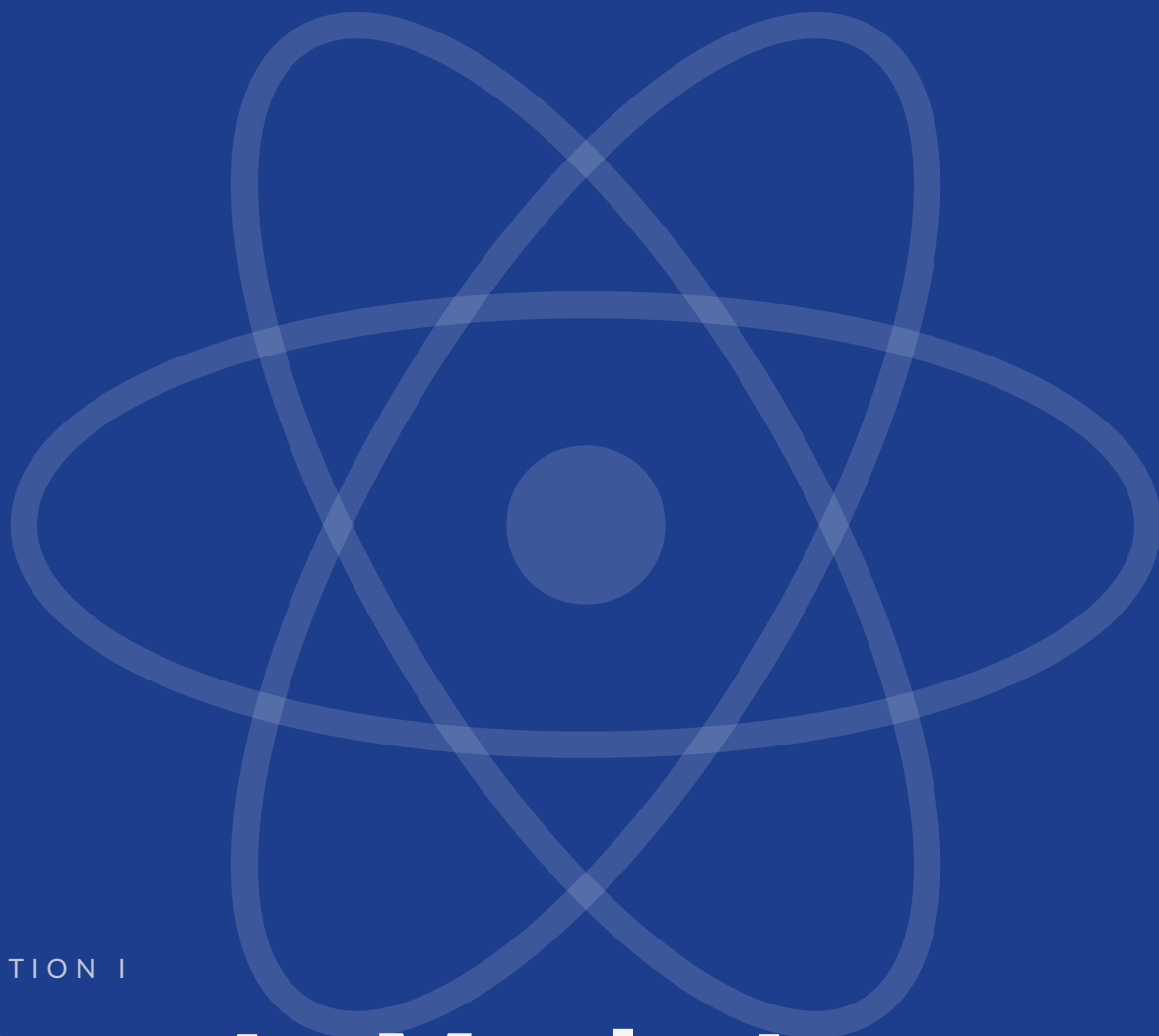
Raised across 14 asset-backed offerings at the centre of the Tricolor fraud charges

### 9

Unlicensed entities named in the Cayman Islands' warning on BitMart



**Editor's note.** August was the month two US regulators stopped waiting for Congress. The SEC proposed its first bespoke crypto offering framework; the CFTC laid out a market-structure roadmap built entirely on authorities it already has — and, almost as an aside, decided that computing power itself is now a commodity worth regulating. Read on, sequenced by theme.



SECTION I

# Crypto Market Structure

*Two US regulators wrote crypto rulebooks in the same eight days*

# The SEC Writes Its First Crypto Offering Rulebook

The SEC proposed Regulation Crypto Assets on 18 August 2026, its first formal crypto offering rulemaking, adding a new Part 228 to Title 17 CFR with a tailored securities framework for investment contracts involving non-security crypto assets.

