

The New Age for Digital Currencies

A TransBridge Advisors White Paper

50+

Fintechs guided

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Executive Summary

The U.S. regulatory landscape for crypto changed permanently in 2025. For the first time, there is federal legislation on the books, stablecoin issuance has a statutory framework, and the SEC vs. CFTC question that paralysed product development for a decade has a legislative answer pending in the Senate.

For crypto companies operating in 2026, the compliance build is not optional and it is not just about avoiding penalties. It is about accessing tier-1 banking, qualifying for institutional capital, and building a company that survives due diligence. This playbook covers the complete picture: which licences apply to your model, what a trust structure requires, how the GENIUS Act affects your business, and what regulators actually examine when you apply.

Three things every reader should take from this document:

- Your MTL obligations are determined by your flow of funds, not your product label. Two companies with identical products can sit on opposite sides of the licensing line depending entirely on how their funds move.
- A trust charter and an MTL are not interchangeable. They serve different purposes and unlock different things. Understanding which your model requires is the first structural decision you need to make.
- The stablecoins your platform accepts, settles in, or holds on behalf of clients need to be GENIUS Act compliant. This is a due diligence requirement now, not a future concern.

Where TransBridge fits

TransBridge designs and manages the complete U.S. compliance build for crypto companies: flow-of-funds analysis, MTL sequencing, trust charter coordination, RIA registration where applicable, and sponsor bank activation. Every engagement starts with a scoping call. Pricing is fixed, not hourly.

The regulatory landscape for crypto changed fundamentally in 2025. For the first time, the United States has federal digital asset legislation on the books. The OCC conditionally approved national trust company applications for Ripple, BitGo, Paxos, Circle, and Fidelity Digital Assets in a single month. The era of regulation by enforcement is over.

For every crypto company operating in 2026, the question is not whether to engage with U.S. regulation. It is whether your current structure is built for it. This playbook maps the regulatory obligations: which licences apply to your model, what a trust structure requires, how the GENIUS and CLARITY Acts affect your compliance position, and what regulators examine when you apply.

What the 2025 Regulatory Shifts Mean in Practice

- The GENIUS Act is the first federal law governing stablecoin issuance. If you issue or plan to issue a stablecoin in the U.S., you now have a defined compliance path. Section 05 covers what this requires.
- The CLARITY Act resolves a decade of SEC vs. CFTC ambiguity over most crypto assets. House-passed, Senate deliberations continue. Section 06 maps the operational impact.
- State trust company approvals for crypto-native operators signal that digital asset businesses can now obtain the custodial and fiduciary standing that institutional counterparties require. Section 08 explains the trust charter framework.

How to use this playbook

Each section stands alone. If you are assessing a yield product, go straight to Section 07. If you need the trust jurisdiction comparison, go to Section 09. Section 10 shows how everything connects. The complete fees table, including the NY BitLicense and California DFAL, is in Sections 11 to 13.

Every major jurisdiction offers a partial solution. The U.S. is the only one with a complete, federally anchored framework: stablecoin issuance endorsed by statute, institutional custody infrastructure, and the world's largest crypto market.

EU MiCA

Before MiCA, EU operators held VASP or CASP licences under fragmented national regimes: inconsistent, non-passportable, and varying widely by member state. MiCA replaced all of it. From December 30, 2024, it is the single framework across all 27 EU states. Prior registrations are void. Full MiCA authorisation is required by July 1, 2026.

Getting there is not straightforward. Physical EU presence, a local director, capital requirements up to EUR 8 million for trading platforms, and full DORA cybersecurity compliance on top. The application runs to hundreds of pages. The process takes 12 to 18 months. Over 50 licences were already revoked by February 2025 for AML and KYC failures. Several member states had not finalised implementation rules by end of 2025. Once authorised, the ongoing burden continues: DORA audits, monthly reporting, and a marketing restriction regime that applies globally. The result is EU market access and nothing else.

Offshore: BVI, Cayman, Seychelles, SVG

Fast and cheap to set up. Tier-1 banks won't touch you. Institutional investors can't allocate to you. It provides zero protection from U.S. enforcement if you are serving American customers. Offshore structures have no path to institutional credibility, no access to U.S. banking rails, and no framework for stablecoin issuance. Binance paid USD 4.3 billion in 2023. OKX pleaded guilty in 2025. The lesson is consistent: offshore incorporation does not create offshore jurisdiction when U.S. customers are involved.

Dubai VARA

VARA was established in 2022 and has been substantially rewritten multiple times since. Operators were given 30 days to comply with the May 2025 rulebook overhaul. The UAE has no unified federal crypto framework: VARA covers onshore Dubai, the DFSA covers the DIFC, ADGM covers Abu Dhabi. Three separate regimes, ongoing regulatory change, and no certainty about what the rules look like in three years. For operators building long-term infrastructure with institutional counterparties, that uncertainty carries real commercial risk.

The U.S. Case

The U.S. is not just regulating crypto. It is actively building around it. In January 2025, President Trump signed an executive order making U.S. leadership in digital assets a national priority. In March 2025, the Strategic Bitcoin Reserve was established, treating Bitcoin as a reserve asset alongside gold. Congress declared Crypto Week in July 2025. The GENIUS Act passed 308 to 122. The CLARITY Act passed 294 to 134. Both with bipartisan support. The SEC reversed its enforcement-heavy stance under new leadership. Operation Choke Point 2.0, the pressure campaign that pushed banks to cut off crypto businesses, was officially ended.

At the state level, Wyoming has been the blueprint. Over 30 blockchain-specific laws passed in eight years. Kraken moved its global headquarters to Cheyenne in July 2025, with its co-CEO describing Wyoming's framework as the most comprehensive and technically coherent legal framework for digital assets in the country. In January 2026, Wyoming launched the Frontier Stable Token, the first government-issued stablecoin in the U.S., live across seven blockchains. The Digital Chamber, representing over 200 blockchain companies, calls Wyoming the foundational jurisdiction for crypto regulation.

The direction of travel is clear. While other jurisdictions are still debating frameworks, issuing 30-day compliance windows, and rewriting rules mid-operation, the U.S. has legislated, capitalised, and committed. For any company building payments infrastructure, custody infrastructure, or stablecoin rails, the U.S. is the only jurisdiction where you can do it with statutory certainty, tier-1 banking access, institutional investor eligibility, and a regulatory environment that is actively designed to support you.

The passporting advantage

The GENIUS Act empowers the U.S. Treasury to pursue passporting arrangements with comparable jurisdictions including the EU. A U.S.-regulated stablecoin issuer may gain EU access without a separate MiCA build. Build once. Scale globally.

Do You Even Need an MTL?

For most crypto companies, the answer is yes. The trigger is not whether you handle crypto or fiat. It is who controls the funds. If your platform holds private keys, executes transactions for customers, or directs the movement of value at any point in the lifecycle, you are in scope in most states.

You likely need an MTL if you...	You likely don't need one if you...
<ul style="list-style-type: none"> Hold private keys on behalf of customers Convert fiat to crypto or crypto to fiat Run a custodial exchange Issue a stablecoin Operate cross-border crypto remittance Run B2B treasury flows as principal 	<ul style="list-style-type: none"> Provide pure non-custodial software Operate fully on-chain DeFi with no custody Run an analytics or portfolio tracking platform Act as properly documented agent under a principal

State-Specific Points to Know

- **New York** requires a BitLicense in addition to an MTL. It is the most demanding crypto licensing regime in the country and takes 12 to 18 months minimum.
- **California DFAL:** Digital Financial Assets Law takes effect July 2026, adding quarterly CPA-verified reserve examinations for exchanges.
- **Wyoming** explicitly exempts virtual currency businesses from its Money Transmitters Act where no fiat is involved. This exemption applies to crypto-only operators with no fiat conversion in their flow of funds.
- **Montana** is the only state with no MTL requirement at state level. Federal FinCEN registration still applies.

Operating without licences is a criminal exposure, not a compliance gap.

OKX pleaded guilty to operating an unlicensed money transmitting business in the United States in 2025. Binance paid USD 4.3 billion in 2023. You cannot retroactively obtain state licences after operating illegally. Regulators deny applications from companies with prior violations on record. The market exclusion can last years.

Your obligations depend on your structure, not your product label. Two companies with identical products can sit on opposite sides of the licensing line depending on whether one holds private keys and the other does not. A flow-of-funds analysis is always the first step. Use this table as your starting framework.

Company Type	MTL Required	Trust Charter	Additional Licences
Custodial Exchange	Yes. 49 states. NY BitLicense on top. CA DFAL from July 2026.	A trust charter enables qualified custodian status under the September 2025 SEC no-action letter. Required if serving registered funds or investment advisers.	CFTC DCE registration when CLARITY Act passes. Broker-dealer if any token is a security.
Stablecoin Issuer	Yes. Any state where fiat flows or on/off-ramp operates.	Required under the GENIUS Act. Reserve assets must be held in a trust structure that guarantees segregation. Jurisdiction selection depends on operational model.	FinCEN MSB registration. Monthly reserve certification under the GENIUS Act.
Crypto Neobank	Yes. Fiat deposits, card issuance, and crypto-to-fiat all trigger MTL.	A trust charter provides the custodial and fiduciary standing that banking partners require. Structure and jurisdiction depend on charter type and client base.	RIA if personalised investment advice is offered. Reg E for card product.
Fiat On/Off-Ramp	Yes. Transmitting value between fiat and crypto triggers MTL in customer states.	Not always required. Banking partners increasingly expect regulated custody counterparties on crypto rails.	FinCEN MSB mandatory. Virtual currency guidance in NY, CA, and LA.
Cross-Border Remittance	Yes. Treated identically to fiat remittance in most states.	Banking partners require licensed counterparties for crypto rails. Trust charter analysis is part of the banking relationship conversation.	FinCEN MSB. OFAC screening. FX licence analysis for converted corridor flows.
Institutional Custodian	Limited. Depends on whether value is transmitted during custody workflow.	Required. Qualified custodian status under SEC rules depends entirely on the trust charter. The September 2025 no-action letter governs.	SOC 1 or SOC 2 audit. Written custody agreement prohibiting rehypothecation.
Crypto Yield Platform	Yes if fiat flows through the platform or customer crypto passes through your entity.	Required for discretionary asset management where an RIA is involved. Trust charter jurisdiction analysis is model-specific.	RIA likely required. See Section 07. Celsius and BlockFi are the governing precedents.

Before July 2025, stablecoins in the U.S. operated in a regulatory grey area. There was no federal framework defining what a compliant stablecoin looked like, how reserves had to be held, or who was responsible for oversight. Terra/UST collapsed in 2022 with no reserve requirements and no regulator watching. That era is over.

The Guiding and Establishing National Innovation for U.S. Stablecoins Act, signed July 18, 2025, is the first federal digital asset law in U.S. history. It establishes what a compliant payment stablecoin must look like, how reserves must be held and certified, and what AML obligations apply to stablecoin operations.

What This Means for Companies That Hold or Use Stablecoins

Most crypto companies are not stablecoin issuers. They hold stablecoins, accept them as payment, use them for settlement, or build products on top of them. The GENIUS Act matters to those businesses because it defines which stablecoins are compliant and which are not. From 2028, exchanges and digital asset service providers will only be permitted to offer stablecoins issued under a compliant framework. Holding or transacting in non-compliant stablecoins on behalf of clients creates regulatory exposure.

The practical implication is straightforward: the stablecoins your platform integrates, accepts, or settles in need to be GENIUS Act compliant. This is not a future concern. It is a current due diligence requirement that should be built into your AML programme and banking relationships now.

What a Compliant Stablecoin Looks Like Under the GENIUS Act

- Reserves held dollar-for-dollar in approved assets only: T-bills, central bank reserves, government money market funds, FDIC-insured deposits.
- Monthly reserve certification with executive sign-off, examined by a registered public accounting firm.
- Full AML and BSA programme with FinCEN-tailored rules.
- No yield or interest paid to holders. This is statute.
- No rehypothecation or pledging of reserves under any circumstances.

The GENIUS Act does not replace your MTL obligations

Using or settling in compliant stablecoins does not remove state money transmission licence requirements for your broader payment operations. If your platform transmits value, holds customer funds, or facilitates crypto-to-fiat conversion, MTL obligations apply independently of which stablecoins you use. Federal law governs the stablecoin. State licensing governs the activity around it.

