

Finance & Capital Markets

QUARTERLY REPORT

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Market Trends

- U.S. financing activity was generally mixed in Q2 2025 compared to Q1 2025, with increased activity for high-yield bonds but decreased activity for investment-grade bonds, IPOs, follow-on equity offerings and syndicated leveraged loans.
- Year-over-year trends for Q2 2025 relative to Q2 2024 were also mixed, with increased activity for investment-grade bonds, decreased activity for IPOs, follow-on equity offerings and syndicated leveraged loans and generally consistent activity for high-yield bonds.
- In particular, financing activity in April 2025 was subdued, as companies and markets reacted to tariff announcements and associated uncertainty.

Other Developments

- The Senate confirmed SEC Chairman Paul Atkins in April 2025, and the SEC continued to reverse course on many Gensler-era initiatives, withdrawing 14 proposed rules and continuing the broader shift in priorities that began under President Donald Trump.
- Expansion of retail investor access to private markets remained a focus as the SEC removed key barriers to entry, updated investment rules, and began exploring revisions to the accredited investor definition to further widen participation.
- Digital asset regulation and de-regulation continued to rapidly evolve during Q2 2025 across multiple agencies, as the SEC, CFTC, OCC and Congress took steps to clarify oversight of crypto assets, staking, broker-dealer activities and stablecoins.
- The SEC reassessed certain existing regulatory frameworks, including with respect to executive compensation disclosures and the definition of a foreign private issuer, with the stated goal of simplifying and modernizing its approach.

Market Trends—Overview

Capital Markets

	Activity	
	VS. Q2 2024	VS. Q1 2025
INVESTMENT GRADE BONDS (PROCEEDS)	+9.1%	(48.0)%
HIGH-YIELD BONDS (PROCEEDS)	(0.3)%	+11.2%
IPOS (NUMBER / PROCEEDS)	(8.5)% / (26.7)%	(17.3)% / (15.9)%
EQUITY FOLLOW-ONS (NUMBER / PROCEEDS)	+7.5% / (17.2)%	+25.0% / (39.7)%

	Activity ¹	
	VS. Q2 2024	VS. Q1 2025
INVESTMENT-GRADE BONDS (A- TO AAA / BBB- TO BBB+)	+6.0% / (5.9)%	+7.5% / +5.9%
HIGH-YIELD BONDS (BB- TO BB+ / B- TO B+)	(3.5)% / (11.0)%	+2.6% / +7.9%
5-YEAR TREASURY	(12.5)%	(4.3)%
10-YEAR TREASURY	(2.3)%	+0.71%

¹Based on average spread over treasuries for investment grade bonds, average initial yield for high yield bonds and average yield for treasuries.

Banking

	Activity	
	VS. Q2 2024	VS. Q1 2025
SYNDICATED LEVERAGED LOAN ISSUANCE VOLUME (TOTAL / PRO RATA / INSTITUTIONAL)	(23.0)% / +45.0% / (45.0)%	(23.7)% / +33.3% / (44.1)%

	Avg. Pricing	
	VS. Q2 2024	VS. Q1 2025
SYNDICATED LEVERAGED LOANS INITIAL YIELD	(0.7)%	+0.6
LCD FLOW NAME INDEX BID PRICE	(0.8)%	(0.6)%

Restructuring

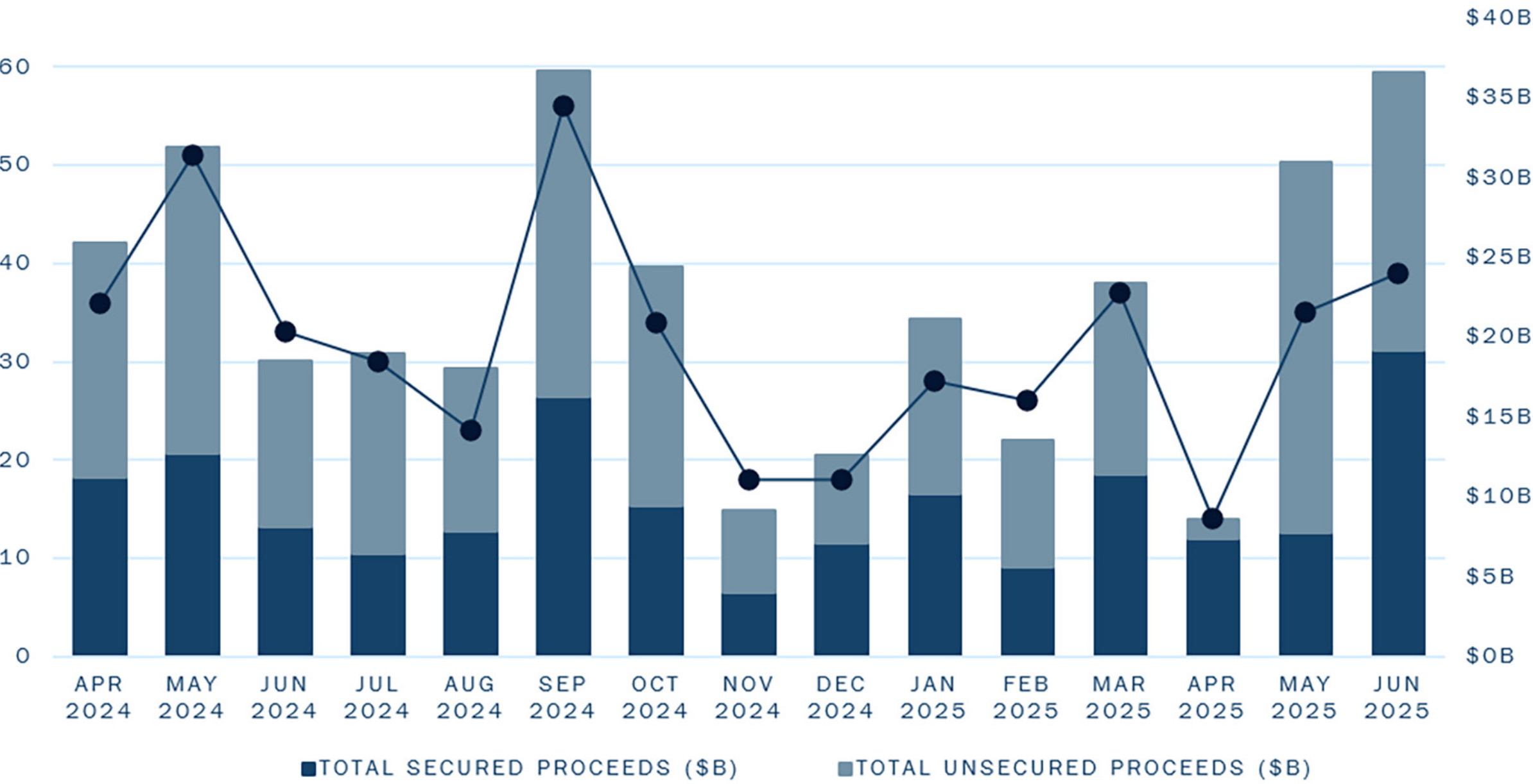
	Activity	
	VS. Q2 2024	VS. Q1 2025
LEVERAGED LOAN DEFAULT RATE (LTM BY AMOUNT / LTM BY ISSUER COUNT)	(0.2)% / (0.6)%	0.0% / 0.0%
BANKRUPTCY FILINGS (NUMBER)	(5.1)%	(0.5)%

Market Trends

BONDS

Total proceeds from U.S. high-yield bond issuances were \$76.2B in the second quarter of 2025, up 11.2% as compared to the first quarter of 2025 (\$68.5B) and down 0.3% as compared to the second quarter of 2024 (\$76.4B). Total proceeds from unsecured high-yield bond issuances were \$42.0B in the second quarter of 2025, up 35.5% as compared to \$31.0B in the first quarter of 2025 and down 5.2% as compared to \$44.3B in the second quarter of 2024. Total proceeds from secured high-yield bond issuances were \$34.2B in the second quarter of 2025, up 26.1% as compared to \$27.1B in the first quarter of 2025 and up 6.5% as compared to \$32.1B in the second quarter of 2024. In particular, activity in April 2025 was more subdued compared to prior months due to economic uncertainty before rebounding again in May 2025.