**\$5M**

startup exemption, 4 yrs

**\$75M**

raise exemption per 12mo

**60 days**

to comment

*“A non-security crypto asset ceases to be subject to an investment contract once the issuer certifies that all promised “essential managerial efforts” have ended.*

## WHY IT MATTERS

- The three-pillar architecture spans a \$5 million startup exemption over four years, a \$75 million-per-12-months fundraising exemption, and a conditional investment contract...
- Chairman Atkins frames the departure bluntly: the prior approach “actively undermined capital formation” by applying 1930s-era rules to crypto assets in a “square peg in a...
- State-law preemption removes the fifty-state blue-sky overlay for exempt offerings and extends to certain secondary market transactions — cleaning up the aftermarket...

## READ ALONGSIDE

Read alongside the CFTC's own Roadmap on the next page — two regulators writing crypto market...

## AT A GLANCE

# Part 228

NEW CFR RULE

## REGULATOR

SEC

## PROPOSAL

New Part 228 — three exemption pillars

## STATUS

Comments due 60 days after Federal Register publication

## STILL APPLIES

Antifraud & anti-manipulation provisions throughout

## WATCH

Whether the CLARITY Act passes to lock the framework in

# The CFTC's Roadmap for the New Frontier of Finance

CFTC Chairman Michael Selig used the inaugural meeting of the Innovation Advisory Committee on 20 August 2026 to lay out a regulatory agenda spanning crypto market structure, compute markets and prediction markets.

**30+**

IAC members incl.  
Robinhood, Nasdaq, CME

**1974**

precedent cited for federal  
preemption

**2**

paths to a crypto market  
structure

*“The CFTC will give CLARITY “its breathing room for a vote” but staff will “move swiftly to propose these new rules” if the bill stalls.*

## WHY IT MATTERS

- Staff have been directed to explore rules codifying a CFTC market structure for crypto assets under existing authorities — a new “crypto asset market” designated contract...
- The mechanism rests on a Dodd-Frank provision bringing leveraged retail commodity transactions within CFTC jurisdiction as futures — a federal registration home for spot...
- The nineteenth-century anti-bucket-shop history isn't decoration: Selig is previewing the federal preemption argument the CFTC will run in the Kalshi litigation and its...

## READ ALONGSIDE

*This didn't come from nowhere — see the CFTC's August timeline in Section II for the month...*

## AT A GLANCE

**IAC**

INAUGURAL MEETING

### REGULATOR

CFTC (Chairman Selig)

