

SEC in Focus

Quarterly summary of current SEC activities

In this issue:

- SEC clarifies how federal securities laws apply to crypto assets and related transactions1
- SEC Chairman Atkins directs DCF to review Regulation S-K2
- DCF Director discusses quarterly reporting, crypto rulemaking2
- Other SEC matters2
 - SEC Division of Enforcement Director Margaret Ryan resigns2
 - SEC names PCAOB chairman and Board members2
 - SEC approves PCAOB's 2026 budget and accounting support fees...2
- Enforcement activities3
 - SEC brought 456 enforcement actions in 2025.....3
 - SEC Division of Enforcement updates Enforcement Manual3

SEC clarifies how federal securities laws apply to crypto assets and related transactions

The Securities and Exchange Commission (SEC or Commission) and the Commodity Futures Trading Commission (CFTC) jointly issued an **interpretative release** (the interpretation) clarifying how federal securities laws apply to certain types of crypto assets and transactions involving crypto assets. The interpretation is part of the SEC's ongoing coordination with the CFTC to oversee crypto markets.

The interpretation defines a crypto asset as any digital representation of value that is recorded on a cryptographically secured distributed ledger. This definition is identical to the Guiding and Establishing National Innovation for US Stablecoins Act (GENIUS Act) definition of a digital asset.

The interpretation articulates the SEC's views on when crypto assets are securities, when transactions involving crypto assets constitute securities transactions and when common crypto-related activities fall outside the scope of the federal securities laws. It does not modify or replace existing laws or legal precedent.

The interpretation clarifies that the CFTC and its staff will administer the Commodity Exchange Act consistent with the interpretation and that certain non-security crypto assets (i.e., crypto assets that are not securities) could meet the Commodity Exchange Act's definition of a commodity. The interpretation does not alter the respective statutory authorities of the SEC or CFTC.

The interpretation is effective immediately and supersedes prior SEC staff guidance on digital assets and transactions involving digital assets, including the SEC staff's **framework** for investment contract analysis of digital assets. The SEC has solicited public comment on the interpretation and indicated it may revise or expand it based on the feedback received.

■ ■ ■
 The better the question.
 The better the answer.
 The better the world works.



Shape the future
with confidence

EY resources

- ▶ [To the Point: SEC clarifies how federal securities laws apply to crypto assets and related transactions](#)

Separately, the SEC and the CFTC **announced** that they entered into a memorandum of understanding (MOU) to promote coordination and collaboration between the two agencies. The agencies said the MOU is intended to support lawful innovation, market integrity, and investor and customer protection.

SEC Chairman Atkins directs DCF to review Regulation S-K

SEC Chairman Paul Atkins **directed** the Division of Corporation Finance (DCF) to conduct a comprehensive review of Regulation S-K, the main source of disclosure requirements for the nonfinancial statement portions of many SEC forms.

Mr. Atkins said that, in addition to material information, Regulation S-K currently requires disclosure of significant amounts of information that a reasonable investor would not consider important in making an investment or voting decision.

Mr. Atkins said the goal of any revisions to Regulation S-K would be to focus on eliciting disclosure of material information and avoid requiring disclosure of immaterial information. Mr. Atkins further encouraged the public to submit comments.

DCF Director discusses quarterly reporting, crypto rulemaking

DCF Director James Moloney said the SEC is considering formal rulemaking to end mandatory quarterly reporting and other rule changes to facilitate a transition to semiannual reporting.

Additionally, Mr. Moloney said DCF is developing a proposal to provide a rational regulatory structure for offers and sales of crypto assets subject to an investment contract. The objective of this proposal, along with the SEC and CFTC's joint interpretive release, is to clarify which crypto assets should be deemed securities and when they are subject to SEC regulation.

Other SEC matters

SEC Division of Enforcement Director Margaret Ryan resigns

The SEC said Margaret Ryan resigned from her role as Director of the Division of Enforcement and named Principal Deputy Director Sam Waldon as Acting Director of the Division. The SEC subsequently announced that David Woodcock was appointed Director of the Division of Enforcement, effective 4 May. Sam Waldon will continue to serve as Acting Director of the Division in the interim.

SEC names PCAOB chairman and Board members

The SEC named Demetrios (Jim) Logothetis, a retired EY partner, as chairman of the Public Company Accounting Oversight Board (PCAOB or Board). The SEC also named Mark Calabria, Kyle Hauptman and Steven Laughton as Board members. Messrs. Logothetis, Laughton and Calabria were sworn in on 10 February. Mr. Hauptman will leave his current role as Chairman of the National Credit Union Administration once his successor is appointed by President Trump and confirmed by the Senate. George Botic, who was the Acting Chairman, will continue serving as a Board member.

SEC approves PCAOB's 2026 budget and accounting support fees

The SEC approved the PCAOB's fiscal year 2026 budget of \$362.1 million, down 9.4% from 2025. The SEC also approved annual accounting support fees of \$306 million, of which public company issuers will be assessed \$280.3 million and registered broker-dealers will be assessed \$25.7 million.

The PCAOB also **announced** it is seeking input from stakeholders, including investors, audit committee members, preparers, auditors and academics, to help inform the development of its 2026-2030 strategic plan and guide its focus areas for future standard-setting initiatives. Comments are due by 15 May 2026.

Enforcement activities

SEC brought 456 enforcement actions in 2025

The SEC **announced** its enforcement results for the fiscal year ended 30 September 2025, noting that its Division of Enforcement:

- ▶ Brought 456 enforcement actions, including 303 standalone actions, down from the 583 total enforcement actions filed in the prior year
- ▶ Obtained orders for nearly \$18 billion in monetary relief, including \$10.8 billion in disgorgement and prejudgment interest, the highest amount on record, and \$7.2 billion of civil penalties

The SEC said these enforcement actions demonstrate the Commission's prioritization of cases that directly harm investors and the integrity of the US securities markets, including offering frauds, market manipulation, insider trading, issuer disclosure violations and breaches of fiduciary duty by investment advisers.

In fiscal year 2025, the SEC received 53,753 tips, complaints and referrals, nearly 19% more than in the prior year. The Commission returned about \$262 million to harmed investors and awarded about \$60 million to 48 individual whistleblowers.

SEC Division of Enforcement updates Enforcement Manual

The SEC's Division of Enforcement **announced** significant revisions to its Enforcement Manual, including changes to facilitate a more uniform and transparent Wells process (i.e., the SEC procedure informing potential enforcement targets of the Division's intent to seek charges and permitting them to submit a response to proposed charges) and simultaneous consideration of settlement recommendations and waiver requests.

Other revisions include clarifying how the SEC evaluates cooperation by individuals or companies and its impact on potential civil penalties, as well as updating the formal order process and framework for referrals to criminal authorities. The manual was last revised in 2017. The SEC plans to review and update it annually going forward.

Over the past year, the Commission has ... recentered its enforcement program on the Commission's core mission by prioritizing cases that provide meaningful investor protection and strengthen market integrity.

— SEC Chairman Paul Atkins

EY | Building a better working world

© 2026 Ernst & Young LLP.
All Rights Reserved.

SCORE No. 30654-261US

ey.com/en_us/technical/accountinglink

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax or other professional advice. Please refer to your advisors for specific advice.