U.S. High-Yield Bond Issuance Volume



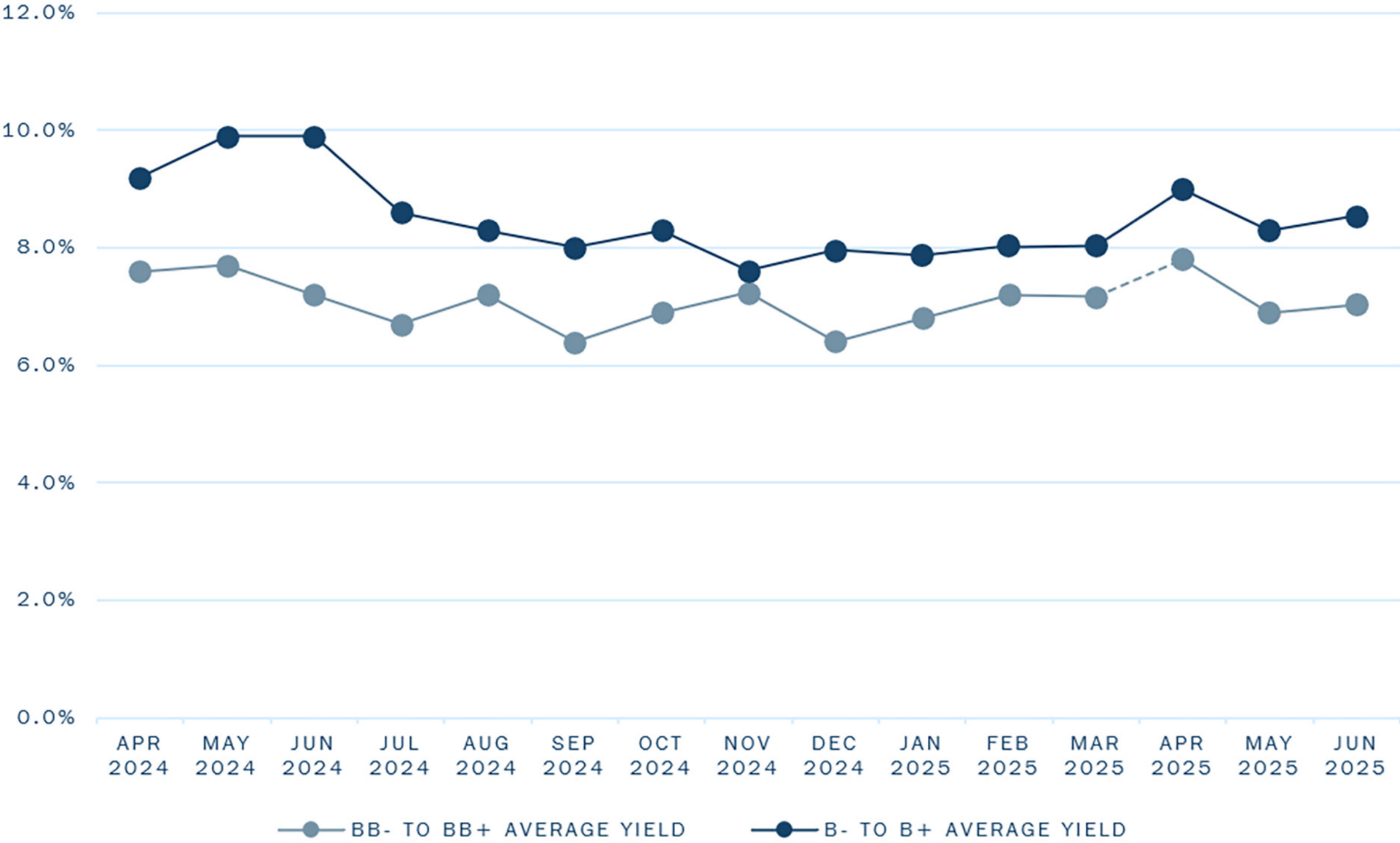
Data Source: Leveraged Commentary & Data (Lcd)

Market Trends

BONDS

The average initial yield on high-yield notes rated BB- to BB+ issued in the second quarter of 2025 was 7.2%, as compared to 7.1% in the first quarter of 2025 and 7.5% in the second quarter of 2024. The average initial yield on high-yield notes rated B- to B+ issued in the second quarter of 2025 was 8.6%, as compared to 8.0% in the first quarter of 2025 and 9.7% in the second quarter of 2024.

U.S. High-Yield Bond Issuance (average initial yield)



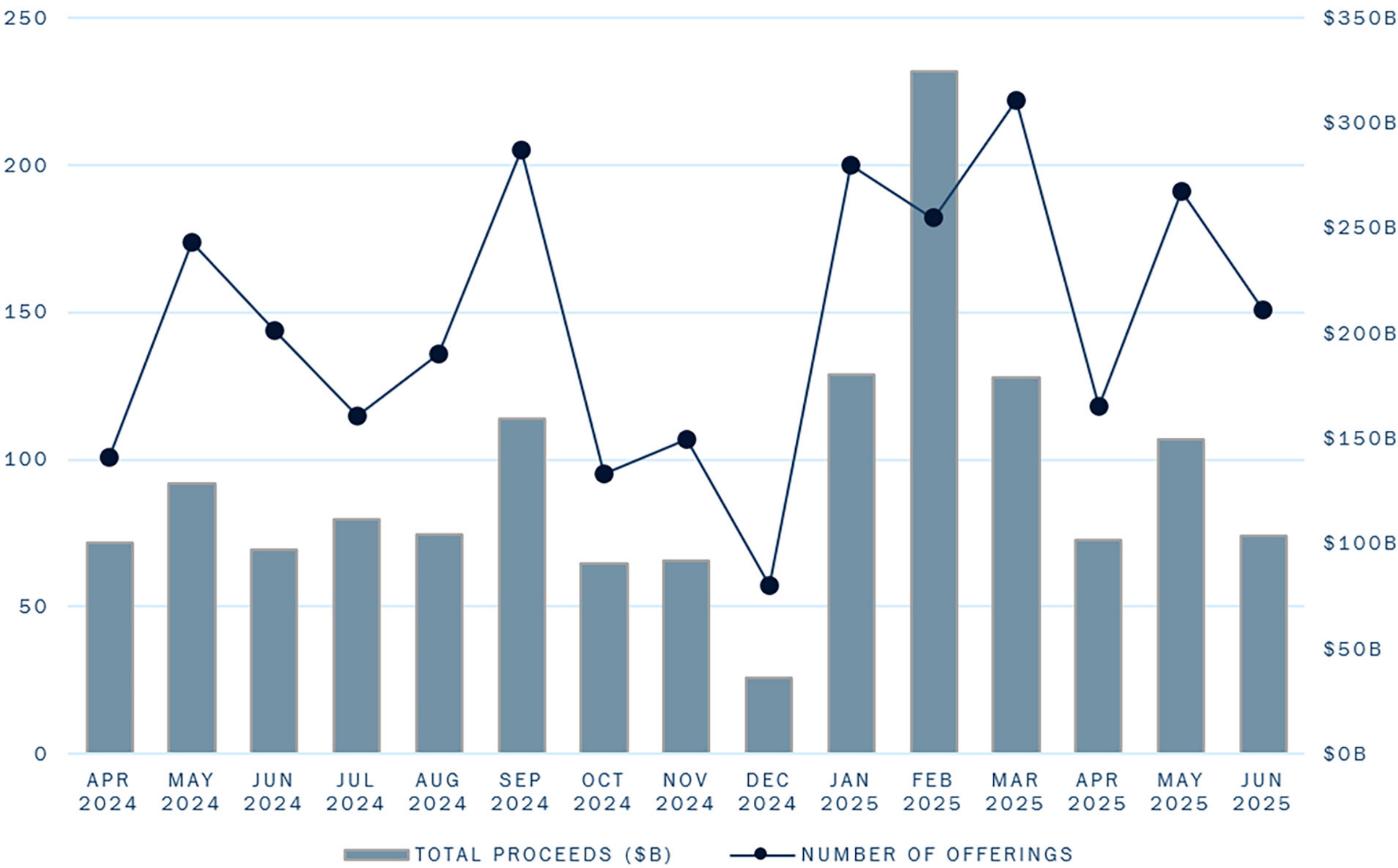
Data Source: Leveraged Commentary & Data (Lcd)

Market Trends

BONDS

Total proceeds from U.S. investment-grade issuances were \$355.8B in the second quarter of 2025, down 48.0% from \$684.2B in the first quarter of 2025 and up 9.1% from \$326.1B in the second quarter of 2024.

U.S. Investment-Grade Bond Issuance Volume



Data Source: Leveraged Commentary & Data (Lcd)