### VEHICLE

Innovation Advisory Committee —  
advisory, not binding

### TWO PILLARS

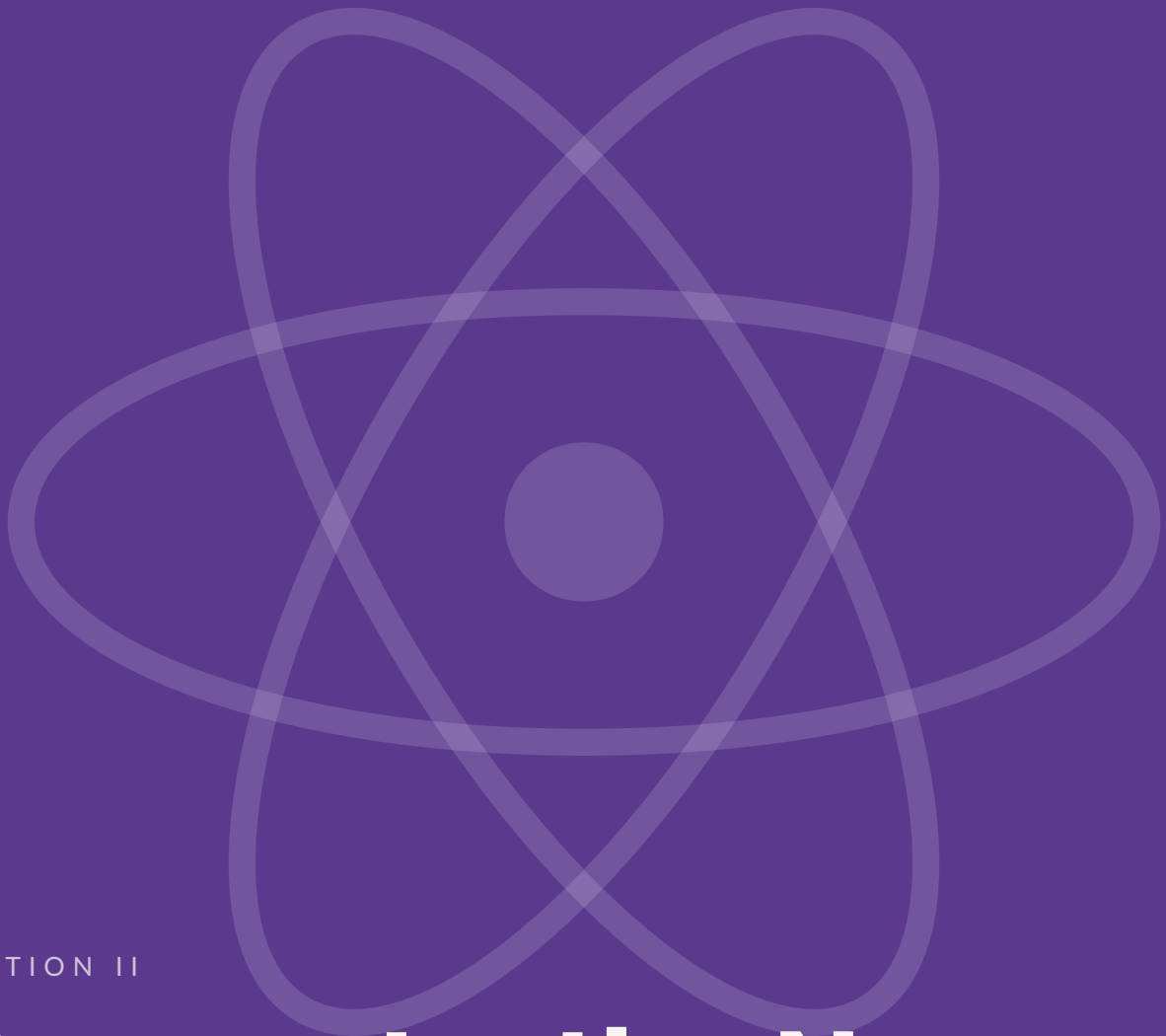
Crypto market structure + compute  
markets

### FALLBACK PLAN

CFTC will self-propose rules if CLARITY  
Act stalls

### WATCH

Kalshi litigation as the live preemption  
test case



SECTION II

# Compute, the New Commodity

*AI computing power becomes a regulated asset class*

# The CFTC's August, Mapped

**F**ive announcements in fifteen days, each building the public record and advisory infrastructure the Roadmap needed to land with institutional weight behind it — not just one chairman's opinion.

| DATE   | MOMENT                                   | WHAT HAPPENED                                                                                                                                                                                         |
|--------|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6 AUG  | <b>Economist op-ed</b>                   | “America is not in the business of importing regulatory trends” — Selig previews stablecoin-as-collateral, non-crypto perpetuals, and a direct rebuttal to European regulators on prediction markets. |
| 10 AUG | <b>IAC meeting announced</b>             | Chairman Selig confirms the inaugural Innovation Advisory Committee meeting for 20 August, livestreamed from Washington.                                                                              |
| 13 AUG | <b>IAC agenda released</b>               | Crypto assets, AI and prediction markets are formally grouped as one regulatory subject area; public comment stays open to 27 August.                                                                 |
| 19 AUG | <b>White House meeting + compute RFC</b> | Selig tells industry leaders “the era of... regulation by enforcement is over”; the CFTC publishes its request for comment on compute derivatives the same day.                                       |
| 20 AUG | <b>The Roadmap, delivered</b>            | Selig lays out the full crypto, compute and prediction markets agenda at the IAC's inaugural meeting — the culmination of the month.                                                                  |

## WHY IT MATTERS

- The “rogue state attorneys general” language against New York’s Letitia James omits that the CFTC itself issued an emergency order on 11 August requiring Kalshi to keep operating in New York — a live federal preemption contest that courts, not speeches, will resolve.
- Compute got equal billing with crypto for a reason: both the 19 August RFC and the 20 August Roadmap frame it as “the commodity of the intelligence economy,” with a formal Commerce Department partnership already confirmed.
- For firms, the advisory-committee stage is the real opportunity: comment stayed open until 27 August, and advisory discussions typically precede rulemaking rather than follow it.

# Computing Power Just Became a Regulated Commodity

The CFTC issued a request for comment on compute derivatives on 19 August 2026, published in the Federal Register two days later, concerning contracts that reference the price of access to computing power — with comments due 20 October 2026.

**\$430B–\$1.3T**

estimated annual compute service flow

**60 days**

comment window

**1st**

CFTC compute listing framework

*“Chairman Selig calls compute ‘the commodity of the intelligence economy’ — a derivatives regulator citing presidential AI strategy as context for a listing framework.”*

## WHY IT MATTERS

- The contemplated underlier is access to rented compute capacity — the hourly rental price of a chip like Nvidia's B200, or a stated volume of LLM inference tokens — expected...
- The manipulation problem sits at the centre: the parties best positioned to influence a reference price are the same concentrated group that supplies the capacity and...
- Compute sits under export control regimes, national security review and semiconductor trade policy in a way agricultural and energy commodities never have — the CFTC is...

## READ ALONGSIDE

Same regulator, same week as the Roadmap in Section I — see the timeline above for how the two...

## AT A GLANCE

# RIN 3038–AF77

REQUEST FOR COMMENT

## REGULATOR

CFTC

## REFERENCE

RIN 3038-AF77

## COMMENTS DUE

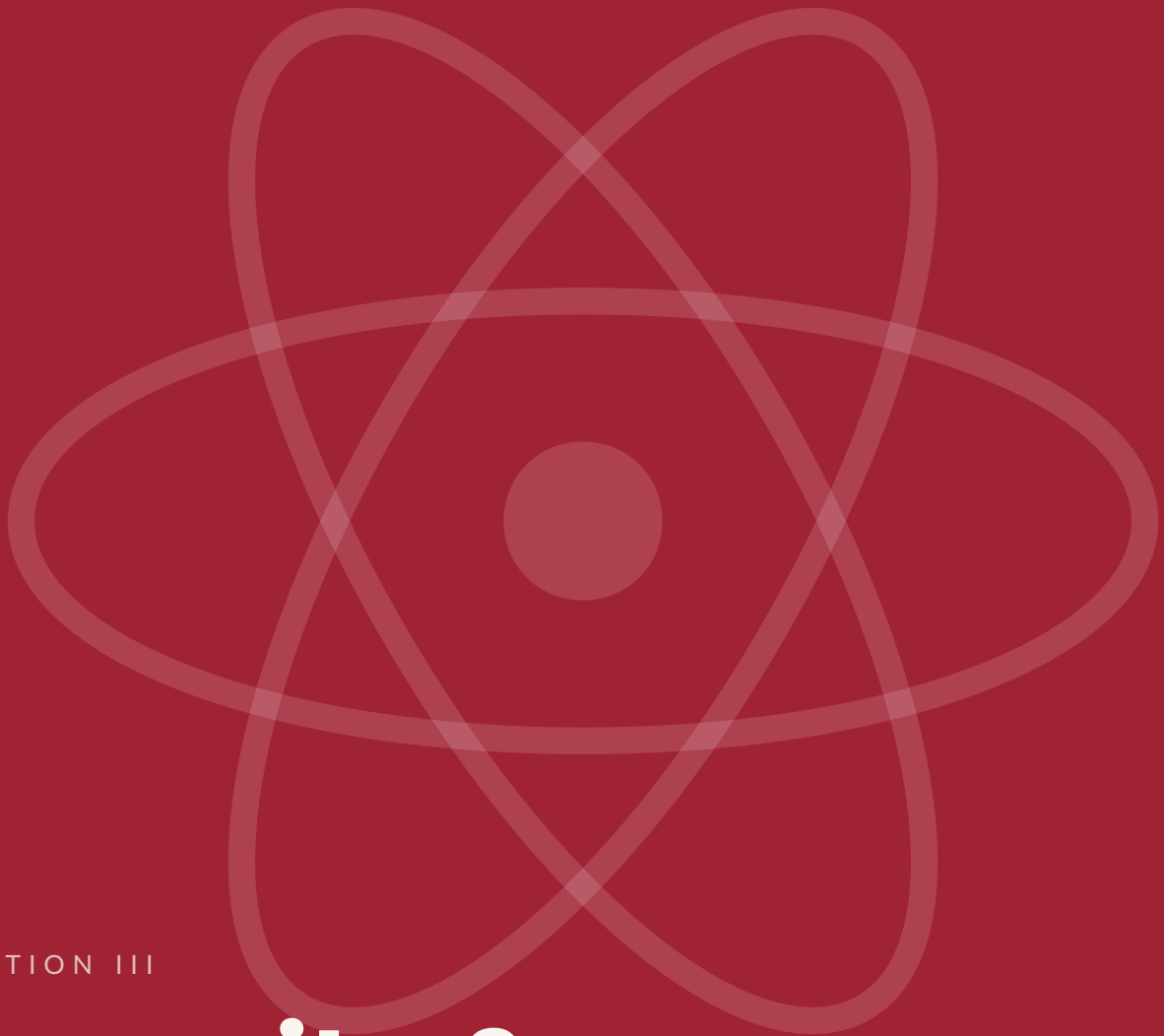
20 October 2026

## SCALE CITED

1.4–4.0% of US GDP in compute service flow

## WATCH

Whether an index can be governed against its own contributors



SECTION III

# Security & Enforcement

*Deposits, deepfakes, and one more unlicensed exchange*

## Hong Kong Tells Brokers: That Deposit Shortcut Is Your Liability

The SFC issued a circular on 20 August 2026 on mitigating risks in simplified eDDA deposit arrangements under the Faster Payment System, aimed principally at internet brokers and virtual asset trading platforms.

### Primary

responsibility sits with the firm

### 1

small-value test transfer required

### 2

risk categories flagged

*“Where the payer bank requires no confirmation from the account owner, the firm ‘bears primary responsibility for ensuring that it has obtained proper authorisation.’”*

#### WHY IT MATTERS

- Under a simplified eDDA, the licensed firm — not the client — initiates the setup request, meaning convenience is purchased with firm-level liability, reinforced by...
- Verification must be independent: a single small-value transfer test checked against the firm's own bank deposit records, not records supplied by the client, with...
- The sharpest red flag links two channels as one fraud surface: a new eDDA setup request paired with whitelisting a new withdrawal wallet address, in either order — fiat entry...
- Read with the SFC's November 2025 circular on layering, the direction is clear: firms should map payer banks' confirmation practices, embed the transfer test in onboarding,...

#### AT A GLANCE

## eDDA

UNDER SCRUTINY

#### REGULATOR

SFC

#### REFERENCE

SFO/IS/033/2026

#### WHO'S AFFECTED

Internet brokers & SFC-licensed VASPs

