



The Crypto Compliance Report

The EU and the US are
moving on crypto.

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A power shift in the US: From uncertainty to leadership

New leadership, new rules: crypto regulators step in

For years, crypto regulation in the U.S. has been a maze of lawsuits and shifting policies, leaving financial institutions and investors in limbo. But that's changing—fast. The regulatory tide is turning with new leadership and a sharper focus on clarity and innovation.

Mark T. Uyeda has stepped in as acting **Chairman of the Securities and Exchange Commission (SEC)**, a regulator he has previously criticised for its aggressive enforcement-first approach. Soon, the position will be permanently filled by **Paul S. Atkins**, a pro-crypto businessman and former SEC commissioner, signalling a shift toward more pragmatic policies. Meanwhile, **Caroline Pham**, a well-known advocate for fintech innovation, has been appointed as acting chair of the **Commodity Futures Trading Commission (CFTC)**.

The momentum doesn't stop there. **David Sacks**, a strong proponent of digital assets, now chairs a **new federal working group on crypto regulation**, aiming to create a framework that brings clarity and stability to the industry. The SEC has also launched a **Crypto Task Force** led by **Commissioner Hester Peirce**, a long-time supporter of tailored, innovation-friendly regulations.

Even more striking, **former President Donald Trump has signed an executive order establishing a Digital Asset Council**, tasked with positioning the U.S. as a global hub for crypto innovation. This marks a dramatic shift from past regulatory hostility—moving from reactive enforcement to proactive leadership in shaping the digital economy.

Regulatory overhaul: immediate actions taken

Within the first week of Trump's administration, key regulatory changes were implemented, including the **SEC's withdrawal of Staff Accounting Bulletin 121 (SAB 121) through SAB 122**.

Previously, **SAB 121** required financial institutions to treat customer-held crypto as liabilities, a rule widely criticised for stifling innovation and discouraging institutional adoption. The rollback under **SAB 122** directs firms to follow **FASB and international accounting standards**, which better align with the evolving crypto landscape. Commissioner Peirce emphasised that this shift **removes unnecessary barriers, reduces compliance burdens, and encourages greater institutional participation**.

Debanking comes under fire

Another critical development is the renewed focus on **debanking**, a practice where financial institutions were pressured to sever ties with crypto-related businesses. A **Senate Banking Committee hearing** recently examined allegations that regulators under the previous administration **abused their authority to cut off banking services for digital asset firms**. With bipartisan scrutiny growing, the issue of crypto access to banking services is now firmly on Washington's radar.

What this means for financial institutions

For banks and wealth managers, this is a pivotal moment. A clearer regulatory framework means **more certainty, reduced risk, and greater opportunity** to engage with digital assets. Instead of navigating ever-changing compliance hurdles, institutions can now confidently build crypto-related services.

Key opportunities include:

- **Modernising services** – Blockchain technology offers faster, more efficient cross-border transactions and real-time settlements, reducing reliance on outdated systems.
- **Development of compliant services** – Banks and asset managers can develop compliant custody, lending, and investment solutions that appeal to high-net-worth clients and institutional investors.
- **Bridging traditional & digital finance** – Knowledge-sharing will be key. Financial professionals must **stay ahead of emerging crypto trends** to serve clients effectively and remain competitive.

Failing to adapt isn't just a risk—it's a missed opportunity. The gap between **fintech pioneers and traditional financial players** is widening. Those who embrace crypto's evolving regulatory landscape will **lead the next wave of financial innovation**, while those who hesitate risk falling behind.

Europe's regulatory overhaul: Structure over speed

Meanwhile, across the Atlantic, Europe is taking a structured approach. The Markets in Crypto-Assets Regulation (MiCAR) is rolling out, aiming to bring clarity and oversight to the industry. Under MiCAR, crypto service providers can continue operating within the EU without a MiCAR license until June 1, 2026, unless their respective national regulators require earlier or until they are granted or refused an authorisation, whichever is sooner.

Leading the way, Crypto Finance (a Deutsche Börse subsidiary) and Austria's Bitpanda secured early MiCAR licenses from Germany's BaFin on January 27. That same day, OKX and Crypto.com received approval from Malta's MFSA. Just weeks earlier, firms like MoonPay, BitState, FinTech ZBD, and Hidden Road Partners CIV NL B.V. gained authorisation under the Dutch AFM, allowing them to operate freely across the European Economic Area.

The impact: token delistings begin

Regulatory clarity comes with trade-offs. On January 29, 2025, Crypto.com delisted 10 tokens in Europe to comply with MiCAR—including Tether's USDT-wrapped Bitcoin and DAI. This follows a broader crackdown by the European Securities and Markets Authority, which pushed crypto service providers to restrict non-MiCA-compliant stablecoins as of January 31, 2024. Other major exchanges, including Kraken and Coinbase, have followed, removing assets that fail to meet MiCAR's new standards.

AML rules tighten: a new compliance era

MiCAR is just one piece of the puzzle. In 2024, the EU approved a revision of its AML/CFT regulations, set to take effect in July 2027. The overhaul introduces:

- Centralised Account Identification – A unified system for tracking bank, securities, and crypto accounts.
- Stronger Financial Intelligence Units (FIUs) – Expanded powers to monitor high-risk individuals and demand reports from financial institutions.
- Stricter Customer Due Diligence – A €10,000 threshold for traditional transactions and a €1,000 threshold for crypto monitoring.
- New EU Anti-Money Laundering Authority (AMLA) – A centralised watchdog overseeing high-risk financial institutions, including crypto providers, by 2026.

For banks, the dilemma remains

How can financial institutions tap into digital assets while ensuring compliance? The risks of regulatory missteps and reputational damage remain high, keeping many hesitant. Yet, as crypto adoption grows and regulatory frameworks mature, banks must find ways to integrate digital assets securely and strategically—or risk being left behind.

The message is clear: in Europe, crypto isn't going away. But only those who play by the rules will have a seat at the table.

How Cense turns regulation into an advantage

Rather than seeing regulation as a barrier, financial institutions can use it as a strategic advantage. **Cense empowers banks and wealth managers to act with confidence in this evolving space.**

- **Seamless crypto onboarding:** Cense provides financial institutions with the risk assessments and transparency they need to securely onboard crypto clients while staying compliant.
- **Global regulatory alignment:** Whether navigating **MiCA in Europe** or evolving **US regulations**, Cense delivers risk insights that meet the highest compliance standards.
- **Advanced risk profiling:** By analysing **centralised exchange wallets and decentralised transactions**, Cense offers a **clear, auditable risk profile**—free from false positives and regulatory uncertainty.

The future belongs to those who act now

The financial landscape is shifting. The US is making aggressive moves to dominate crypto, while Europe is taking a structured approach. Financial institutions have a choice: **wait and watch or act now to stay ahead of the curve.**

With Cense, they don't have to choose between opportunity and compliance. They can have both.

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