

## Wall Street and Crypto Clash Over U.S. Regulations

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Washington, D.C., Traditional banks and cryptocurrency companies are intensifying their efforts to influence new U.S. digital asset regulations, highlighting growing tensions between established financial institutions and emerging crypto platforms.

The dispute comes as U.S. lawmakers prepare a second wave of legislation aimed at strengthening the cryptocurrency market. Banking groups have warned that some proposed

reforms could disrupt existing business models and pose risks to financial stability. A report by Politico noted concerns that customers might move deposits from traditional banks to crypto platforms with lighter regulatory oversight.

Trade associations representing major banks are lobbying Congress to amend a law passed in July addressing the digital asset market. Proposed changes include preventing crypto firms from offering yields to stablecoin holders and limiting the ability of state-chartered uninsured depository institutions to operate nationwide without extensive supervision. “Banks are worried about potential deposit outflows and systemic risk if crypto platforms are given excessive flexibility,” said a banking sector spokesperson.

Cryptocurrency organizations argue that stablecoin regulations are already established. Summer Mersinger, CEO of the Blockchain Association, a trade group representing digital asset companies, told Politico that the GENIUS Act “is settled law” and that additional restrictions are unnecessary.

The debate reflects broader challenges in the financial sector, as digital innovation tests traditional regulatory models. Supporters of cryptocurrency argue that clear rules encourage growth, transparency, and innovation. Critics caution that insufficient oversight could threaten the broader financial system.

Recent weeks have seen heightened lobbying activity, with representatives from both banks and crypto firms meeting senators and congressional committees to influence the proposed legislation. Observers note that the outcome could reshape the U.S. financial landscape, affecting both established banks and emerging crypto platforms.

As lawmakers prepare to debate the new rules, the standoff underscores the increasing influence of digital currencies in American finance and the complex balance between fostering innovation and maintaining financial stability