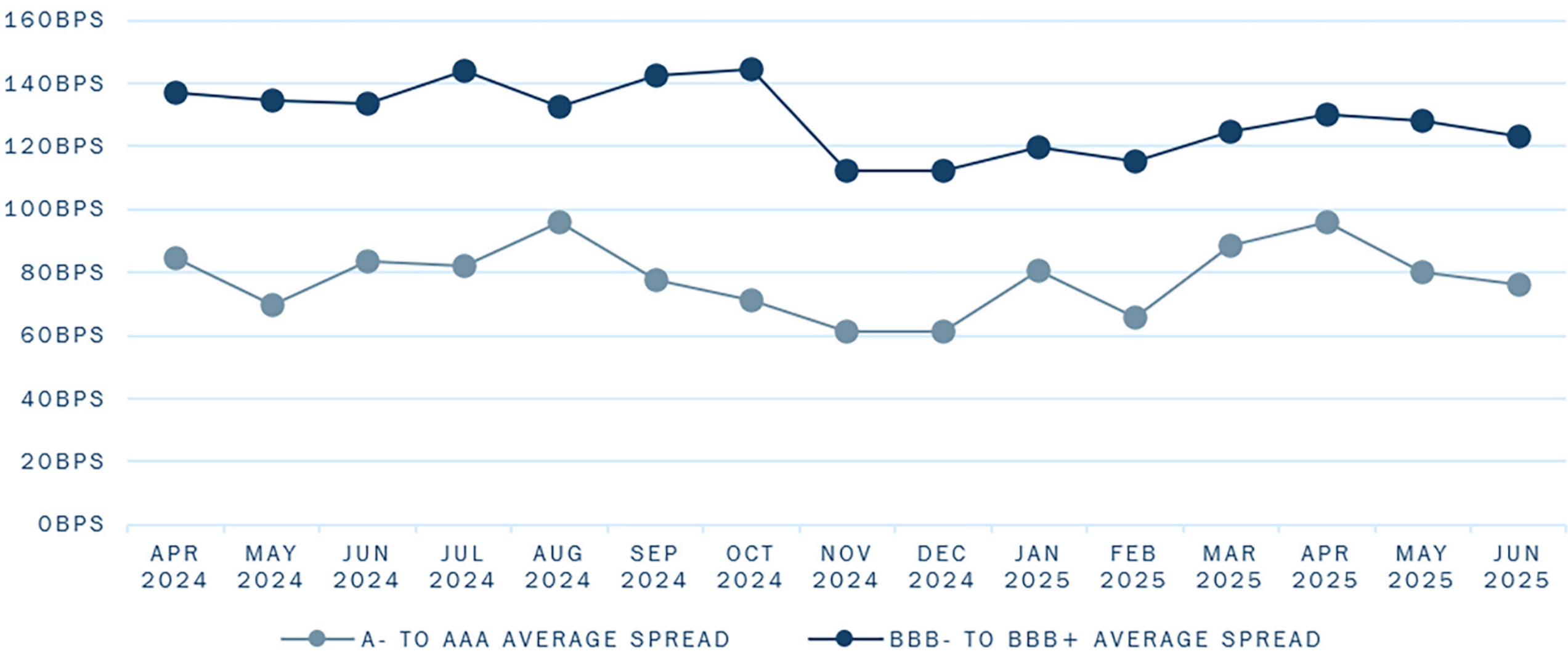
Market Trends

BONDS

The average pricing spread (measured over the comparable Treasury) on U.S. issuances of investment-grade notes rated A- to AAA in the second quarter of 2025 increased 7.5% as compared to the average pricing spread for the first quarter of 2025 and increased 6.0% as compared to the average pricing spread for the second quarter of 2024.

The average pricing spread (measured over the comparable Treasury) on U.S. issuances of investment-grade notes rated BBB- to BBB+ in the second quarter of 2025 increased 5.9% as compared to the average pricing spread for the first quarter of 2025 and decreased 5.9% as compared to the average pricing spread for the second quarter of 2024.

U.S. Investment-Grade Bond Issuance Pricing
(spread over comparable Treasury)



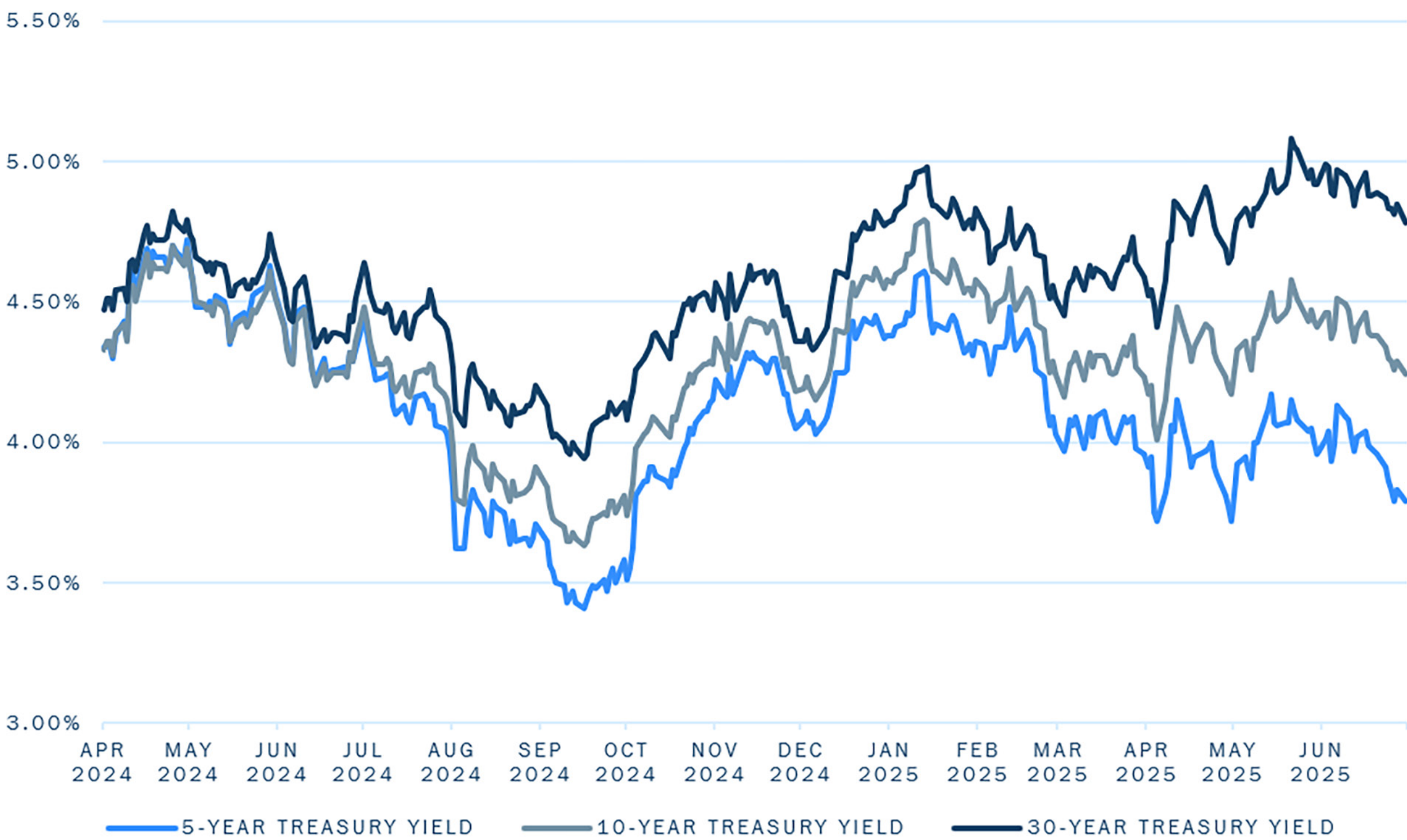
Data Source: Leveraged Commentary & Data (Lcd)

Market Trends

YIELDS

U.S. Treasury 5-year yields decreased to 3.79% at the end of the second quarter of 2025, down 17 bps as compared to the end of the first quarter of 2025 and down 54 bps as compared to the end of the second quarter of 2024. U.S. Treasury 10-year yields increased to 4.26% at the end of the second quarter of 2025, up 3 bps as compared to the end of the first quarter of 2025 and down 1 bp as compared to the end of the second quarter of 2024. U.S. Treasury 30-year yields increased to 4.78% at the end of the second quarter of 2025, up 19 bps as compared to the end of the first quarter of 2025 and up 27 bps as compared to the end of the second quarter of 2024.

U.S. Treasury Yields



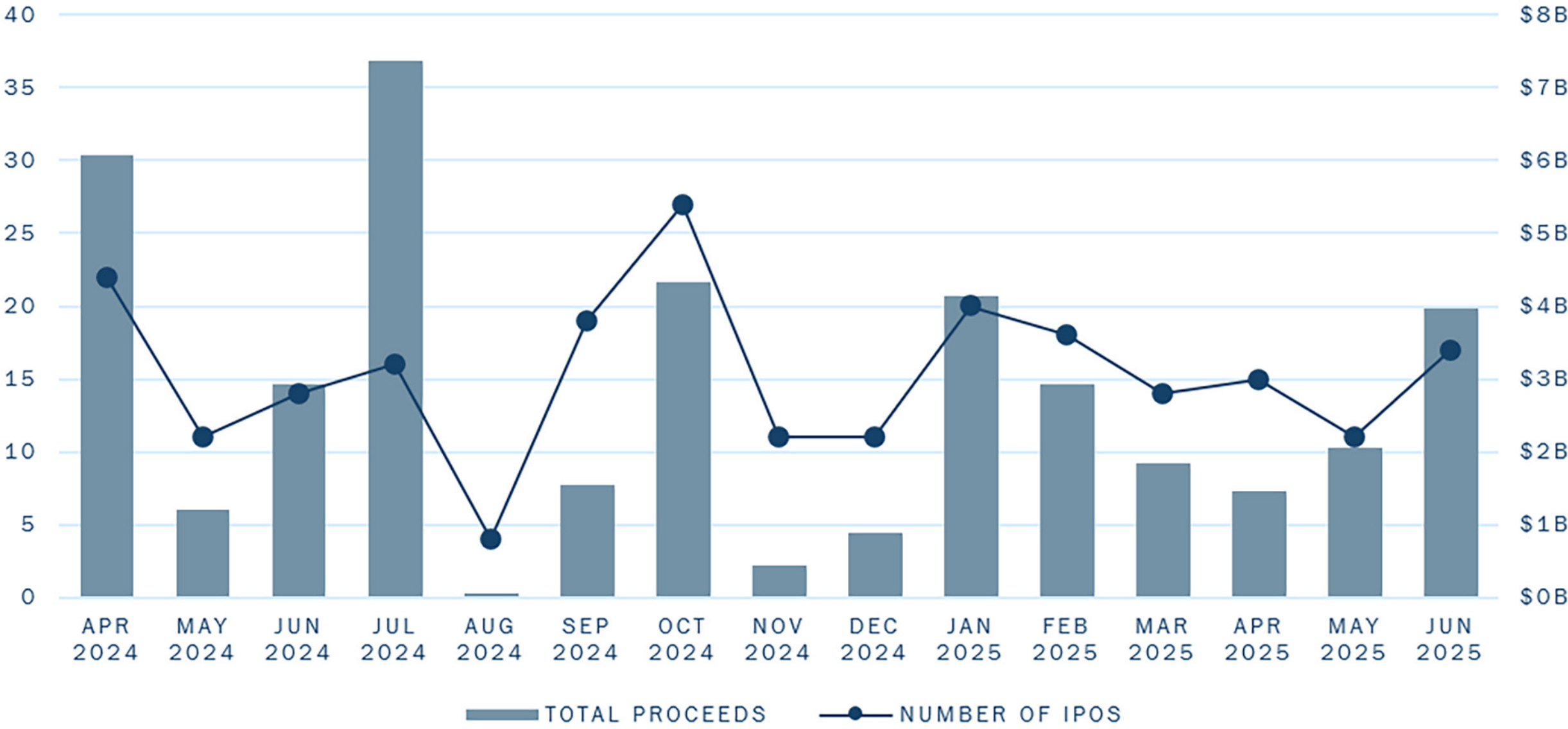
Data Source: Leveraged Commentary & Data (Lcd)

Market Trends

IPOS

The \$7.49B in total proceeds from U.S. IPOs (not including SPACs) in the second quarter of 2025 was down 15.9% as compared to \$8.91B in total proceeds in the first quarter of 2025 and down 26.7% as compared to \$10.2B in total proceeds in the second quarter of 2024.

