DACFP/IAA Chief Compliance Officer Survey

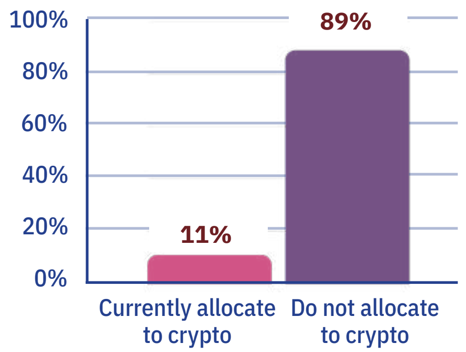
What CCOs Think About Crypto

Introduction

550 Chief Compliance Officers were surveyed about their firms' policies regarding digital assets. The survey was conducted in September 2025 by the Digital Assets Council of Financial Professionals and the Investment Adviser Association. 53 CCOs completed the survey (10% response rate); 12 of them also provided additional anonymous information about their personal crypto holdings. 100% of the respondents are CCOs or heads of compliance for an RIA, investment management firm, wealth management firm or family office.

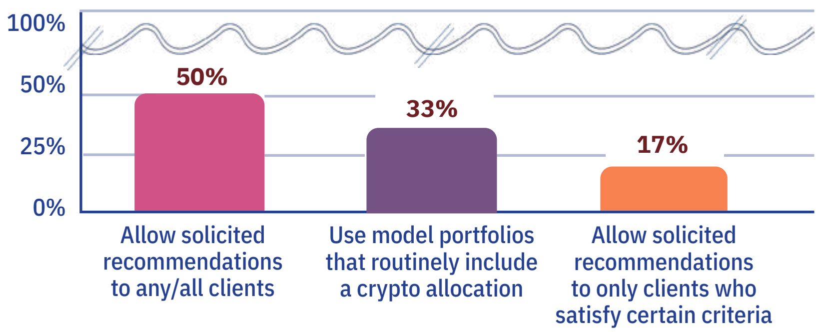
Survey Findings

Current Crypto Adoption Among Firms



Only 11% of respondents' firms currently allocate to crypto. 89% do not.

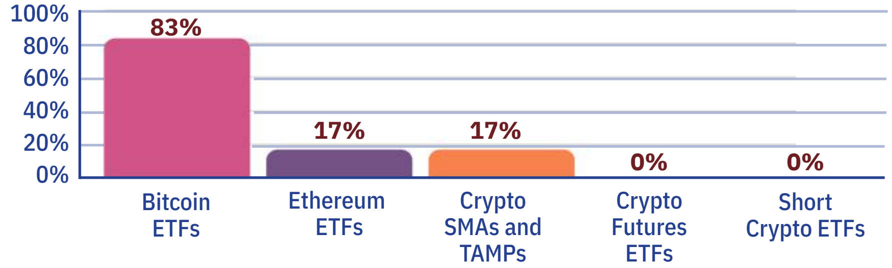
How Firms That Allow Crypto Allocations Operate



Among those that do allocate to crypto:

- 50% allow solicited recommendations of crypto to any/all clients
- 33% use model portfolios that routinely include a crypto allocation
- 17% allow solicited recommendations only to clients who satisfy certain criteria