#### LEGAL ANCHOR

Code of Conduct §4.3 / VATP Guidelines §11.10

#### ACTION NEEDED

Independent transfer-test verification embedded in onboarding

## CIMA: BitMart Was Never Licensed Here — Full Stop

The Cayman Islands Monetary Authority issued a public notice on 6 August 2026 stating that BitMart and eight related GBM and Bachi entities have never been registered, licensed or authorised to conduct virtual asset services in or from the Cayman Islands.

9

entities named

0

ever licensed

2024

Virtual Asset Act in force

*“BitMart and eight named entities have “never been” registered, licensed or authorised — despite complaints suggesting otherwise had reached the public.*

### WHY IT MATTERS

- The statutory backdrop is explicit: under the Virtual Asset (Service Providers) Act, anyone carrying on virtual asset services as a business in or from the Cayman Islands...
- The trigger was misrepresentation, not necessarily conduct: multiple public complaints specifically cited claimed Cayman regulatory status, and that claim itself is what...
- For counterparties, the actionable step is immediate: treat any claim of Cayman regulation by BitMart or the named entities as false until independently verified against...

### READ ALONGSIDE

*Another month, another exchange claiming a licence it never had — see the Bahamas Ponzi...*

### AT A GLANCE

0

LICENCES EVER HELD

#### REGULATOR

CIMA

#### ENTITIES NAMED

BitMart, BitMart Exchange + 8 GBM/  
Bachi entities

#### STATUTE

Virtual Asset (Service Providers) Act  
(2024 Revision)

#### TRIGGER

Public complaints about claimed CIMA  
status

#### ACTION

Verify any regulatory claim against  
CIMA's public register

# AI Deepfakes Are Now Running the Scam, Not Just Selling It

**A** ASIC warned consumers on 17 August 2026 about investment scams built on generative AI, deepfake video and fabricated online content designed to make fraudulent crypto and investment opportunities look legitimate.

**182%**

rise in scam takedowns  
FY26

**19,400+**

online scams removed

**A\$7.4M**

losses from figure  
impersonation

*“A volume of search results, favourable reviews and “polished content” can itself be manufactured – online searching is explicitly called out as insufficient verification.*

## WHY IT MATTERS

- The scam architecture is a full “web of deception”: fabricated news articles, manufactured reviews, AI-generated celebrity endorsements and scripted follow-up calls, with...
- Crypto-specific takedowns rose almost 30% to 3,106, while phishing hyperlink takedowns rose fastest of all, at 279% – the fastest-growing channel, not the largest, is where...
- Real diligence means checking the AFSL number against ASIC's own public register and confirming it matches the actual promoting entity – not confirming the number merely...