U.S. IPOs (not including SPACs)



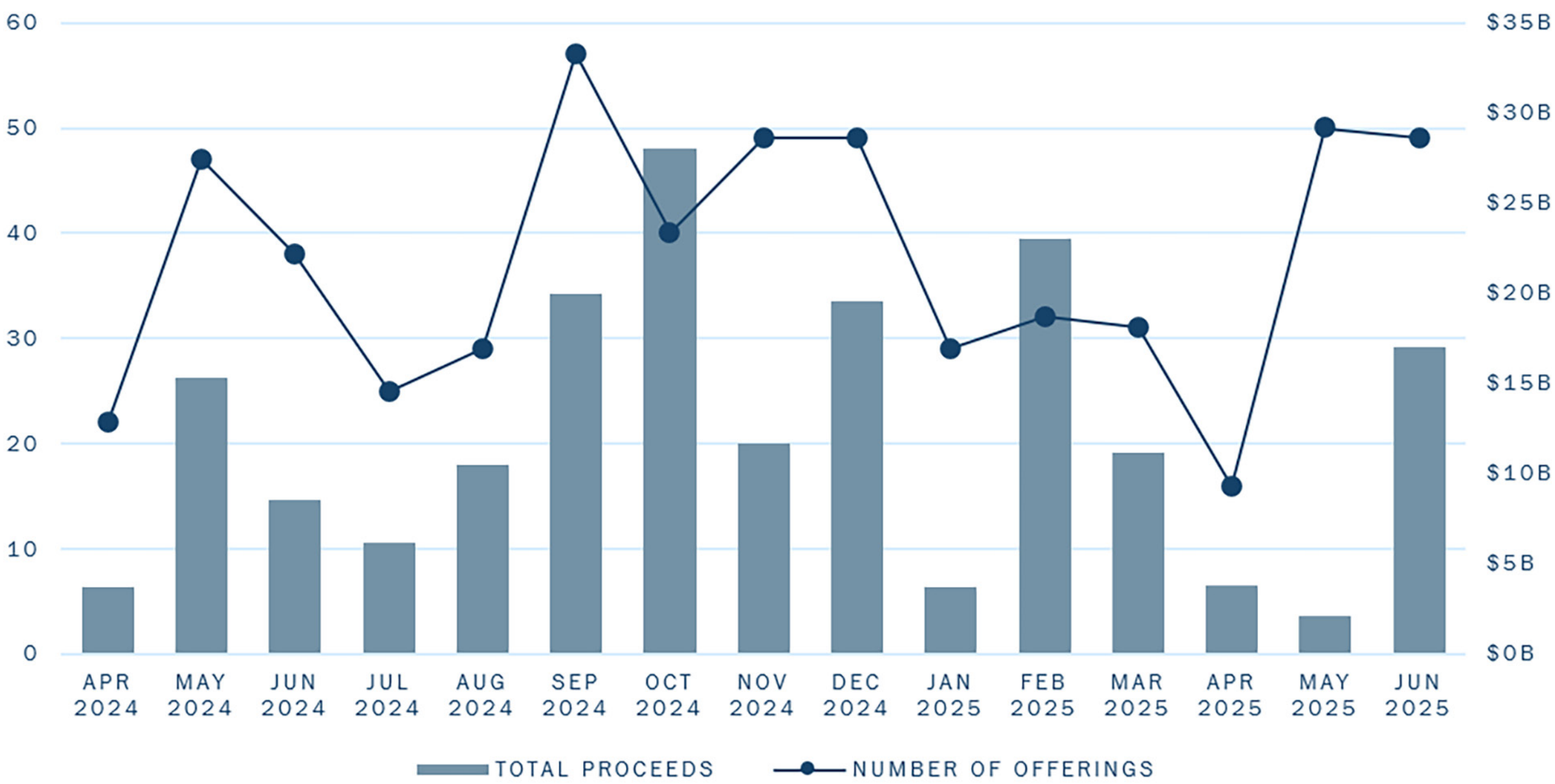
Data Source: Leveraged Commentary & Data (Lcd)

Market Trends

EQUITY OFFERINGS

The \$22.9B in total proceeds from U.S. follow-on equity offerings in the second quarter of 2025 was down 39.7% as compared to \$37.9B in total proceeds in the first quarter of 2025 and down 17.2% as compared to \$27.6B in total proceeds in the second quarter of 2024.

U.S. Follow-On Equity Offerings



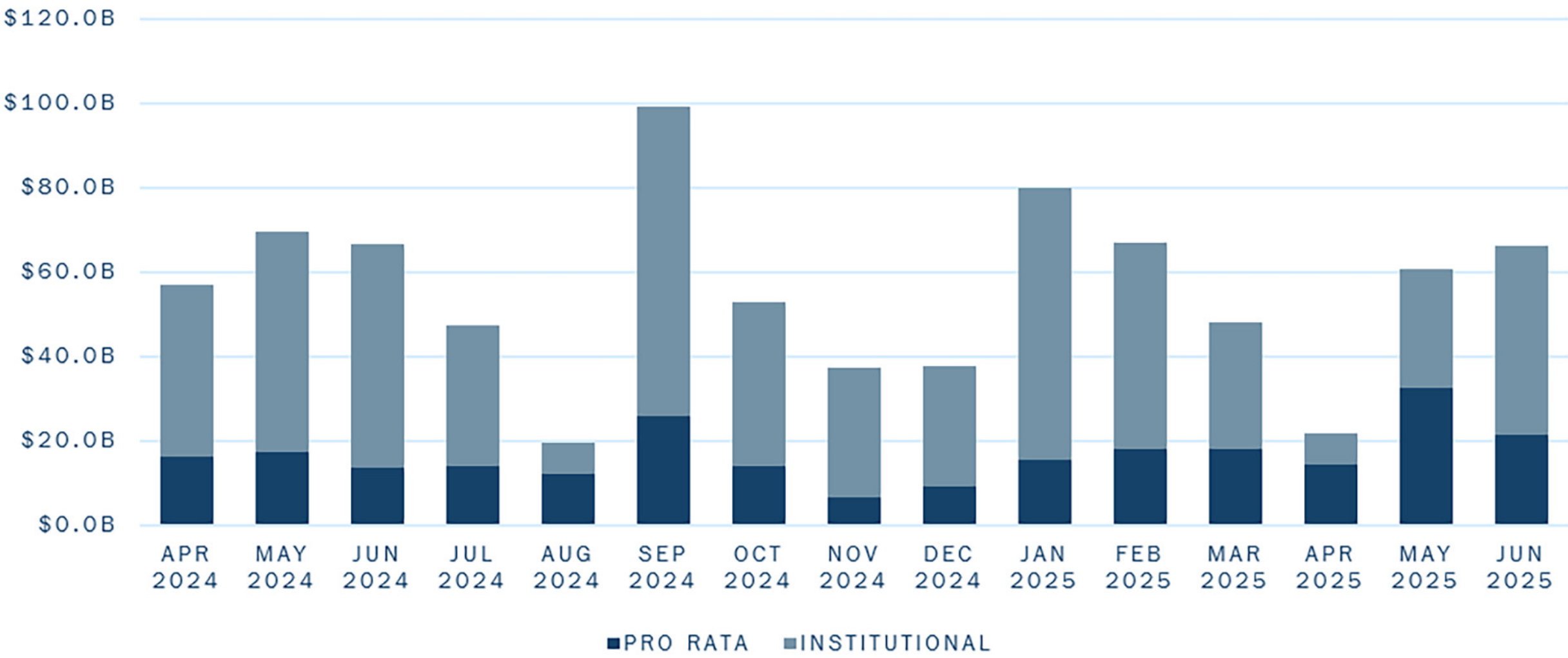
Data Source: Leveraged Commentary & Data (Lcd)

Market Trends

LOAN ISSUANCES

Activity in the U.S. syndicated leveraged loan market decreased in the second quarter of 2025, with total volume of \$148.6B, down 23.7% as compared to the first quarter of 2025 (\$194.9B). This decrease was driven by institutional loan volume, which was \$80.2B in the second quarter of 2025, down 44.1% as compared to the first quarter of 2025 (\$143.5B), whereas pro rata loan volume increased by 33.3% from the first quarter of 2025 (\$51.3B) to \$68.4B in the second quarter of 2025. Total volume also decreased by 23% as compared to the second quarter of 2024, again driven by institutional loan volume, which was down 45% as compared to the first quarter of 2025 (\$145.7B), whereas pro rata loan volume increased by 45% from the second quarter of 2024 (\$47.2B) to \$68.4B in the second quarter of 2025. In particular, activity in April 2025 was more subdued compared to prior months due to economic uncertainty before rebounding again in May 2025.

