



# California State Treasurer's Office **NEWS RELEASE**

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## **California Treasurer Fiona Ma Hosts Hearing on Blockchain and Digital Financial Assets**

*Expert panel discussion convened around five key findings*

**SACRAMENTO** – California State Treasurer Fiona Ma, CPA, yesterday convened an informational hearing, *“Blockchain & Digital Financial Assets: State, Policy, and Finance Perspectives,”* bringing together experts from government, academia, financial institutions, and the fintech industry to examine the evolving role of blockchain technology and digital financial assets in California's economy, including as it relates to an evolving regulatory framework, public sector operations and the broader financial system.

“Through today’s convening of some of the best minds in the field, we can help to define the future of digital finance, harness blockchain’s potential for government, build clear rules for digital assets, and safeguard consumers in a rapidly evolving economy,” said Treasurer Fiona Ma, CPA.

Blockchain, a shared digital record book, is useful for tracking ownership, payments, and records where verification is required. Meanwhile, digital assets are transferred electronically using blockchain or other distributed ledger technologies. They can include cryptocurrencies, and other digital representations of value, ownership, or rights that may be used for payments, investment, recordkeeping, or other financial and commercial purposes.

The hearing featured presentations and discussion from representatives of the California Department of Financial Protection and Innovation, California Department of Motor Vehicles, State Controller's Office, University of San Francisco School of Law, JPMorgan Chase, Franklin Templeton, Haun Ventures, FS Vector, and the California Blockchain Advisory Commission.

The hearing provided legislators, policymakers, industry stakeholders, and members of the public with a better understanding of both the opportunities and challenges associated with blockchain technology and digital financial assets. Discussions focused on consumer protection, regulatory oversight, financial innovation, digital identity, public-sector modernization, banking applications, payments infrastructure, investment products, and emerging risks.

Throughout the hearing, panelists emphasized several key themes:

- **California is a rising leader in responsible digital asset regulation.**  
Discussion highlighted California's Digital Financial Assets Law (DFAL) and ongoing efforts by the Department of Financial Protection and Innovation (DFPI) to establish a regulatory framework that balances innovation with strong consumer protections. Panelists agreed that clear rules of the road are essential to fostering responsible growth while protecting Californians from fraud and abuse.
- **Stablecoins and tokenized assets may reshape payments and financial infrastructure.**  
Financial industry leaders discussed how blockchain-based payment rails, tokenized money market funds, and stablecoins are beginning to intersect with traditional banking and capital markets. While significant regulatory and operational questions remain, panelists noted the potential for faster settlement, reduced transaction costs, and greater efficiency in global financial markets.
- **Consumer protection, education, and public trust must remain at the center of adoption.**  
Across all three panels, speakers stressed that technological innovation must be accompanied by robust safeguards, transparency, cybersecurity standards, and financial literacy. As digital assets become more accessible, policymakers, regulators, and industry leaders share a responsibility to ensure consumers understand both the opportunities and risks associated with these emerging technologies.
- **Blockchain technology is moving beyond cryptocurrency and into practical, real-world applications.**  
Panelists emphasized that blockchain should be viewed as infrastructure rather than speculation alone. From digital identity and vehicle title transfers to cross-border payments and recordkeeping, technology is increasingly being explored as a tool to improve efficiency, transparency, and security across both public and private sectors.
- **Public sector innovation is already underway.**  
State agencies shared examples of how blockchain-related technologies are

being evaluated for government services, including the DMV's exploration of digital vehicle titles and credentialing, as well as the Controller's Office preparation for managing digital assets within California's unclaimed property system. These discussions demonstrated that government is actively assessing where emerging technologies can improve service delivery while maintaining privacy and security.

The first panel, *Blockchain 101: Understanding Blockchain & Digital Assets*, provided an overview of blockchain technology, digital asset markets, opportunities for innovation, and key risks facing consumers and investors.

"The New York State DFS Virtual Currency Advisory Board presented to its board members on quantum computing, because Wall Street is nervous that quantum computers will have the potential to break encryption," said Professor Michele Neitz, professor of law at the University of San Francisco. "To answer the question as to the impact of quantum computing, there is a theoretical and practical response. Theoretically, yes, quantum will blow up everything. Practically speaking, we have some time, but this field is moving quickly. Quantum computing hardware is not as accessible as blockchain. In order to run a quantum computer that could break encryption, you have to have the hardware and the knowledge. It's not like a university student can run a specialized quantum computer capable of breaking encryption out of a dorm room."

The second panel, *Use Cases & Regulation: California Public Sector Implementation*, highlighted how California agencies are exploring blockchain-related technologies and digital asset policies, including regulatory developments and potential applications across government services.

"Our Digital financial assets law, DFAL, takes a very pragmatic approach. It doesn't try to regulate all instances of crypto in all circumstances, instead it regulates particular business types," said Brynly Llyr, Deputy Commissioner, Digital Financial Assets with the California Department of Financial Protection and Innovation. "The four business types that will need a license include exchanges, where Californians go and buy crypto assets; stablecoin issuers; custody providers, institutions that are for safekeeping crypto for Californians; and fourth are crypto kiosks that you typically see in grocery stores and gas stations. The licensing program goes into effect July 1, 2026, so if you are one of these types of businesses and you want to continue to do business in California, you must apply to the California Department of Financial Protection and Innovation by then."

The final panel, *Markets & Money: Financial Institutions and Fintech Perspectives*, examined how blockchain technology and digital assets intersect with traditional finance, including banking, payments, custody, tokenization, and financial market infrastructure.

“It’s curious that for all of the issuance of stable coins in the whole world, 99.9% are dollar denominated,” said Diogo Monica, Haun Ventures. “Stable coins have been a way to expand the reach of the United States dollar outside of the United States. That’s extremely good for our country to have the world be more dependent on dollars and have more trade be done in dollars. This is important from a national security perspective.”

Looking forward, the State Treasurer’s Office will be developing educational resources to help Californians better understand blockchain technology, digital assets, stable coins, and related financial risks and opportunities.

Treasurer Ma thanked the panelists for sharing their expertise and noted that California remains committed to evaluating emerging technologies through a thoughtful, balanced, and informed policy lens.

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*Fiona Ma is California’s 34th State Treasurer. She is the first woman of color, and the first woman Certified Public Accountant (CPA) elected to the position. Treasurer Ma serves as the state’s banker and is agent of sale for all state bonds and trustee of billions of dollars of state indebtedness. The State Treasurer’s Office also processes more than \$3 trillion in banking transactions annually and manages a \$150 billion investment portfolio. As State Treasurer, Ma is also chair of many boards, commissions, and authorities that provide financing for schools, housing, recycling and waste management, alternative energy, hospitals, and other projects that create jobs, improve California’s economy, and better the lives of residents.*