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Weekly Policy Memo: Week of August 17, 2026

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Key Takeaways

- The CFTC outlined an extensive regulatory agenda covering digital assets and Chairman Mike Selig stated he has directed staff to prepare a rulemaking if the CLARITY Act is not enacted.
- The SEC proposed Regulation Crypto Assets, which would establish two registration exemptions for crypto-related investment contracts and a safe harbor for determining when an asset is no longer subject to an investment contract.

Action Items

- Post and reshare posts that promote the CFTC's work around digital assets and a potential rulemaking to illustrate support for the agency's agenda.
- Please reach out if you have any questions, comments, or concerns about the SEC NPRM.

X Post of the Week:



Key Takeaways

- New technologies can upgrade the financial system but may also reduce financial privacy. This dynamic emerged with the digitization of banking and again with the rise of the internet. Today, the expansion of AI may create similar challenges.
- **Zcash** [@Zcash](#) is a decentralized digital currency much like Bitcoin, but with built-in privacy features. In Zcash private transactions, the sender, receiver, and amount are all obscured, allowing Zcash to function like physical cash (which was Bitcoin's original vision). In a world of AI-powered financial surveillance, these features could become essential.
- Zcash is nearly 10 years old but may be entering a new chapter. Use of its shielding technology is increasing, and new capital is entering the ecosystem to support wallet development and Zcash mining.
- Zcash's ZEC token is valued at just ~\$8 billion, or 0.6% of the [Currencies Crypto Sector](#). If it were to capture just 5% of this market segment, its value would be ~9x greater. Zcash is a lower market cap crypto asset and should be considered higher risk.

CFTC Innovation Advisory Committee Sets a Broad Agenda for Digital Assets, AI, and Prediction Markets

The Commodity Futures Trading Commission's (CFTC) Innovation Advisory Committee (IAC) convened and outlined an extensive regulatory agenda covering digital assets, artificial intelligence, cybersecurity, and prediction markets. The digital-asset discussion centered on establishing a unified federal framework, improving SEC–CFTC coordination, and distinguishing decentralized protocols and software developers from conventional financial intermediaries, among other things. Participants generally supported advancing agency rulemaking alongside

legislation and criticized the cost, inconsistency, and unequal market access associated with state-by-state licensing. Within that broader discussion, Chairman Michael Selig confirmed that the CLARITY Act remains the preferred and most durable means of establishing federal market structure, but [directed staff to examine a contingency framework](#) under the CFTC's existing authority if legislation stalls. Discussions regarding financial privacy arose through competing concerns about data minimization, centralized databases linking identities to holdings, confidential regulatory access, uniform KYC requirements, and the surveillance capabilities of public blockchains. Note, however, that committee recommendations are advisory, and the scope and durability of any CFTC framework would remain constrained by existing statutory authority, interagency jurisdictional questions, and the rulemaking process. Public comments regarding the meeting may be submitted through August 27, 2026.

Why this matters for Zcash:

Zcash was specifically cited by IAC member Tyler Winklevoss during the meeting as an example of a project using advanced AI models to identify vulnerabilities and strengthen network security, as well as a project advancing formal verification. The favorable cybersecurity reference provides a useful basis for presenting Zcash as verifiable and resilient financial infrastructure.

Separately, a CFTC rulemaking on digital assets would help provide more clarity for the industry in the absence of legislation.

Action Item:

Post and reshare posts that promote the CFTC's work around digital assets and a potential rulemaking to illustrate support for the agency's agenda.

Relevant Post:



[SEC Proposes Registration Exemptions and a Safe Harbor for Crypto-Related Investment Contracts](#)

The Securities and Exchange Commission's (SEC) released its notice of proposed rulemaking (NPRM) on Regulation Crypto Assets, which would establish two registration exemptions for crypto-related investment contracts and a safe harbor for determining when an asset is no longer subject to an investment contract, among other things. The proposal does not broadly exempt crypto offerings from the federal securities laws. Its principal legal contribution is to distinguish between a crypto asset that is not itself a security and the investment contract that may arise when the asset is offered with promises of essential managerial efforts from which purchasers reasonably expect profits. Building on the SEC's [March 2026 crypto-asset interpretation](#), the NPRM states that continued work to maintain or improve an already functional network generally need not constitute essential managerial efforts when value instead derives from programmatic operation, market forces, and contributions from multiple participants. The proposal will have a 60-day public-comment period after publication in the Federal Register. If finalized, it could materially improve administrative clarity for crypto capital formation, but it would remain narrower than comprehensive market-structure legislation.

Why this matters for Zcash:

The proposal's distinction between a non-security crypto asset and an investment contract involving that asset is potentially significant for the Zcash ecosystem, as it would provide that ZEC is not a security subject to the federal securities laws. Note that although the SEC notified the Zcash Foundation earlier this year that it ended its investigation, rules formally distinguishing digital assets that are part of an investment contract from the contract itself have not yet been implemented. This rulemaking would provide more clarity for the ecosystem.

Action Item:

Please reach out if you have any questions, comments, or concerns about the SEC NPRM.

Relevant Post:

