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Weekly Policy Memo: Week of July 6, 2026

<https://community.pgpz.org/updates/2026-07-06-weekly-policy-memo>

Key Takeaways

- The Fed released for public comment a NPRM that modernizes BSA by requiring financial institutions to maintain dynamic and explicitly "effective" Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) programs that would require continuous risk assessment, strict ongoing customer due diligence (CDD), and alignment with government-issued AML/CFT priorities.
- Senator Ron Wyden (D-OR) is urging Senate leaders to preserve the Blockchain Regulatory Certainty Act (BRCA) within the broader CLARITY Act.
- The SEC has released its 2026 Regulatory Agenda, in which it plans to introduce tailored rules and exemptions specifically for crypto assets.

Action Items

- Repost and share the Fed NPRM news to increase awareness and let us know if you have concerns about this proposed rule.
- Call your Senators' offices and ask them to support the CLARITY Act with the BRCA provisions included.
- Repost and share the SEC Regulatory Agenda news to increase awareness and let us know if you have feedback about the concepts discussed.

X Post of the Week:

Cypherpunk (\$CYPH) 
@cypherpunk



BREAKING: Zcash's Ironwood upgrade (NU6.3) is locked in with the mainnet activation height set to July 28 (block 3428143).

Soon after, the Orchard supply audit begins and Ironwood's supply is formally verified, forever. 



1:20 AM · Jul 10, 2026 · **2,881** Views

[Fed Seeks Public Comment on NPRM to Modernize BSA](#)

The Federal Reserve released for public comment a notice of proposed rulemaking (NPRM) that modernizes the Bank Secrecy Act (BSA) by requiring financial institutions to maintain dynamic and explicitly "effective" Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) programs. The new framework would shift away from a static approach, by mandating continuous risk assessment, strict ongoing customer due diligence (CDD), and alignment with government-issued AML/CFT priorities.

The rule would also increase accountability for financial institutions by requiring designated AML/CFT compliance officers to be located within the United States and readily accessible to regulators, while requiring that written compliance programs receive formal board approval. Consequently, U.S. financial entities would face severe penalties for failing to actively identify and mitigate the risks of illicit finance.

Comments are due on September 8, 2026.

Why this matters for Zcash: This rule will create more pressure for regulated U.S. exchanges that must register as financial institutions under the BSA that would be subject to these stricter ongoing due diligence requirements and would likely view shielded transactions as inherently high-risk. To avoid regulatory scrutiny and penalties, institutions may either require Zcash users to routinely use viewing keys to prove the origin of their funds, or they de-risk by delisting Zcash rather than building the complex infrastructure required to audit it.

Action Items: Repost and share this news to increase awareness of the NPRM and let us know if you have concerns about this proposed rule.

[Senator Wyden Urges Preservation of BRCA in CLARITY Act](#)

Senator Ron Wyden (D-OR) is urging Senate leaders to preserve the Blockchain Regulatory Certainty Act (BRCA) within the broader CLARITY Act. The BRCA aims to establish a clear legal safe harbor for developers of non-custodial and open-source software, ensuring they are not classified as "money transmitters" simply for creating tools that allow people to manage their own digital assets.

With the August Senate recess approaching and a crowded legislative calendar ahead of the midterm elections, the fate of both the BRCA and the overarching CLARITY Act remains highly uncertain.

Why this matters for Zcash: The fight over developer protections in the BRCA is an existential issue. Because Zcash relies on advanced, open-source zero-knowledge cryptography to provide non-custodial financial privacy, its core developers are precisely the types of entities this provision aims to protect. If the BRCA is stripped from the CLARITY Act, or if the bill fails to pass entirely, Zcash developers remain legally vulnerable to being classified as unlicensed money transmitters under aggressive U.S. enforcement actions, leading to a chilling effect.

Action Items: Call your Senators' offices and ask them to support the CLARITY Act with the BRCA provisions included.

Relevant Posts:


Peter Van Valkenburgh 
 @valkenburgh

Senator Wyden has always been, and remains, one of the great champions of a free and open Internet. His unwavering support for the principle that developers should be free to publish software—even in the highly charged arena of crypto—is principled, deeply American, and correct.


Eleanor Terrett  @EleanorTerrett · Jul 8

 **NEW:** Senator @RonWyden (D-OR) is asking Senate leaders to preserve the Blockchain Regulatory Certainty Act, as passed by the Senate Banking Committee, in any version of the Clarity Act brought to the floor.