U.S. Syndicated Leveraged Loan Issuance Volume



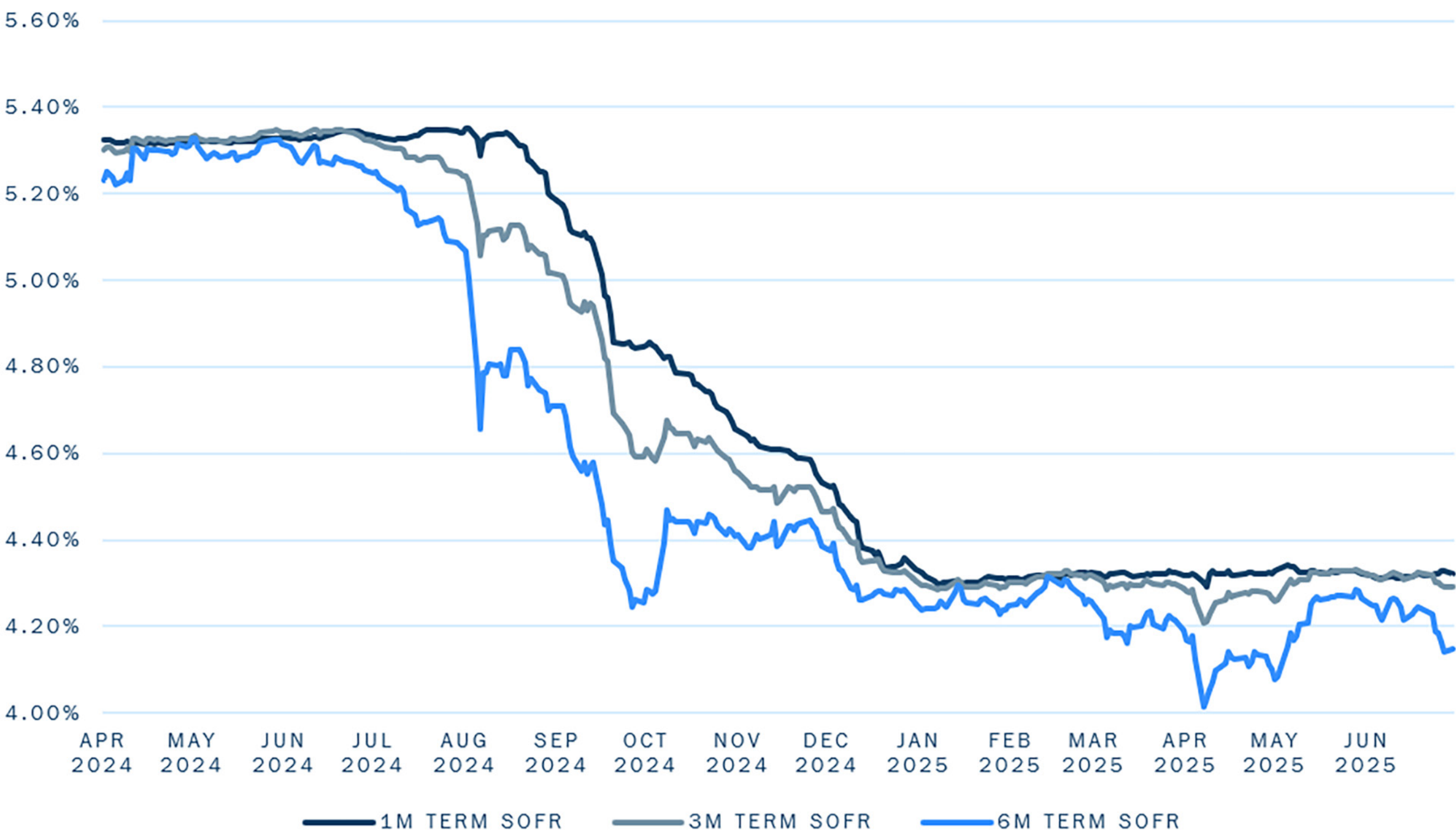
Data Source: Leveraged Commentary & Data (Lcd)

Market Trends

SOFR

Term SOFR ended the second quarter of 2025 at 4.34%, 4.33% and 4.29% for the one-month, three-month and six-month tenors, respectively. Term SOFR for the one-month, three-month and six-month tenors increased by 1.5 bps, decreased by 0.3 bps and decreased by 3 bps, respectively, as compared to the end of the first quarter of 2025. The yield curve inversion that began on November 30, 2023 persisted throughout the second quarter of 2025, and was slightly more pronounced than in the first quarter of 2025. During the quarter, Term SOFR for the six-month tenor was on average 11 bps lower than the three-month tenor and 14 bps lower than the one-month tenor, as compared to 6 bps lower than the three-month tenor and 7 bps lower than the one-month tenor in the first quarter of 2025.

Term SOFR



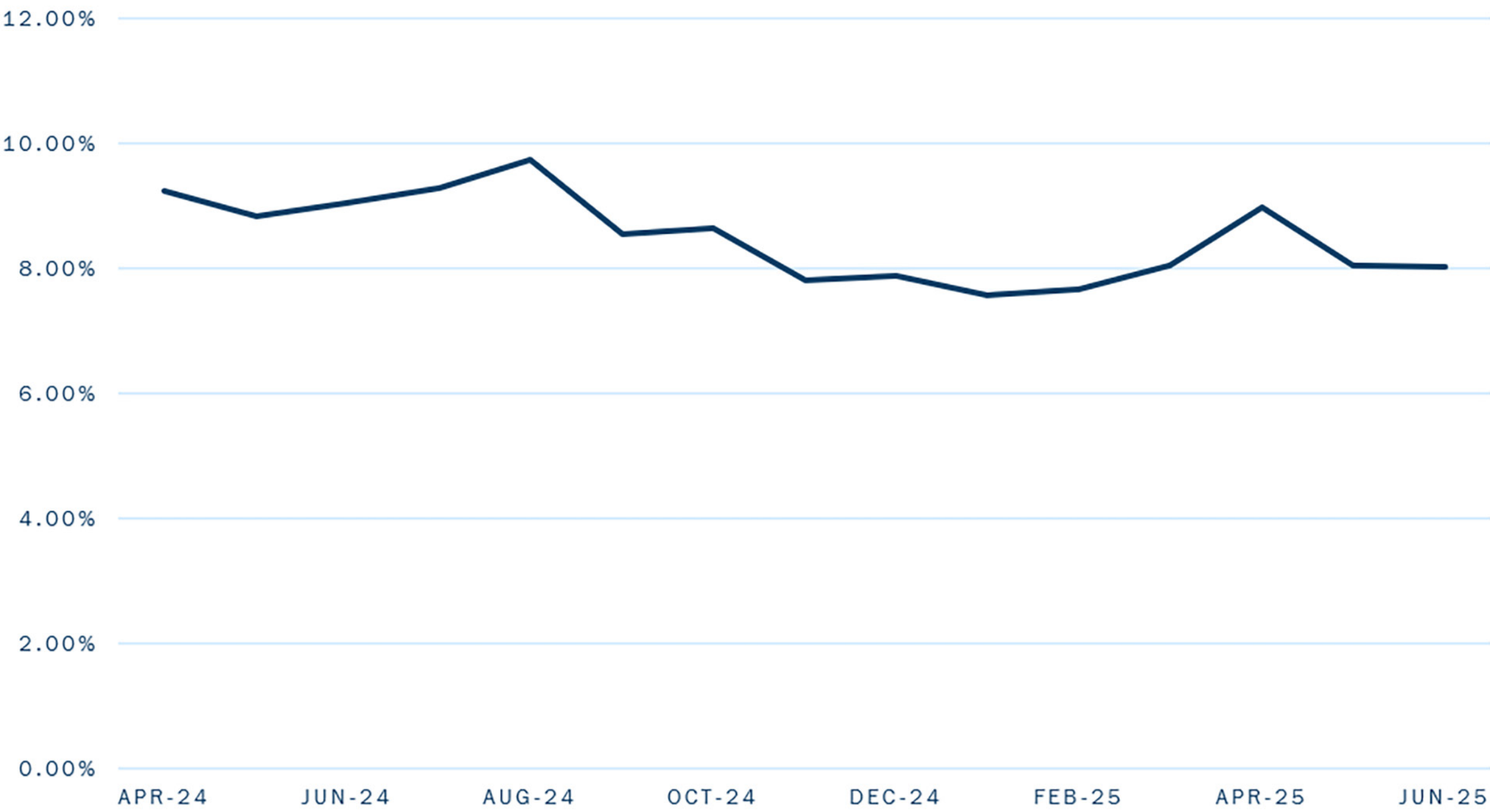
Data Source: Leveraged Commentary & Data (Lcd)

Market Trends

PRIMARY MARKET SYNDICATED
INSTITUTIONAL FIRST-LIEN LOAN YIELDS

Yields on new-issue syndicated institutional first-lien term loans, inclusive of original issue discount, increased in the second quarter of 2025. The average initial yield of 8.36% in the second quarter of 2025 represented an increase of 59 bps as compared to the average initial yield of 7.77% in the first quarter of 2025 and an increase of 24 bps as compared to the average initial yield of 8.12% in the fourth quarter of 2024. The increase in yields was more pronounced in April 2025 compared to prior months amid economic uncertainty from tariff announcements.