## READ ALONGSIDE

*Pairs with Singapore's new AI cyber taskforce in Section IV – regulators on two continents...*

## AT A GLANCE

**182%**

YOY SCAM TAKEDOWN GROWTH

## REGULATOR

ASIC

## SCALE

19,400+ scams removed, up 182% YoY

## CRYPTO-SPECIFIC

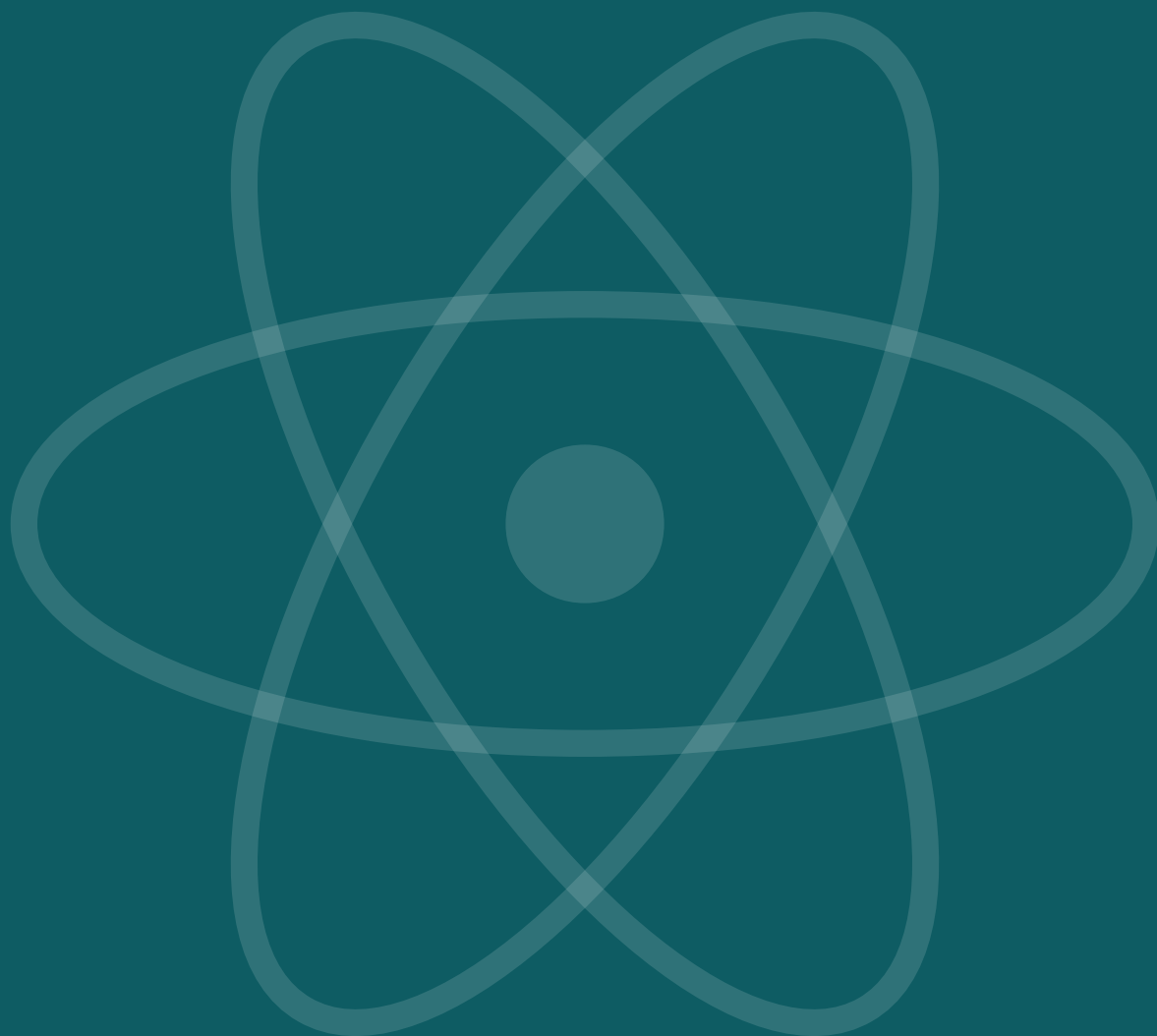
3,106 takedowns, up ~30%

## FASTEST-GROWING

Phishing hyperlinks, up 279%

## GUIDANCE

Stop, Check, Protect – verify via trusted contact details



SECTION IV

# AI & Cyber Resilience

*Banks and regulators build a joint defence*

# Singapore's Banks Build a Joint Defence Against AI Attackers

**M**AS and the Association of Banks in Singapore established the AI Driven Cyber and Technology Risk Taskforce on 28 July 2026, an industry-wide initiative to strengthen resilience against frontier AI-enabled cyber threats.

