

Federal & State Digital Asset Policy Update

Montana Blockchain & Digital Innovation Task Force | April 2026

Payward, Inc.



The corporate parent of Kraken and a portfolio of regulated financial infrastructure companies

Founded in 2011, Kraken is one of the world's oldest and most established digital asset platforms. In 2025, the company unified its corporate identity under Payward, Inc., reflecting the expansion beyond a single exchange into a full-spectrum financial services group.

Kraken Exchange

Global digital asset exchange. Spot, futures, margin, staking. Regulated in 50+ jurisdictions.

NinjaTrader

Futures and equities brokerage platform. 1.5M+ active traders. Acquired March 2025.

Bitnomial

First crypto-native full-stack CFTC-licensed derivatives platform. Exchange, clearinghouse, and brokerage. Acquired April 2026.

Kraken Financial

Wyoming SPDI bank charter. First digital asset bank with Federal Reserve master account (March 2026).

Kraken Financial: A Wyoming SPDI



Wyoming created the Special Purpose Depository Institution charter in 2019. A banking license purpose built for digital asset companies.

Kraken Financial was chartered September 2020 and accepted its first deposit March 2024.

What we do: digital asset custody, fiduciary asset management, and banking services for institutional and retail clients.

Regulated by the Wyoming Division of Banking and subject to all federal AML/BSA/KYC requirements.

- **Custody**

Institutional grade digital asset safekeeping

- **Fiduciary Services**

Asset servicing and management

- **Deposits**

Fully reserved depository accounts

- **Compliance**

Full AML/BSA/KYC + Wyoming's enhanced digital asset analytics requirement

First Digital Asset Bank With Fed Access



March 4, 2026 — Federal Reserve Bank of Kansas City approves limited-purpose master account

A Federal Reserve master account allows an institution to hold funds directly at the Fed and settle transactions via Fedwire — the real-time gross settlement system processing trillions daily.

Without a master account, institutions depend on correspondent banking — adding costs, delays, counterparty risk, and debanking vulnerability.

Kraken Financial can now send payments directly on the Fed's rails. This transforms the SPDI charter from a state level framework into a bank operating at the core of the US financial system.

“With a Federal Reserve master account, we can operate not as a peripheral participant in the US banking system, but as a directly connected financial institution.”

— **Arjun Sethi, Co-CEO, Payward**

01 Limited-purpose account, one-year initial term

02 Fedwire access for wholesale payment settlement

03 Layered oversight: Wyoming Division of Banking + KC Fed examination authority

04 65-month application process

Montana's Digital Asset Legislative Foundation

Four bills enacted in the 2023 and 2025 sessions



SB 265

Financial Freedom & Innovation Act. First-in-the-nation network token framework. Defines 'network token,' 'blockchain,' and 'decentralized network' in Montana statute. Creates certification pathway and securities exemption. Effective Oct 1, 2025.

SB 330

Blockchain & Digital Innovation Task Force. Creates the 19-member task force co-chaired by Sen. Lammers. Reports by July 1, 2026.

SB 426

UCC Modernization. Adopts UCC Article 12-style coverage for digital assets in commercial law. Legal infrastructure for digital asset transactions.

SB 178 (2023)

Mining Protections. Non-discriminatory utility rates. Zoning protections. No extra taxation for crypto payments. Digital assets as personal property.

The CLARITY Act: Federal Market Structure



Passed House 294-134 (July 2025). Senate Banking Committee markup expected late April.

The Jurisdictional Split

Digital Commodities → CFTC

Tokens intrinsically linked to blockchain use on decentralized networks.
Exclusive CFTC jurisdiction over spot/cash markets.

Investment Contract Assets → SEC

Securities-like tokens. SEC retains jurisdiction over issuers and issuances.

Payment Stablecoins → Banking regulators

Per the GENIUS Act, with SEC/CFTC anti-fraud authority on registered platforms.

Transition pathway

Tokens can move from securities to commodity classification as networks decentralize.

The Montana Connection

SB 265 defines ‘network tokens’ and establishes they are not securities under state law.

CLARITY’s ‘digital commodity’ definition is the federal analog of Montana’s network token concept.

If CLARITY passes, Montana’s existing framework is validated by federal law. Network tokens registered in Montana would likely qualify as digital commodities under CFTC oversight.

Watch: The Senate draft contains preemption provisions. The task force should evaluate the final text once it exits markup.

The GENIUS Act: Federal Stablecoin Law

Signed July 18, 2025 — First comprehensive federal digital asset law



Only ‘permitted payment stablecoin issuers’ may issue stablecoins to US persons.

Three routes: (1) subsidiary of insured depository institution, (2) OCC-supervised nonbank, or (3) state-qualified issuer under a ‘substantially similar’ framework.

1:1 reserve backing required. Monthly public disclosure. Compliant stablecoins are neither securities nor commodities.

State governments are exempt for their own stablecoin issuance — enabling Wyoming’s FRNT and North Dakota’s Roughrider.