U.S. Syndicated Leveraged Loans – Initial Yield



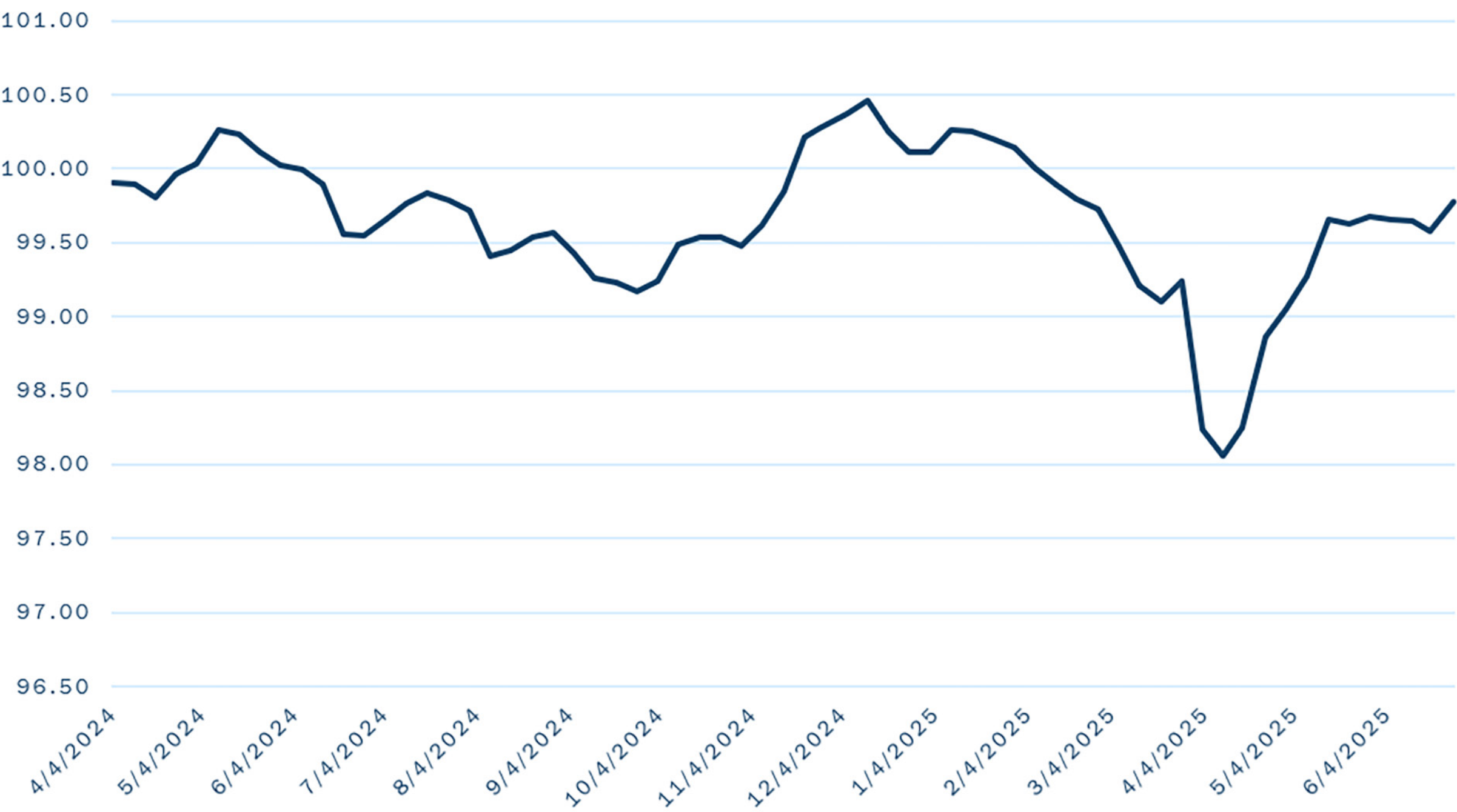
Data Source: Leveraged Commentary & Data (Lcd)

Market Trends

SECONDARY MARKET PRICING

The average bid price of the LCD Flow Name Index as of the second quarter of 2025 decreased by 62 bps as compared to the first quarter of 2025 and decreased by 70 bps as compared to the fourth quarter of 2024.

LCD Flow Name Index



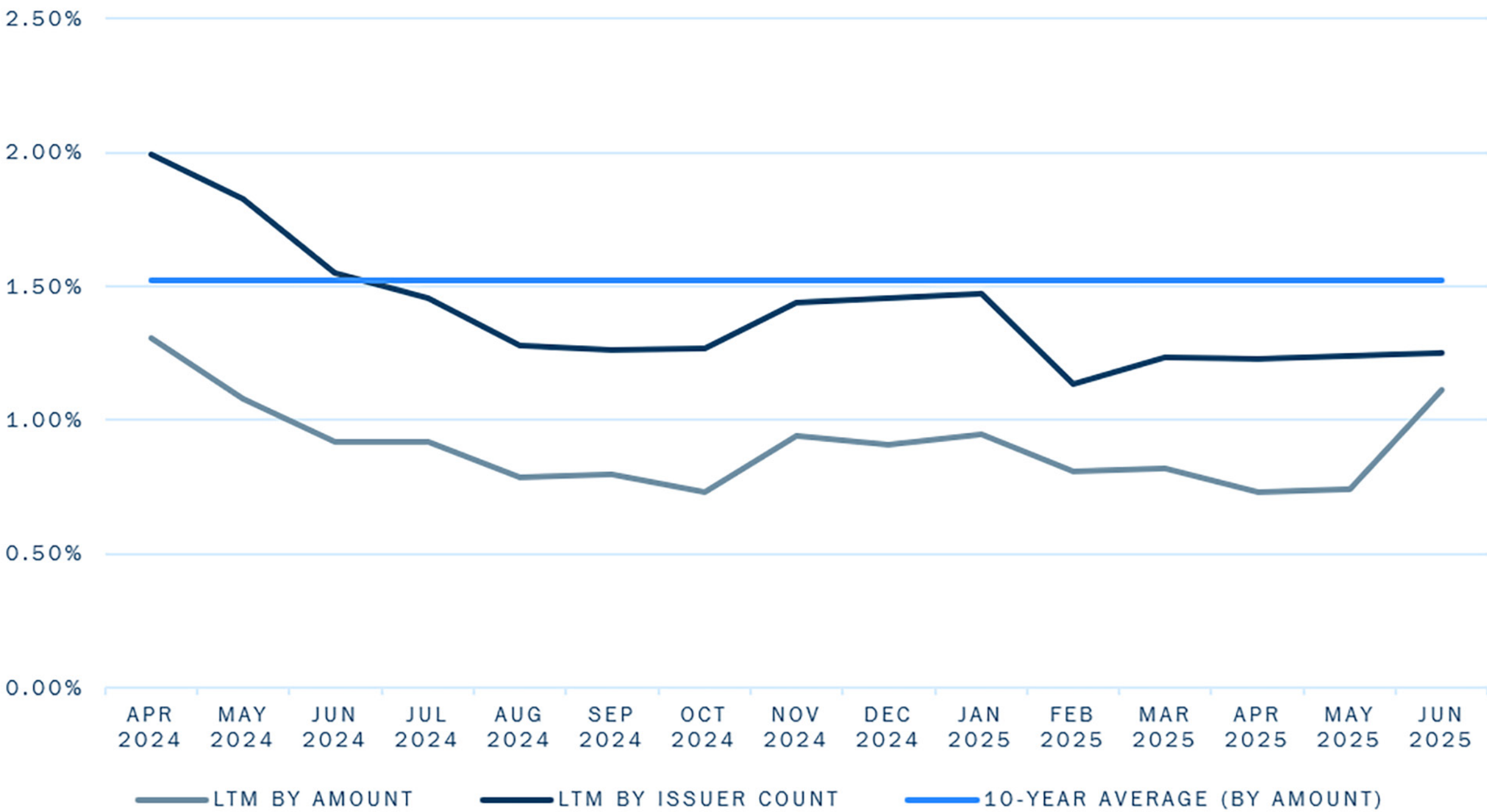
Data Source: Leveraged Commentary & Data (Lcd)

Market Trends

U.S. LEVERAGED LOAN DEFAULT RATE

The default rate for U.S. leveraged loans increased slightly in the second quarter of 2025. The default rate of the Morningstar LSTA U.S. Leveraged Loan Index was 1.11% by amount and 1.25% by issuer count for the LTM period ending June 30, 2025, compared to 0.82% by amount and 1.23% by issuer count for the LTM period ending March 31, 2025. The default rate by amount remained below the 10-year average default rate of 1.52%.