It comes amid uncertainty over whether certain key law enforcement



July 7, 2026

The Honorable John Thune
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Charles Schumer
Democratic Leader
United States Senate
Washington, D.C. 20510

Dear Leaders Thune and Schumer:

I write to urge you to ensure that any version of the Digital Asset Market Clarity Act (Clarity Act) that is brought to the Senate floor preserves Section 604 of the bill as passed out of the Senate Banking, Housing, and Urban Affairs Committee. Section 604, also known as the Blockchain Regulatory Certainty Act (BRCA), is a bipartisan provision that provides critical safeguards for non-custodial blockchain developers while also ensuring that prosecutorial and investigative resources are used as efficiently and effectively as possible to target bad actors.

With the inclusion of the BRCA in the Clarity Act, Congress has an opportunity to codify existing federal policy, while providing much-needed legal certainty to software developers who help support technological innovation in the United States. The BRCA provides a commonsense clarification that the Bank Secrecy Act and the criminal code must be viewed in tandem. Developers who make and release software that allows people to manage their own digital assets – and, critically, where the developer does not control user assets – should not be treated as money transmitters solely because they create or publish software. To treat them as such punishes technological innovation and advancement in strategically important areas at a time when the United States must remain globally competitive. This provision reflects established regulatory guidance from the Financial Crimes Enforcement Network (FinCEN), is consistent with emerging case law, and provides essential legal certainty for developers of open-source and non-custodial technologies to continue building and developing the decentralized finance ecosystem right here in the United States.

I strongly agree with my colleagues that any digital asset market structure legislation must include robust anti-money laundering and countering the financing of terrorism (AML/CFT) guardrails to prevent digital assets from being misused by bad actors. While critics of the BRCA point to the purported impact of the provision on AML/CFT, this is inaccurate. In reality, this provision would only FinCEN and Department of Justice policy, and ensure that law enforcement resources are focused toward criminals and other bad actors operating unlicensed money transmitting businesses. The provision also includes a common-sense exception that any non-custodial developers found to be transferring or using funds originating from illicit activity are not protected, ensuring that bad actors can still be held accountable while avoiding the unintended consequence of mistreating neutral software developers as financial intermediaries.

Smart policy will empower law enforcement to do its job and facilitate innovation at the same time. As the Senate continues its consideration of the Clarity Act, I urge you to include the Blockchain Regulatory Certainty Act in any legislative package. Thank you for your consideration of these important matters.

Sincerely,


Ron Wyden
United States Senator

4:07 PM · Jul 8, 2026 · 10.9K Views



DeFi Education Fund ✓
@fund_defi



Thank you to Senator [@RonWyden](#) for your continued advocacy for the BRCA!

In a letter to Senate leadership, he says: "I write to urge you to ensure that any version of the Digital Asset Market Clarity Act (Clarity Act) that is brought to the Senate floor preserves Section 604 of the bill as passed out of the Senate Banking, Housing, and Urban Affairs Committee."

The DEF team wholeheartedly agrees, and we appreciate Senator Wyden and his staff for their leadership on this important, bipartisan provision that protects software developers. A comprehensive market structure bill must include strong software developer protections.

Section 604, also known as the Blockchain Regulatory Certainty Act (BRCA), is a bipartisan provision that provides critical safeguards for non-custodial blockchain developers while also ensuring that prosecutorial and investigative resources are used as efficiently and effectively as possible to target bad actors.

SEN. RON WYDEN (D-OR)

4:48 PM · Jul 8, 2026 · 4,919 Views

[SEC Previews Proposed Rules for Crypto in 2026 Regulatory Agenda](#)

The U.S. Securities and Exchange Commission (SEC) has released its 2026 Regulatory Agenda, in which it plans to introduce tailored rules and exemptions specifically for crypto assets. The agenda focuses on amending capital and recordkeeping requirements for broker-dealers and exchanges to accommodate digital assets. Importantly, the SEC plans to introduce rules that would clarify the issuance, custody, and trading of crypto assets, explicitly exploring safe harbors and confirming earlier guidance (issued jointly with the CFTC) that most cryptocurrencies are not securities.

Why this matters for Zcash: This signal from the SEC shows it intends to codify guidance, such as the joint digital asset taxonomy it released with the Commodity Futures Trading Commission (CFTC). Codifying the guidance and moving forward with these proposed regulations would remove a massive cloud of uncertainty that has hung over Layer-1 tokens like Zcash. If ZEC is definitively treated as a commodity rather than an unregistered security, developers and exchanges must no longer fear arbitrary SEC enforcement actions simply for facilitating its trade.

Action Items: Repost and share this news to increase awareness of the SEC's proposed rules and let us know if you have feedback about the concepts discussed in the regulatory agenda.