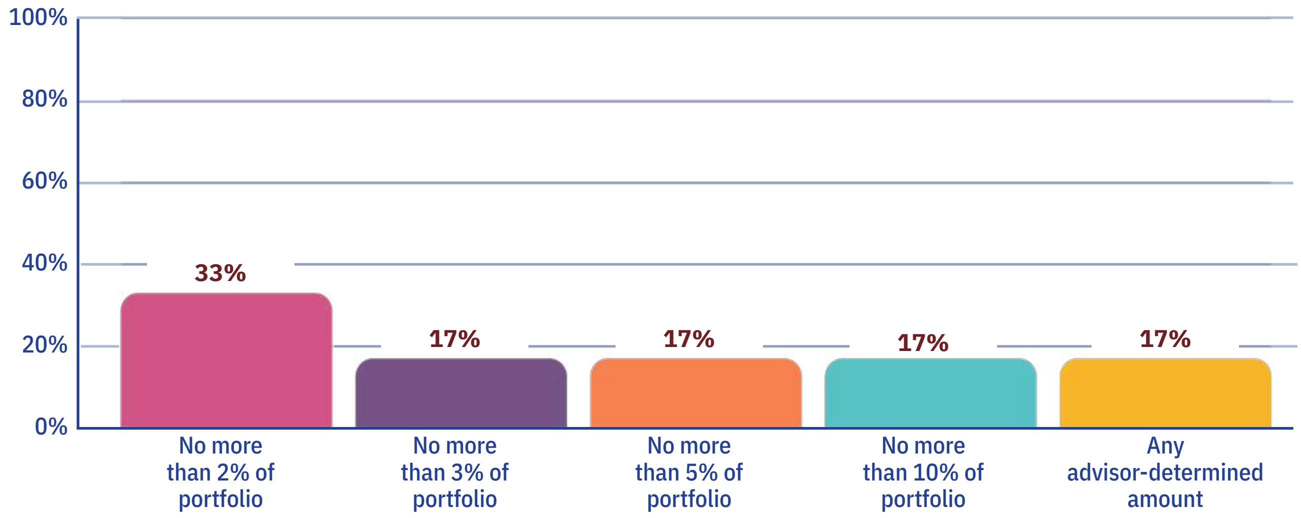
Crypto Products Offered



Among those that do allocate to crypto (multiple responses allowed):

- Bitcoin ETFs: 83%
- Ethereum ETF: 17%
- Crypto SMAs and TAMPs: 17%
- Crypto Futures ETFs: 0%
- Short Crypto ETFs: 0%

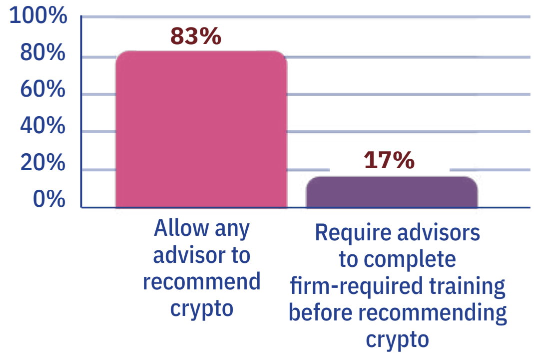
Portfolio Allocation Limits



Among firms that allow crypto, here are their allocation limits:

- No more than 2% of portfolio: 33%
- No more than 3% of portfolio: 17%
- No more than 5% of portfolio: 17%
- No more than 10% of portfolio: 17%
- Any advisor-determined amount: 17%

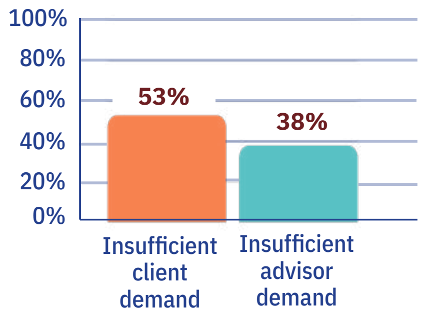
Advisor Permissions

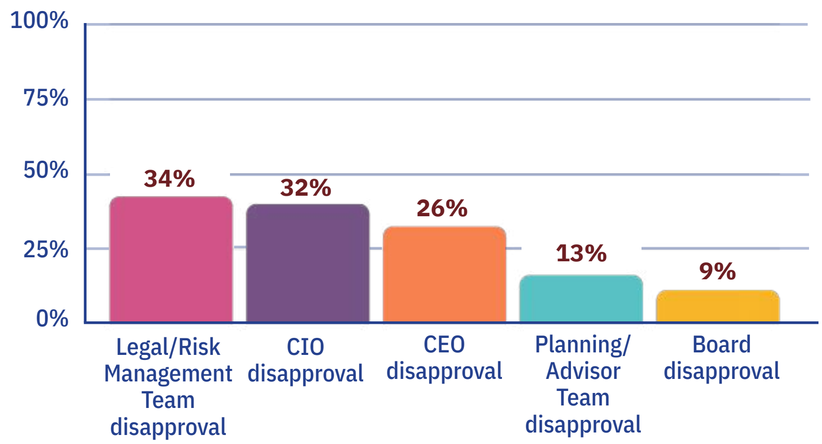


Among firms that allow crypto, here are advisor restrictions on usage:

- 83% allow any advisor to recommend crypto
- 17% require advisors to complete firm-required training before recommending crypto

Why Firms Don't Allocate to Crypto





Among the 89% of respondents who say their firms don't currently allocate to crypto, the top reasons cited were (multiple responses allowed):

Lack of Demand:

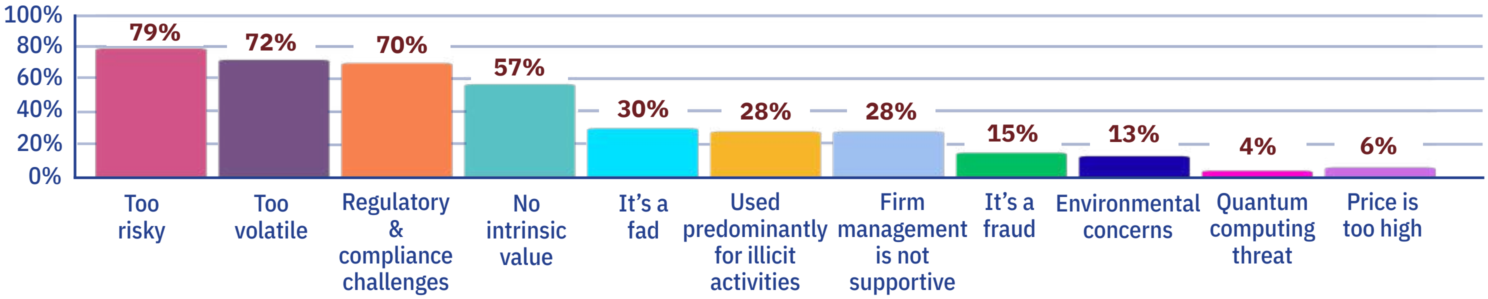
- Insufficient client demand: 53%
- Insufficient advisor demand: 38%

Internal Disapproval:

- Legal/Risk Management Team disapproval: 34%
- CIO disapproval: 32%
- CEO disapproval: 26%
- Planning/Advisor Team disapproval: 13%
- Board disapproval: 9%

Key Insight: Many of the CCOs responding to the survey believe that there isn't much client or advisor demand. Although we didn't ask if the firms have polled their clients and investors, it is clear that, even where there may be interest, compliance and risk management staff may be primarily driven by skepticism or disapproval among the firm's leadership. This suggests the need for education and regulatory clarity.

Common Objections to Crypto

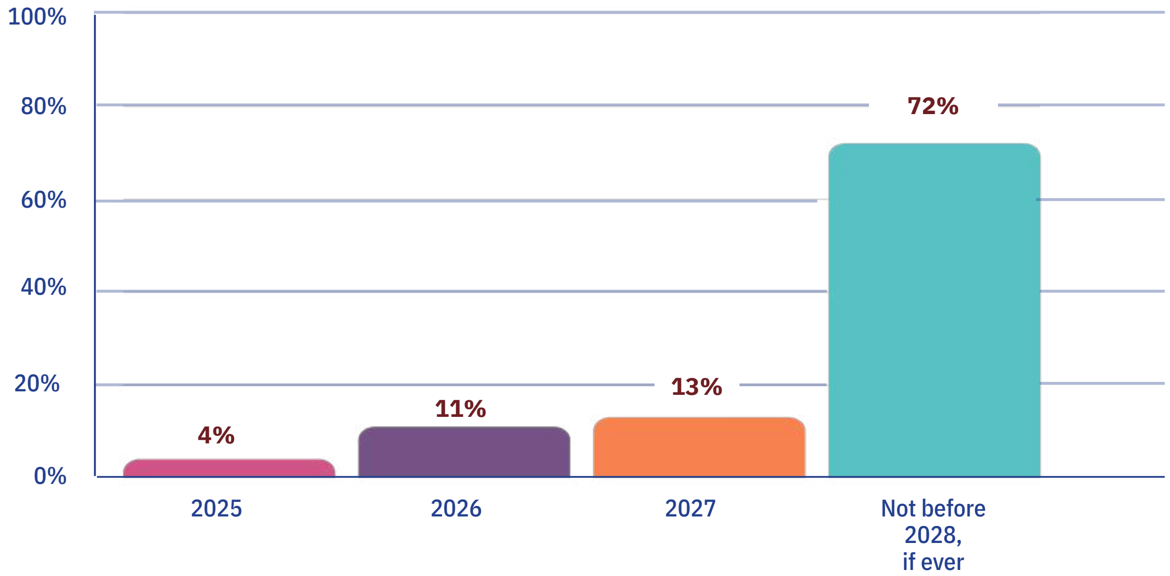


The CCOs of non-crypto-allocating firms reported hearing the following objections to crypto in the past year (multiple responses allowed):

Top Objections:

- Too risky: 79%
- Too volatile: 72%
- Regulatory and compliance challenges: 70%
- No intrinsic value: 57%
- It's a fad: 30%
- Used predominantly for illicit activities: 28%
- Firm management is not supportive: 28%
- It's a fraud: 15%
- Environmental concerns: 13%
- Quantum computing threat: 4%
- Price is too high: 6%