**7**

founding members incl.  
DBS, OCBC, UOB, SGX

**3**

workstreams

**May 2026**

informal work began

*“The concern is frontier AI's ability to rapidly identify and exploit vulnerabilities and automate cyberattacks at scale — a step-change in attacker capability, not routine cyber hygiene.”*

## WHY IT MATTERS

- Membership spans banking, market infrastructure and payments in one body — DBS, OCBC, UOB, the Singapore Exchange, NETS and Banking Computer Services alongside MAS and ABS —...
- Three workstreams move beyond a talking shop: sharing AI cybersecurity use cases, proof-of-concept trials of AI-enabled defensive tools, and development of formal guidance on...
- No mandatory requirements exist yet, but MAS's own pattern — FEAT, Veritas, Project Mindforge — has consistently moved from voluntary guidance to supervisory expectation, and...

## AT A GLANCE

# ACT

TASKFORCE LAUNCHED

### REGULATOR

MAS + Association of Banks in Singapore

### FOUNDING MEMBERS

DBS, OCBC, UOB, SGX, NETS, BCS

### STATUS

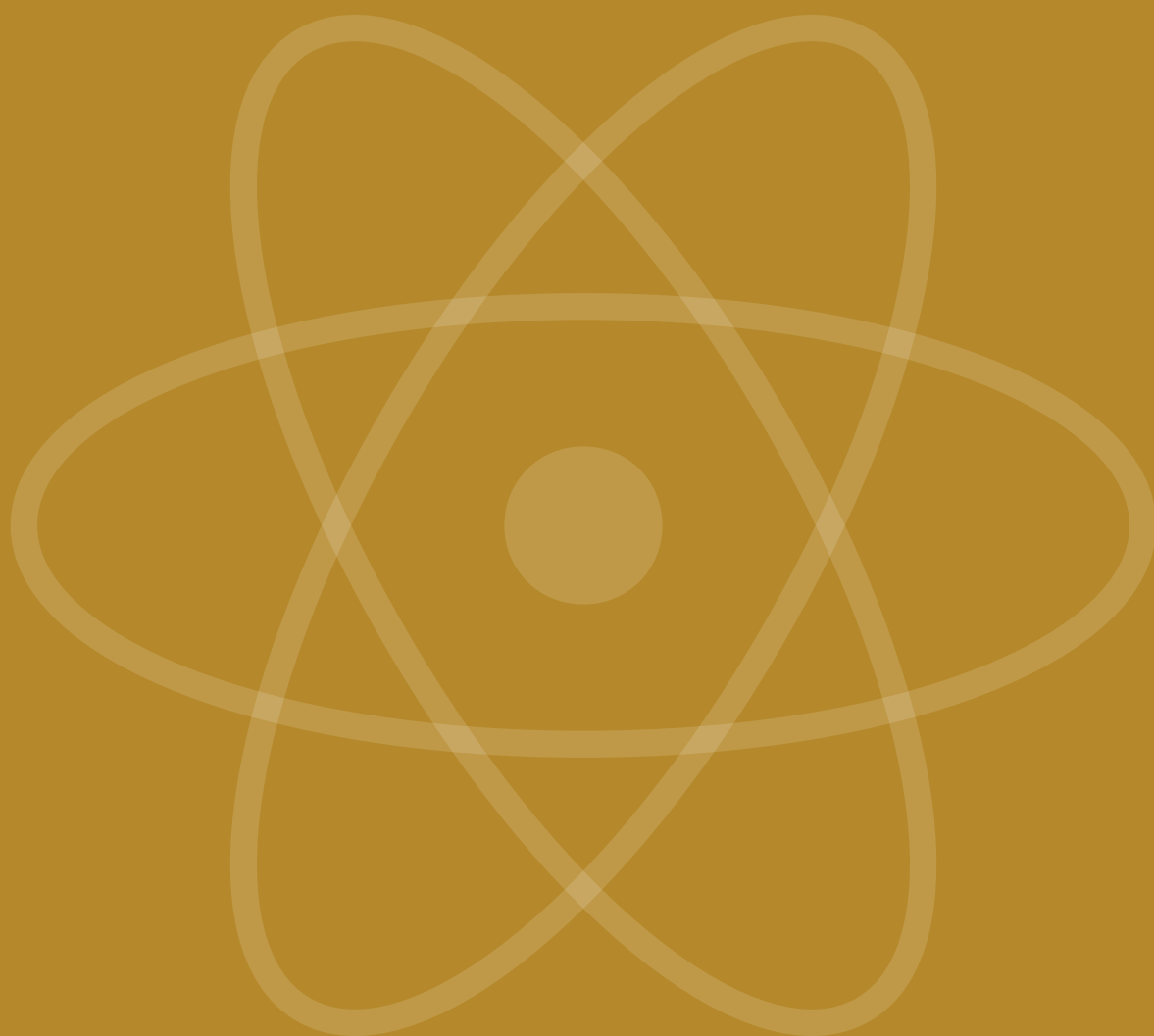
Voluntary, industry-led — for now

### PATTERN TO WATCH

Voluntary guidance → supervisory expectation (MAS precedent)

### STARTED INFORMALLY

May 2026, ahead of the formal launch



SECTION V

# Strategic Signals

*Where the rest of the month points*

## Britain Cuts Reporting Costs — Except for Crypto

The FCA published Policy Statement PS26/15 on 3 August 2026, finalising transaction reporting reforms expected to cut industry costs by more than £100 million a year, with the new regime taking effect on 3 April 2028.

**£108M**

annual saving

**65→52**

reporting fields cut

**0**

relief for crypto derivatives

*“Cryptoasset derivatives remain fully reportable under the new 52-field schema with no scope relief — the FCA's clearest signal yet that transaction-level visibility into crypto derivatives stays a live supervisory priority.”*

### WHY IT MATTERS

- The savings are real but selective: FX derivatives exit the regime entirely and roughly 7 million EU-venue-only instruments drop out of scope — crypto derivatives get none of...
- The look-back period for correcting historical errors falls from five years to three, cutting resubmission volumes by roughly a third, though the FCA retains discretion to...
- The implementation sequencing carries a real trap: some firms can adopt changes early from 3 August 2026, but the validation rules needed to support them won't be finalised...
- This is explicitly a first instalment: a joint FCA/Bank of England taskforce held its inaugural meeting in July 2026 to shape further convergence — firms should design...