U.S. Leveraged Loan Default Rate



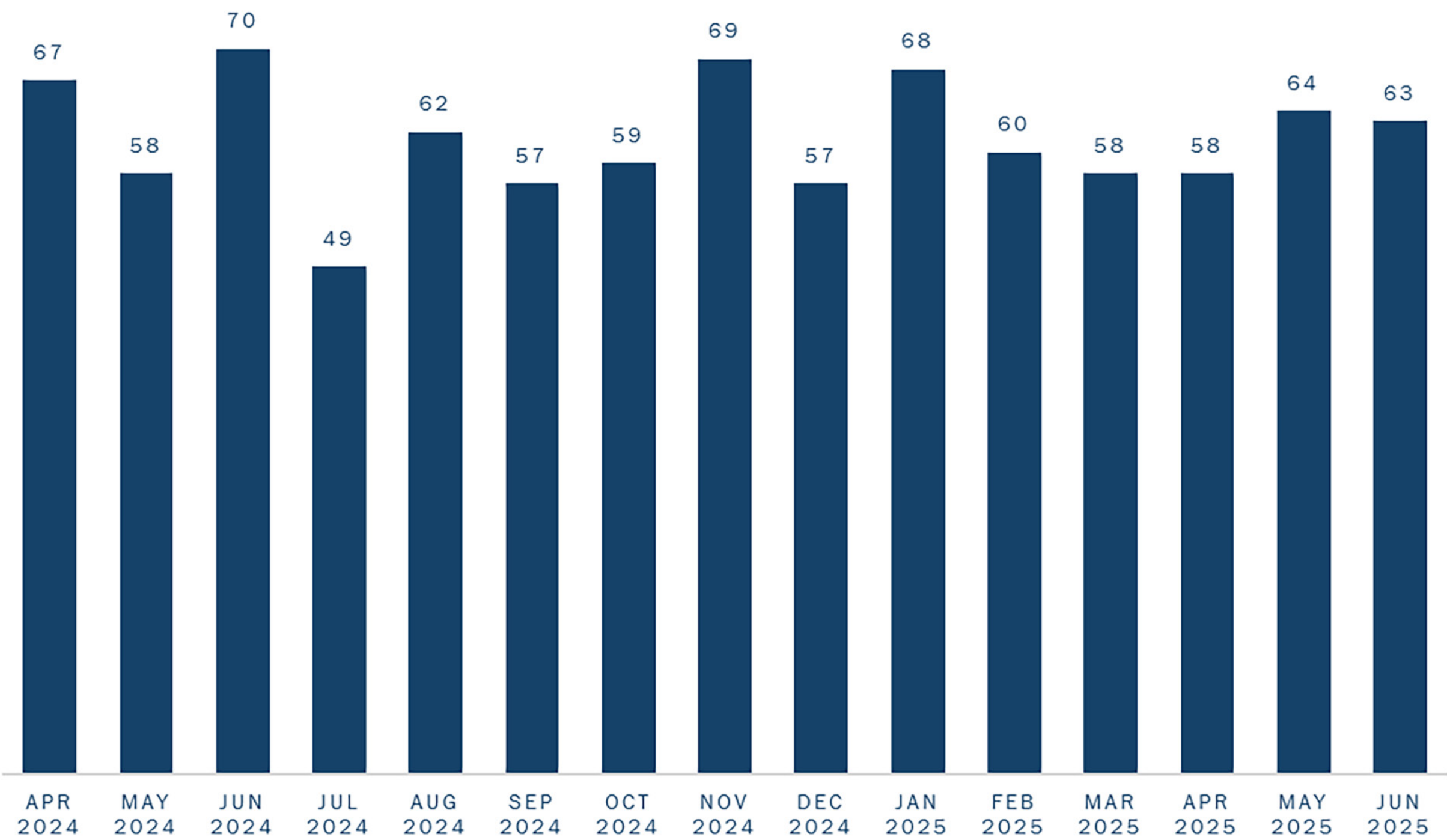
Data Source: PitchBook | Leveraged Commentary & Data (LCD); Morningstar LSTA U.S. Leveraged Loan Index

Market Trends

U.S. BANKRUPTCY FILINGS

U.S. bankruptcy filings remained high in the second quarter of 2025, with a total of 185 bankruptcy petitions filed by large U.S. companies in the second quarter of 2025, leading to 2025 being on track to be among the busiest years since 2010. The industrials, consumer discretionary and healthcare sectors continue to set the pace for bankruptcies in 2025, with 58 bankruptcy filings for industrial companies, 49 filings for consumer discretionary companies and 27 filings for healthcare companies.

U.S. Bankruptcy Filings by Month



Data Source: S&P Global Market Intelligence (as of July 1, 2025)
Note: Bankruptcy filing data limited to public companies or private companies with public debt where either assets or liabilities at the time of the bankruptcy filing are greater than or equal to \$2 million, or private companies where either assets or liabilities at the time of the bankruptcy filing are greater than or equal to \$10 million.

Regulatory Updates

SEC WITHDRAWS 14 GENSLE-ERA RULE PROPOSALS

Following his Senate confirmation on April 9, Paul Atkins was sworn in as the 34th Chairman of the U.S. Securities and Exchange Commission (“SEC”) on April 21, 2025. His appointment is viewed as a continuation of the broader shift in SEC priorities that began with President Donald Trump’s current administration.

In alignment with this shift, the SEC formally withdrew 14 pending rule proposals on June 12, 2025, marking a significant reset of its regulatory agenda. These proposals—initiated during the Gensler era—addressed areas such as predictive data analytics, cybersecurity, ESG disclosures, safeguarding of client assets and outsourcing arrangements by investment advisers and funds. Notably, the SEC rescinded proposed

amendments to Rule 14a-8, which would have tightened the standards for excluding shareholder proposals on the grounds of duplication, resubmission or substantial implementation.

SEC OPENS DOOR FOR RETAIL ENTRY INTO PRIVATE FUNDS

Under Chairman Atkins, the SEC is advancing a multi-faceted strategy to expand retail investor access to private markets—marking a notable departure from prior regulatory restrictions. In May 2025, SEC staff announced they would no longer enforce a long-standing informal policy that limited registered closed-end funds from investing more than 15% of assets in private funds unless shares were restricted to accredited investors making a \$25,000 minimum investment. This

change removes a key barrier that has historically limited retail participation in private equity, hedge funds and other alternative investment strategies.

Concurrently, the SEC has modernized co-investment rules for business development companies and closed-end funds. In April 2025, it adopted a streamlined approach to exemptive relief under the Investment Company Act of 1940 permitting certain business development companies and closed-end funds to engage in co-investment transactions. The new framework replaces deal-by-deal board approvals with written policies and periodic reporting, streamlines investment allocation decisions and broadens the scope of entities eligible to participate in co-investment transactions, among other changes.

The SEC is also reviewing the accredited investor definition, with potential reforms aimed at allowing broader retail access to private funds, contingent on appropriate disclosure safeguards.

SEC RECONSIDERS “FOREIGN PRIVATE ISSUER” DEFINITION

On June 4, the SEC published a concept release to seek public comment on whether and how it might revise the definition of “foreign private issuer” (“FPI”). The concept release was issued with unanimous support from the four commissioners and calls for a sweeping, data-driven re-examination of FPI eligibility criteria, the first such review in half a century. The FPI regime is intended to attract foreign companies to the U.S. markets, enabling U.S. investors to trade in securities under the protection of U.S. laws and regulations.

Regulatory Updates

The SEC originally created the FPI framework to accommodate the different legal and regulatory environments foreign issuers faced, offering over 20 exemptions from standard U.S. reporting and governance requirements.

A 2024 SEC staff survey found that, in stark contrast to the FPI landscape 40 years ago, FPIs today are most frequently incorporated in the Cayman Islands, headquartered in China, and their securities traded almost exclusively on U.S. exchanges, a pattern that has raised concerns, as it is seen by some to disproportionately benefit FPIs by providing reduced oversight while allowing them to compete with domestic issuers subject to more burdensome regulations. The comment period will be open for a 90-day period ending on September 8, 2025.

SEC RECONSIDERS EXECUTIVE COMPENSATION DISCLOSURE

On June 26, 2025, the SEC held a public roundtable to evaluate its executive compensation disclosure requirements under Item 402 of Regulation S-K. Chairman Atkins and other commissioners expressed concern that existing requirements have become overly complex and costly, while not always providing material information to investors. Discussion topics included the relevance of chief executive officer pay ratio and pay-versus-performance disclosures, the complexity of current compensation tables, and the burden of perquisite reporting. The SEC is now considering potential reforms and has requested public input.

CFTC REQUESTS COMMENTS ON 24/7 TRADING AND PERPETUAL DERIVATIVES CONTRACTS

On April 21, 2025, the Commodity Futures Trading Commission (“CFTC”)’s Divisions of Market Oversight, Clearing and Risk and Market Participants issued Requests for Comment (“RFCs” and, individually, each an “RFC”) on 24/7 derivatives trading and perpetual derivatives contracts.

The 24/7 RFC seeks input on the potential uses, benefits and drawbacks of trading on a 24/7 basis in the derivatives markets. The CFTC acknowledges that while 24/7 trading could enhance market access and innovation, it raises concerns about system reliability without the benefit of extended downtime for maintenance, upholding market surveillance, adequate staffing availability and regulatory

compliance. The perpetual derivatives RFC examines derivatives contracts without fixed expiration dates, which allow traders to maintain leveraged positions indefinitely. These contracts often use funding rates to maintain alignment with underlying spot prices. The CFTC is requesting public input on whether perpetual derivatives pose unique risks to market integrity, customer protection, retail trading and regulatory compliance. The agency is also evaluating whether existing regulations are sufficient or if new rules are necessary to address these contracts.

Comments on both RFCs were due on May 21, 2025.

Regulatory Updates

SEC STAFF UPDATES RULE 10B5-1 INTERPRETIVE GUIDANCE

On April 25, 2025, the SEC Division of Corporation Finance updated its Compliance and Disclosure Interpretations (“C&DIs”) pertaining to Rule 10b5-1, adding two new questions, withdrawing three and revising approximately 20 others.