July 2026

Deadline for state certification as ‘substantially similar’

\$10B

Threshold: issuers below this can opt for state regulation

68-30

Senate vote

308-122

House vote

The Race to Certify Under GENIUS Act §4(c)



States moving to become qualified regulators for private stablecoin issuers

State	Bill	Status	Key Detail
Alabama	HB 259	Signed Apr 9, 2026	First enacted. Alabama Securities Commission as regulator.
Florida	SB 314	Passed 37-0, awaiting signature	OFR as regulator. State payment pilot program.
North Carolina	NC bill	Introduced	Two-part: digital asset banking + stablecoin issuer. Most detailed draft to date.
Delaware	SB 19 + SB 16	Introduced Mar 23, 2026	CSBS model. Mirrors OCC architecture.
Pennsylvania	TBD	In development	CSBS model template.

Montana is not yet in this race. The task force should evaluate whether to build its own framework, adopt the CSBS model, or focus its competitive advantage in the network token / CLARITY lane where SB 265 already leads.

Two Models for State Stablecoins



Both are exempt from GENIUS Act requirements as state-issued stablecoins

Wyoming FRNT

Issuer	State commission (new entity)
Use case	Retail + institutional
Infrastructure	Public blockchains (7 chains via LayerZero)
Revenue	Treasury yields fund public schools
Launch	August 2025 (live)
Cost	\$5.8M state budget

North Dakota Roughrider

Issuer	Bank of North Dakota (est. 1919, ~\$10B assets)
Use case	Wholesale/interbank only
Infrastructure	Proprietary Fiserv platform
Revenue	TBD after pilot
Launch	2026 (beta)
Cost	Zero for pilot (Fiserv approached BND)

Strategic Bitcoin Reserves: State Activity



~28-30 states introduced reserve proposals. Three have enacted legislation.

New Hampshire HB 302

Signed May 6, 2025. First state. Treasurer can invest up to 5% of reserves in digital assets with >\$500B market cap. Not yet funded.

Arizona HB 2749

Signed May 7, 2025. No new appropriation. Redirects unclaimed property profits to BTC. Keeps bitcoin in digital form.

Texas SB 21

Signed June 20, 2025. \$10M initial appropriation. First and only state to commit new public money. Senate 25-5.

Montana's HB 429 (\$50M Bitcoin/stablecoin reserve) failed 59-41 in the House on February 21, 2025. Arizona's unclaimed-property model navigated the same political resistance that defeated direct-investment bills.

Unclaimed Property: The In-Kind Custody Movement



States are shifting from liquidation to holding unclaimed crypto in its original form

Virginia HB 798 Signed April 13, 2026. In-kind delivery of dormant crypto after 5-year inactivity. State must hold in native form minimum 1 year before any sale. Passed House 96-2, Senate 40-0.

California AB 1052 Passed Assembly 78-0. Requires in-kind delivery of dormant crypto (3-year inactivity).

Louisiana HB 947 Active. Establishes digital asset unclaimed property framework with 3-year dormancy and qualified custodian selection by the State Treasurer.

Utah HB 519 Passed unanimously, signed. RUUPA already classifies virtual currency as property.

Arizona HB 2749 Dual purpose: unclaimed property reform + reserve mechanism. Retains crypto in digital form.

North Carolina bill Most detailed treatment drafted: 5-year dormancy, in-kind delivery, 3-year hold before sale, no sale below market price.

Montana does not have specific unclaimed property provisions for digital assets.

Bitcoin Mining → AI Compute



The same infrastructure that mines Bitcoin now hosts AI workloads at dramatically higher margins

The April 2024 halving compressed mining margins. Publicly listed miners have pivoted aggressively to AI and high-performance computing.

Core Scientific — \$10.2B, 12-year deal with CoreWeave. AI already 39% of revenue.

IREN — \$9.7B deal with Microsoft. 76,000 NVIDIA GPUs.

Hut 8 — \$7B contract with Google-backed Fluidstack.

TeraWulf — \$12.8B in HPC contracts. Google-backed \$3.2B AI expansion.

Riot Platforms — AMD data center at Rockdale, TX. Reallocating 600 MW.

Montana's SB 178 protects mining with non-discriminatory utility rates and zoning protections. The question: do those protections clearly extend to hybrid mining/AI operations?

\$65B

AI contracts announced
by listed miners

~85% → <20%

Mining revenue share
shift by end-2026

\$3.7M–\$8.6M

JPMorgan value per
gross MW for HPC colocation

Where Montana Should Act



Five areas for task force recommendations

Stablecoins

Two paths: build a private stablecoin issuer framework for GENIUS Act §4(c) certification, or partner with Wyoming or North Dakota to enable stablecoin usage in Montana state payments.

Unclaimed Property

Adopt in-kind custody provisions for digital assets. Consider the Arizona model combining unclaimed property with a reserve mechanism to address both gaps simultaneously.

SB 178 → AI Compute

Clarify that SB 178 protections extend to hybrid mining/AI and AI-only compute operations. Evaluate additional incentives to attract the tens of billions in infrastructure investment being deployed nationwide.

CLARITY Act Preemption

The bill is headed to Senate Banking Committee markup in the coming weeks. The task force should evaluate the final text for preemption provisions that could affect SB 265's network token framework.

Enable Montana Banks

Evaluate whether Montana-chartered banks and credit unions should be authorized for digital asset custody and fiduciary digital asset purchases — bringing capabilities similar to what Wyoming SPDIs offer.

Federal action is accelerating. The window for state-level positioning is open now.

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