### AT A GLANCE

**PS26/15**

POLICY STATEMENT

#### REGULATOR

FCA

#### COMMENCES

3 April 2028

#### CRYPTO TREATMENT

Fully in scope — no relief granted

#### ANNUAL SAVING

£108 million industry-wide

#### WATCH

October 2026 consultation on validation rules

## SECTION VI — IN BRIEF

# Also This Month

US

18 AUG 2026

## Former Tricolor Executives Charged Over \$1.9bn ABS Fraud

The SEC filed civil fraud charges alleging double-pledged subprime auto loan receivables and altered servicing data across 14 asset-backed offerings between 2013 and 2025. Two of the three executives already pleaded guilty to criminal charges in December 2025; the SEC's civil case seeks disgorgement, penalties and officer-and-director bars.

US

14 AUG 2026

## SEC Ends All Shareholder-Proposal No-Action Letters

The Division of Corporation Finance withdrew the last exception preserved from its 2025-26 pilot. Companies must now defend Rule 14a-8 exclusion decisions entirely on their own legal judgment, with no staff view to fall back on if challenged.

US

5 AUG 2026

## SEC Creates Financial Reporting and Accounting Enforcement Unit

A new unit under Timothy Zimmerman, staffed by both attorneys and accountants, formally succeeds the SEC's 2013 Financial Reporting and Audit Task Force — targeting auditors and gatekeepers, not just issuers, for accounting fraud and reporting violations.

CQ

THE CHARLTONS QUANTUM TAKE

## Two Regulators, Same Answer: Stop Waiting for Congress

August drew a line under the year's biggest question: does crypto get its own federal rulebook, or does it get folded into existing commodity law? Both US regulators answered at once — the SEC with a bespoke offering framework, the CFTC with a market-structure roadmap built on authorities it already has. Neither waited for legislation. And underneath both, a new asset class quietly got the same treatment: computing power, the CFTC said, is now a commodity too.

### A NOTE ON SOURCES

This edition is drawn from primary regulatory publications — circulars, proposing releases, public notices and official remarks — issued by the regulators named throughout, cross-checked against official releases dated between 28 July and 20 August 2026.

### COMING IN THE NEXT EDITION

Whether the CLARITY Act moves in Congress, the first compute derivatives comment responses, and how the Kalshi preemption fight develops across the states that have sued it — all tracked as they land.

# CHARLTONS QUANTUM

*Global crypto regulatory intelligence, one month at a time*

EDITION

**AUGUST 2026**

JURISDICTIONS

**6**

DEVELOPMENTS

**10**

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