

Weekly Policy Memo: Week of October 05, 2026

<https://community.pgpz.org/updates/2026-10-05-weekly-policy-memo>

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Key Takeaways

- The CFTC opened an early-stage consultation on regulations for retail crypto markets, but agency action leaves important statutory questions unresolved.
- FinCEN withdrew its mixing and unhosted wallet proposals. The withdrawals recognize legitimate privacy interests; the Tornado Cash prosecution continues.
- Fairshake PAC named 32 House incumbents for support.

Action Items

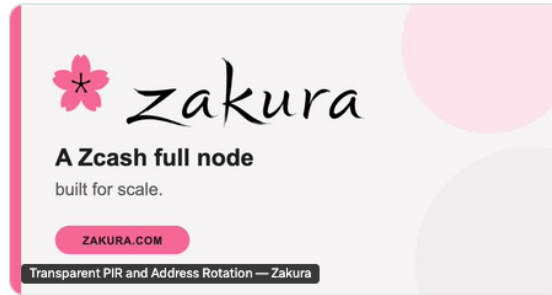
- Comments on the CFTC ANPRM are due 60 days after publication in the Federal Register. Please reach out if you have any feedback.

X Post of the Week:



Here's our plan for quantum-safe, unlinkable, rotating taddr. Possible with Zcash, today.

While others are worrying about the viability of rotating transparent addresses, we're already solving linkability.



From zakura.com

CFTC Opens Retail Crypto Consultation as Congress Weighs the Limits of Agency Action

The Commodity Futures Trading Commission (CFTC) issued an advance notice of proposed rulemaking (ANPRM) seeking input on Regulation Crypto Asset Transactions (Reg CTX) and Regulation Crypto Asset Markets (Reg CAM). The framework would use the Commodity Exchange Act's existing authority over retail commodity transactions offered on a leveraged, margined or financed basis to implement the regulation. It would clarify covered transactions and develop a tailored category of designated contract market registration for digital asset trading.

The initiative advances Chairman Michael Selig's effort to establish a federal route for covered trading under existing law. It also illustrates the limits identified by House Financial Services Committee Chairman French Hill, who [recently argued](#) that SEC and CFTC action cannot provide the durability of the CLARITY Act. The CFTC cannot use this process to require registration of every spot digital assets platform. Accordingly, this provides incremental clarification, but it does not resolve comprehensive spot-market jurisdiction or establish a congressional agreement on market structure.

Why it matters for Zcash:

For exchanges and intermediaries supporting ZEC, the eventual framework could affect market access, custody and transaction delivery. The consultation is also an opportunity to explain how customers obtain control of shielded assets and how regulated intermediaries can verify relevant information without requiring universal public transaction histories. These are policy questions for future rules as opposed to requirements impacting Zcash users today.

Action Item:

Comments are due 60 days after publication in the Federal Register. Please reach out if you have any feedback.

Relevant Post:

 **Crypto Council for Innovation** 
@crypto_council

Today, the [@CFTC](#) published an advanced notice of proposed rulemaking on Regulation Crypto Asset Transactions and Regulation Crypto Asset Markets.

This notice and request for comment lays the groundwork for the CFTC to craft fit-for-purpose rules that provide clarity, certainty, and consumer protections for the crypto market, under a uniform national market framework.

CCI thanks [@ChairmanSelig](#) and the CFTC for advancing this critical effort in a transparent manner, and looks forward to sharing our expertise on these important issues.

 **CFTC**  @CFTC · Oct 5
.@CFTC Seeks Public Comment on Advanced Notice of Proposed Rulemaking Relating to Regulation Crypto Asset Transactions and Regulation Crypto Asset Markets: cftc.gov/PressRoom/Pres...

FinCEN Withdraws Crypto Reporting Proposals While Tornado Cash Litigation Continues

The Financial Crimes Enforcement Network (FinCEN) announced withdrawal of two proposed reporting regimes: its 2023 proposal concerning international convertible virtual currency mixing and its 2020 proposal concerning certain transactions with unhosted or otherwise covered wallets. The notice withdraws both the proposed special measure and the underlying finding that the identified class of transactions was of primary money-laundering concern. FinCEN acknowledged that its broad approach could burden financial institutions and discourage legitimate activity, including lawful uses of financial privacy. Note that while these proposals have been withdrawn, they still enable Treasury to consider future measures under its existing authority.

Separately, federal prosecutors are continuing to litigate the Tornado Cash case. In an October 5 filing, they cited the appellate decision in the separate Bitcoin Fog case, *United States v. Sterlingov*, to support their venue arguments concerning Roman Storm.

Why it matters for Zcash:

The withdrawal is particularly relevant to Zcash because the abandoned definition of mixing reached a broad set of transaction techniques, rather than only a named service. FinCEN's recognition of legitimate privacy interests provides useful support for shielded transactions, self-custody and data minimization. However, it does not establish a general exemption for privacy software or resolve developer liability, such as the Tornado Cash case.

Action Item:

No suggested action item at this time.

Relevant Post:



Fairshake Names 32 House Incumbents for Election Spending

Fairshake PAC announced support for 32 House incumbents, 13 Democrats and 19 Republicans, and plans for substantial independent spending. CoinDesk reports \$1 million commitments for each of six lawmakers: Republicans French Hill (R-AR), Bill Huizenga (R-MI), and Bryan Steil (R-WI), and Democrats Steven Horsford (D-NV), Derek Tran (D-CA), and Janelle Bynum (D-OR). The roster includes lawmakers positioned to influence financial-services, tax and agricultural-market legislation.

The effort could affect the next Congress's composition, but election spending does not secure passage of pending legislation or resolve the Senate's current disagreements. Its policy significance will depend on election results, committee assignments and lawmakers' substantive positions.

Why it matters for Zcash:

Support for digital asset legislation does not necessarily establish support for shielded transactions or developer protections, however it creates an environment where lawmakers may be more receptive to learning about these issue areas within broader crypto-related policymaking.

Action Item:

No suggested action item at this time.

Relevant Post:

**Patrick Svitek** 
@PatrickSvitek

Fairshake, the big crypto-industry super PAC, announces a bipartisan list of 32 lawmakers it's supporting in the midterms:

Democrats	Republicans
Pete Aguilar (D), CA-33	Ben Cline (R), VA-06
Brendan Boyle (D), PA-02	Tracy Downing (R), MT-02
Janelle Bynum (D), OR-05	Tom Emmer (R), MN-06
Josh Gottheimer (D), NJ-05	Michelle Fischbach (R), MN-07
Steven Horsford (D), NV-04	Scott Fitzgerald (R), WI-05
Jonathan Jackson (D), IL-01	Mike Haridopolos (R), FL-08
Lucy McBath (D), GA-06	Pat Harrigan (R), NC-10
Sarah McBride (D), DE-AL	French Hill (R), AR-02
Jimmy Panetta (D), CA-19	Bill Huizenga (R), MI-04
Hillary Scholten (D), MI-03	Brian Jack (R), GA-03
Terri Sewell (D), AL-07	Frank Lucas (R), OK-03
Suhas Subramanyam (D), VA-10	Lisa McClain (R), MI-09
Derek Tran (D), CA-45	August Pfluger (R), TX-11
	Guy Reschenthaler (R), PA-14
	David Rouzer (R), NC-07
	Austin Scott (R), GA-08
	Jason Smith (R), MO-08
	Bryan Steil (R), WI-01
	G.T. Thompson (R), PA-15