New Question 120.32 clarifies that securities transactions through a self-directed “brokerage window” in a 401(k) plan are treated as open-market transactions subject to all Rule 10b5-1(c)(1) conditions, for purposes of qualifying for the affirmative defense. Question 120.33 clarifies that, for purposes of the “sell-to-cover”

exception, the definition of “necessary to satisfy tax withholding obligations” includes good faith calculations of expected effective tax obligations with respect to the vesting transaction, consistent with applicable tax and accounting law.

Revisions to Questions 120.21, 120.22 and 120.23 address the affirmative defense’s applicability to payroll deductions and fund-switching transactions in 401(k) plans, noting that fund-switching must be independently analyzed and may be considered “corresponding or hedging” transactions.

Substantive updates to Questions 120.12, 120.15 and 120.16 clarify the use of non-discretionary limit orders and the impact of discretionary market orders

on trading plans. Question 120.18 explains that termination of a plan may affect the affirmative defense for prior transactions, depending on good-faith entry and conduct. The SEC withdrew prior C&DIs on Form 144 modifications, transaction cancellations and plan transfers due to supersession by the SEC’s 2022 amendments to Rule 10b5-1.

Restructuring Updates

CONSENSUAL THIRD-PARTY RELEASES

In June 2024, the Supreme Court held in *Harrington v. Purdue Pharma L.P.* that chapter 11 plans cannot grant non-consensual third-party releases. The opinion, however, did not address what qualifies as a “consensual” third-party release and left open the question of whether the option to opt out of a third-party release constitutes consent. On May 22, 2025, Chief Judge Martin Glenn confirmed a plan with an opt-out mechanism for third-party releases in the case of *In re: GOL Linhas Aéreas Inteligentes S.A.*, 2025 WL 1466055 (Bankr. S.D.N.Y. May 22, 2025).

GOL Linhas Aéreas Inteligentes S.A.’s chapter 11 plan included non-debtor releases in favor of the unsecured creditors’ committee and its members and certain creditors that were engaged in financing

and negotiating the plan. Creditors were only bound by the third-party releases if: (1) they did *not* affirmatively opt out by checking a ballot box and (2) they either voted to accept the plan (including those deemed to accept), voted to reject the plan (excluding those deemed to reject) or abstained from voting on the plan.

Chief Judge Glenn held that third-party releases can be effectuated by *operation of law* as part of a chapter 11 plan pursuant to § 1123(b)(6). He further held that federal, not state, law applies to the releases and that an opt-out mechanism could qualify as consent by “knowing and voluntary” submission to the bankruptcy court’s jurisdiction through “actions rather than words.” Chief Judge Glenn determined that GOL’s third-party releases were knowing and voluntary as there was adequate service of process and prominent disclosure.

Additionally, Chief Judge Glenn concluded that bankruptcy courts may only release third-party claims that affect the property of the debtor’s estate, which can be demonstrated by such releases being an essential component of the plan. The releases at issue were deemed an essential component of the plan because of their centrality to the effectuated plan support agreement, which integrated a settlement amongst key stakeholders.

The U.S. Trustee has appealed the decision.

Overall, the question of whether opt-out mechanisms establish creditor consent to third-party releases has generated a split among the lower courts. Until the appellate courts address the question, the issue will remain unclear.

Litigation Updates

SEC REACHES SETTLEMENT WITH SOLARWINDS IN DATA BREACH CASE

The SEC and SolarWinds Corporation (“SolarWinds”) reached a preliminary settlement in the agency’s high-profile enforcement action stemming from the 2020 “Sunburst” cyberattack, which U.S. authorities attributed to Russian state-sponsored actors. As discussed in our prior quarterly reports, the SEC filed a complaint in October 2023 against SolarWinds and its Chief Information Security Officer, Timothy Brown, following the company’s December 2020 disclosure of the breach. The complaint, filed in the Southern

District of New York, alleged that SolarWinds and Brown misled investors about cybersecurity practices and failed to disclose known vulnerabilities.

However, as noted in our Q3 2024 newsletter, the court dismissed most of the SEC’s claims, allowing only a limited set—primarily involving allegedly misleading statements in the company’s website security disclosures—to proceed.

On July 2, 2025, the parties announced they had reached a settlement in principle and jointly requested a stay of proceedings to finalize the terms, with a court update due by September 12, 2025. Specific financial or injunctive terms have not yet been disclosed.

Crypto Updates

THE GENIUS ACT ESTABLISHES A REGULATORY FRAMEWORK FOR STABLECOINS ISSUED OR SOLD IN THE U.S.

On July 18, 2025, the Guiding and Establishing National Innovations for U.S. Stablecoins Act (the “GENIUS Act”) was passed by the U.S. Congress and signed into law by President Trump to establish a federal regulatory framework for payment stablecoins. Payment stablecoins are digital assets designed to function as a means of payment or settlement, maintaining a stable value relative to a fixed amount of monetary value. Issuers of these assets are required to redeem, convert or repurchase stablecoins at a fixed value, ensuring price stability for users. Payment stablecoins do not include deposits, as defined by the Federal Deposit Insurance Act, including deposits recorded using distributed ledger technology (*i.e.*, blockchain).

The GENIUS Act (i) limits the issuance and sale of payment stablecoins in the U.S. to “permitted payment stablecoin issuers” (“PPSIs”) and certain qualifying foreign issuers, and introduces criminal penalties for knowingly violating these limitations; (ii) provides that only payment stablecoins issued by PPSIs may be treated as cash or cash equivalents for accounting purposes, used as margin or collateral by certain regulated market participants or accepted as settlement assets for wholesale payments between banking organizations or by payment infrastructures; and (iii) clarifies that payment stablecoins are not considered securities or commodities and their issuers are not considered investment companies under existing U.S. laws.

The GENIUS Act defines three categories of PPSIs: (1) subsidiaries of insured depository institutions; (2) federal qualified issuers; and (3) state qualified issuers.

Depending on the type of entity and the volume of stablecoins issued, supervision and enforcement may be conducted by either federal or state regulators, or both in certain circumstances. The GENIUS Act subjects PPSIs to a range of regulatory requirements, including maintaining identifiable reserves backing outstanding payment stablecoins on at least a one-to-one basis; adhering to capital, liquidity and risk management standards; complying with anti-money laundering and sanctions regulations; observing ownership restrictions; and prohibiting the payment of interest to holders of payment stablecoins.

OCC CLARIFIES BANK AUTHORITY TO ENGAGE IN CRYPTO-ASSET CUSTODY AND EXECUTION SERVICES

On May 7, 2025, the Office of the Comptroller of the Currency (the “OCC”) issued Interpretive Letter 1184 (“Letter 1184”) providing additional clarity to OCC-regulated national banks and federal savings associations on the extent to which they may engage in crypto-asset activities. Specifically, the OCC confirmed that these institutions may buy and sell crypto assets held in custody at the direction of their customers and may outsource permitted crypto-asset activities to third parties, provided that appropriate risk management practices are in place. These institutions, however, may not act as trading counterparties or take principal positions in digital assets.

Crypto Updates

The regulatory landscape for bank involvement in crypto-asset activities has evolved significantly in recent years. During the first Trump administration, the OCC authorized national banks and federal savings associations to provide cryptocurrency custody services through Interpretive Letter 1170. However, under the subsequent Biden administration, the OCC required its regulated institutions to obtain supervisory non-objection before engaging in these activities—one of the many limits federal banking regulators imposed on crypto-asset activities for their supervised institutions.

With the return of the Trump administration, the OCC has moved to reverse many of these restrictions. In March 2025, the OCC issued Interpretive Letter 1183, which eliminated the requirement for national banks and federal savings

associations to obtain supervisory non-objection before engaging in crypto-asset custody activities. Building on this, Letter 1184 reaffirms the authority of OCC-regulated institutions to provide crypto-asset custody and execution services, including the use of sub-custodians, as long as robust third-party risk management practices are observed. Regulators are expected to hold these institutions to high standards in selecting and monitoring third-party custodians, focusing on licensing, account segregation and complaint handling.

The OCC also emphasized that all crypto-asset custody activities must be conducted in a safe and sound manner and in full compliance with applicable laws and regulations. Institutions are expected to maintain effective risk management frameworks and ensure that any outsourced activities are subject to appropriate oversight.

SEC STAFF ISSUES DISCLOSURE GUIDANCE STATEMENT ON SECURITIES OFFERINGS IN THE CRYPTO SPACE

On April 10, 2025, the SEC’s Division of Corporation Finance issued a statement providing guidance on how federal securities disclosure requirements apply to offerings and registrations of securities in crypto asset markets. The statement provides the SEC staff’s views about certain disclosure requirements set forth in Regulation S-K as they apply to Securities Act registrations forms and Exchange Act registration forms. It also addresses the SEC Staff’s views about certain disclosure requirements of Form 20-F when used by foreign private issuers to register classes of securities under the Exchange Act and Form 1-A for offerings exempt under Regulation A. The statement covers certain required disclosures,

including an issuer’s business description, risk factors, description of securities, technical specifications, information relating to directors and officers, financial statements and exhibits.

SEC STAFF ISSUES STAKING GUIDANCE

On May 29, 2025, the SEC’s Division of Corporation Finance issued a statement clarifying that certain protocol staking activities on public proof of staking blockchains do not constitute offers or sales of securities under certain federal securities laws. Staking refers to the practice of crypto asset owners locking up, or “staking,” their assets on a blockchain network to help validate transactions and secure the network.



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