What this means for you

Audit the stablecoins your platform currently integrates, accepts, or settles in. Verify they are issued under a compliant framework with 1:1 reserves, monthly certification, and a functioning AML programme. If they are not, that is a gap in your compliance posture and your banking partners will find it. TransBridge can walk you through this assessment as part of a scoping call.

For a decade, crypto companies faced a genuinely damaging uncertainty: the SEC argued most tokens were securities, the CFTC argued they were commodities, and companies faced liability under whichever interpretation was applied to them on a given day. Coinbase fought a multi-year enforcement action. Ripple spent four years in court over XRP. Kraken paid a USD 30 million SEC settlement over its staking product.

The Digital Asset Market Clarity Act passed the House on July 17, 2025, with a bipartisan vote of 294 to 134. Senate deliberations continue. Planning for it now is not optional.

The Three-Category Framework

- **Digital commodities:** Blockchain-native assets whose value derives from the use of the underlying blockchain. Under CFTC exclusive jurisdiction in spot markets. Bitcoin, Ether, and most major tokens fall here. Not securities.
- **Investment contract assets:** Tokens sold through securities offerings. Under SEC oversight during the primary market phase. Can transition to digital commodity status as the underlying blockchain achieves sufficient decentralisation.
- **Payment stablecoins:** Governed by the GENIUS Act, not the CLARITY Act. Limited concurrent SEC and CFTC jurisdiction over secondary market trading.

What Changes Operationally

- Exchanges, brokers, and dealers trading digital commodities must register with the CFTC as Digital Commodity Exchanges. Provisional registration is available now.
- Investment managers active in digital commodity spot markets face new CFTC CPO and CTA registration requirements. If your fund or platform trades crypto directly, assess this now.
- Bank Secrecy Act AML obligations are formalised for all DCEs, brokers, and dealers.
- Customer asset segregation is mandatory for all DCEs. No exceptions.

The CLARITY Act has passed the House but is still working through the Senate. It is not yet law. When it passes, TransBridge will be at the forefront of guiding clients through what it means operationally and what registrations apply to their specific model. Watch this space.

More enforcement actions in crypto have come from yield products than almost any other area. Celsius froze USD 25 billion in customer assets and collapsed entirely. BlockFi settled with the SEC for USD 100 million and then went bankrupt. In both cases the core issue was the same: yield products structured as unregistered securities offerings without an RIA registration.

The 2025 SEC guidance moved the line on several product categories. It did not eliminate the underlying principle: if you provide investment advice about securities for compensation, you need an RIA. Where the verdict below is yes, that registration must happen before the product launches.

Yield Product	RIA Required?	What Governs It
Protocol staking (PoS native)	NO	SEC May 2025: protocol staking on public permissionless networks is not a securities offering. MTL and custody analysis still apply.
Liquid staking (receipt tokens)	NO	SEC August 2025: holding deposited crypto, issuing receipt tokens, and facilitating return of staked assets is not a securities offering.
Yield paid to stablecoin holders	PROHIBITED	The GENIUS Act explicitly bans stablecoin issuers from paying yield to holders. This is statute, not guidance.
Managed lending (you lend customer crypto)	YES	If return derives from your lending and underlying assets are securities or investment contracts, this is a securities offering. Celsius and BlockFi are the precedents.
Discretionary portfolio management	YES	Advising clients on which digital assets to hold or trade, for compensation, with discretion over their account is investment advice about securities.
Tokenised real-world assets	YES	Tokenised securities are still securities. Crypto wrapping does not change the classification. Broker-dealer and/or RIA registration required.

The RIA and trust charter combination

Where RIA registration applies, the investment adviser must keep client assets with a qualified custodian. The September 2025 SEC no-action letter confirmed that state-chartered trust companies satisfy this requirement. The trust charter jurisdiction and structure is determined by the adviser's custody model, client base, and AUM. These two registrations must be structured together, not sequentially.

An MTL authorises the movement of funds. A trust charter authorises the holding of them in a fiduciary capacity, with the legal standing that institutional counterparties and regulators require before treating an operator as a qualified custodian. These are distinct authorisations. A business that needs both cannot substitute one for the other.

- **Qualified custodian status.** SEC rules require investment advisers and registered funds to keep client assets with a qualified custodian. The September 2025 SEC no-action letter confirmed that state-chartered trust companies satisfy this. An MTL does not.
- **GENIUS Act reserve custody.** Stablecoin reserve assets must be held under structures that guarantee segregation and integrity. A trust charter is the mechanism. The jurisdiction and charter type are determined by the issuer's operational model and reserve asset structure.
- **Sponsor bank conversations.** A trust charter changes the nature of banking conversations. Examiners have already assessed the business in a fiduciary capacity. The bank's risk committee is not deciding whether to take on an unregulated counterparty. It is assessing how to structure the relationship.
- **Institutional market access.** Hedge funds, family offices, ETF sponsors, and corporate treasury functions will not place assets with an unlicensed custodian. A trust charter is the entry ticket to that market.
- **Structural protection for clients.** FTX collapsed with approximately USD 8 billion in customer funds misappropriated. No trust charter. No qualified custodian. No segregated client assets. A trust charter makes the FTX model structurally impossible: segregation is legally required, examiners arrive regularly, and commingling is a crime.

Compliance as enterprise value

In October 2024, Stripe acquired Bridge for USD 1.1 billion. Bridge held state money transmission licences and had built the compliance infrastructure Stripe would have needed to construct from scratch. The licences were not overhead. They were a core component of the acquisition price. Build compliance as infrastructure. It compounds.

An effective U.S. crypto compliance programme is a single connected infrastructure build. Each layer enables the next. This is the standard sequence and how TransBridge structures each engagement.

01	Flow-of-Funds Analysis	We map exactly how money moves through your entity. This determines every licence requirement, trust structure, and bank conversation that follows. No application goes out before this is done.
02	FinCEN MSB Registration	Mandatory for any business transmitting value in the U.S. Establishes your AML obligations and federal identity. The floor, not the ceiling.
03	State MTL Stack	We sequence Tier III states first: Wyoming, Georgia, Nebraska, Vermont, North Dakota. These approve in 3 to 4 months and build the regulatory track record your sponsor bank needs to see before they take you seriously.
04	Trust Charter	Wyoming Trust Company, South Dakota Trust, or New Hampshire non-depository trust, matched to your custody model, client base, and yield strategy. Unlocks qualified custodian status, GENIUS Act reserve custody, and institutional client access.
05	RIA Registration (if applicable)	If your yield or advisory product requires investment adviser registration, we determine that before launch and manage the full process: Form ADV, custody rule compliance, and fiduciary programme design.
06	Sponsor Bank Activation	With MTLs and a trust charter in place, you arrive as a regulated entity that has been independently examined. The reliance model becomes available. The bank's risk committee is no longer deciding whether to take you on. It is deciding how to structure the relationship.
07	Ongoing Maintenance	Annual renewals, call reports, monthly reserve certifications for GENIUS Act issuers, examination preparation, and regulatory change monitoring. We stay alongside you.

Trust Jurisdictions: State by State

Each U.S. trust jurisdiction operates under distinct legislation, capital requirements, examination frameworks, and crypto-specific rules. For international operators, trust formation typically requires in-person interviews with state regulators, a U.S.-based registered agent, and in some jurisdictions a local presence or director. The right structure depends on your custody model, client base, and operational footprint. The table below sets out the key characteristics of each jurisdiction.

State	Charter Type	Key Crypto Advantage	Who It Serves
Wyoming	Trust Company	Digital asset custody rules purpose-built for crypto. Exempts crypto-only trust companies from MTL requirements where no fiat is transmitted. GENIUS Act reserve custody eligible. SEC-confirmed qualified custodian status.	Operators with crypto-native custody models and no fiat transmission.
South Dakota	Non-Depository Trust	No state income, capital gains, or corporate tax. USD 3.5 trillion in trust assets under administration. Home to BitGo Trust and Anchorage Trust. Strong creditor protection statutes.	Institutional custody operations, family offices, fund administrators.
New Hampshire	Non-Depository Trust	Streamlined chartering process. Crypto.com Custody Trust Company is NH-chartered. SEC no-action letter extends qualified custodian status to NH trust companies.	Operators where chartering timeline is a material consideration.
Nevada	Trust Company / MTL	No state income tax. Strong asset protection and privacy legislation. Crypto licensing assessed case-by-case by the FID.	DAOs, holding companies, digital asset funds, privacy-focused structures.
Delaware	Trust Company	Flexible trust statutes and creditor protection. Established corporate law framework used as the foundation for multi-entity RIA and trust structures.	Multi-entity structures, fund GPs, RIA holding companies.
Alaska / Tennessee	DAPT / Trust Company	Alaska: DAPT legislation, dynasty provisions, no state income or capital gains tax. Tennessee: strong directed trustee legislation, reciprocal multi-state trust arrangements.	High-net-worth digital asset holders, estate planning, multi-state custody.

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Pricing

Pricing across all service areas is provided on request and scoped to your specific model, structure, and jurisdictions. This includes state MTL programmes, trust charter applications, RIA registration, FinCEN MSB registration, and GENIUS Act structuring. Engagement fees are fixed, not hourly.

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What Getting Licensed Actually Involves

The fee on a state's website is the smallest part of this. Getting licensed means entering a supervisory relationship with a regulator who will examine your business before they say yes. For crypto companies, that scrutiny goes deeper than for traditional payment businesses.

Area	What Regulators Actually Examine
Technology and Cybersecurity	Smart contract audits, key management architecture, cold storage ratios, multi-sig governance, and cybersecurity incident response. Wyoming's digital asset custody rules go significantly beyond standard MTL examination requirements. If your tech stack is not production-ready before you file, examiners will identify that within the first meeting.
Surety Bond and Capital	Bond amounts run from USD 10,000 to USD 1 million depending on volume and jurisdiction. Annual premiums are 1 to 5 percent of the bond amount. Trust charter capital requirements are separate. Applications stall at bond underwriting more often than anywhere else. Get your financials in order before you approach a state.
AML/BSA Programme	Transaction monitoring must run in production, not in a document. OFAC screening must cover all rails including on-chain flows. The GENIUS Act mandates FinCEN-tailored AML rules for stablecoin issuers. The most common examination failure we see is a compliance programme written for the application that was never actually deployed.
People and Governance	Background checks, fingerprinting, credit review, and litigation disclosure for every beneficial owner, executive, and director. For trust charter applications, board composition and digital asset experience are actively assessed by examiners. International applicants should expect in-person interviews with state regulators and may be required to demonstrate a local presence or U.S.-based director. Under the GENIUS Act, prior conviction for specified financial crimes permanently bars someone from serving as an officer or director.
Ongoing Obligations	Approval is the starting line, not the finish line. Monthly reserve certifications for GENIUS Act issuers. Annual call reports and MTL renewals. Some states schedule their first examination within twelve months of approval. Operators who treat the licence as a finish line tend to face difficult examination outcomes.

How TransBridge Works With You

We are not a law firm running open-ended retainers. We are not a generalist advisory shop that added crypto compliance to a services menu recently. We are a specialist team that has guided digital asset operators through the U.S. licensing landscape at every stage of its evolution, including through the complete regulatory rewrite of 2025.

- **We design the whole architecture, not individual applications.** We start with your flow of funds, map the full regulatory picture (MTLs, trust charter, GENIUS Act positioning, CLARITY Act readiness, RIA where applicable), and design a sequenced build that gets you to market without leaving gaps that create problems later.
- **We build compliance that passes examination.** There is a meaningful difference between a compliance programme that clears an application checklist and one that survives examiner scrutiny. We build the latter: programmes that run in production, that your team actually uses, that reflect how your business operates.
- **We align your licensing to your commercial strategy.** Whether you are pursuing a sponsor bank relationship, building institutional custody infrastructure, preparing for a GENIUS Act state qualification, or positioning a multi-state MTL footprint ahead of a fundraise or acquisition, the programme we design is built around where you are going.
- **We know the yield question cold.** Whether your staking product, lending feature, or yield account requires RIA registration, or falls outside securities scope under the 2025 guidance, is a structural question that requires proper analysis. We do that analysis before you launch, not after an enforcement letter arrives.

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