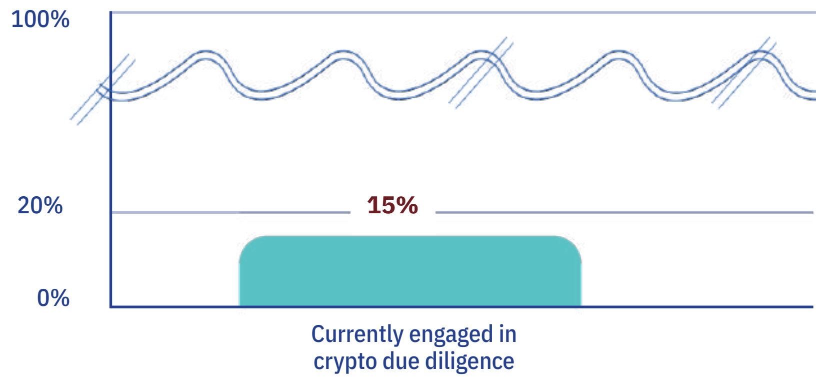
Timeline for Future Adoption



CCOs from non-crypto-allocating firms said this is when their firms will approve crypto usage:

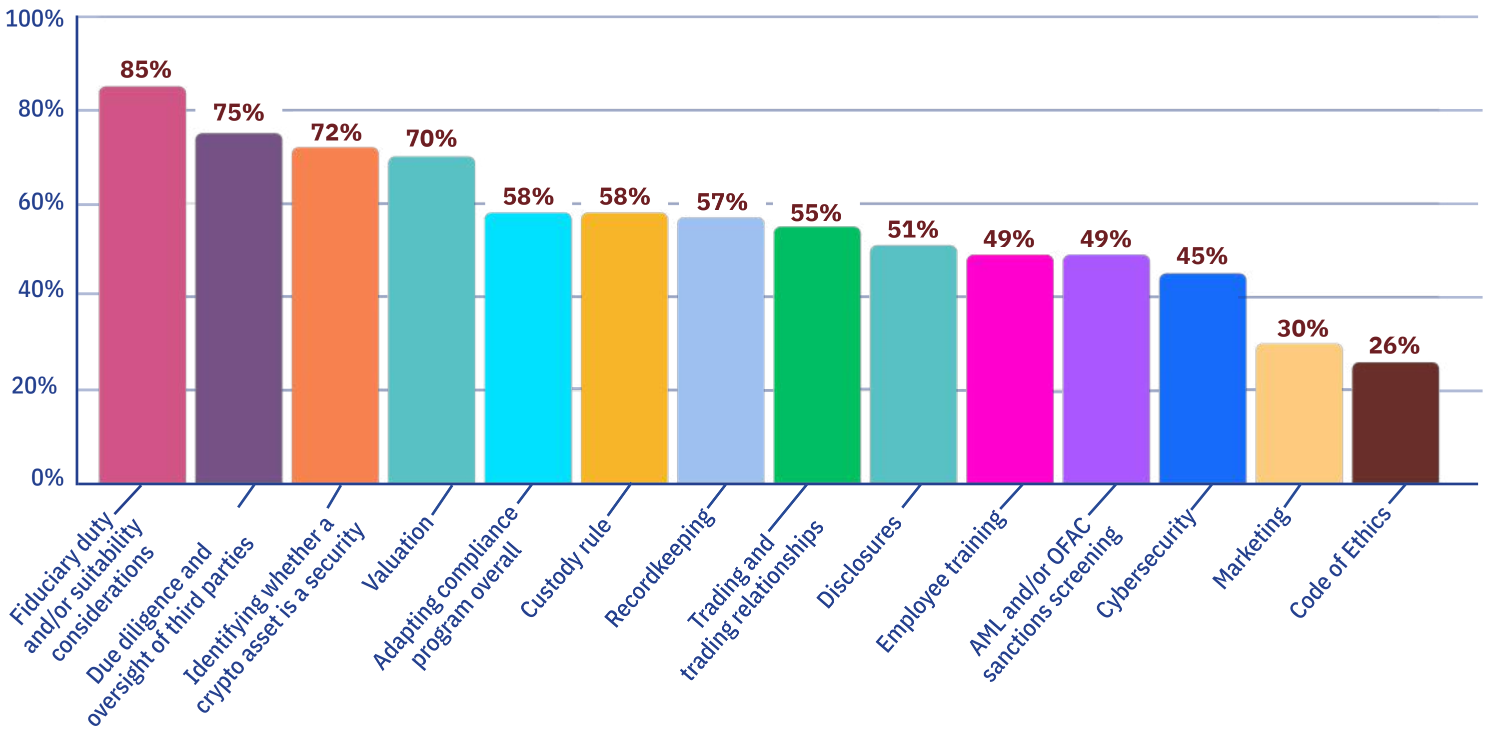
- 2025: 4%
- 2026: 11%
- 2027: 13%
- Not before 2028, if ever: 72%

Engagement in Crypto Due Diligence



15% of CCOs from non-crypto-allocating firms said their firms are currently engaged in crypto due diligence.

Compliance Challenges of Concern

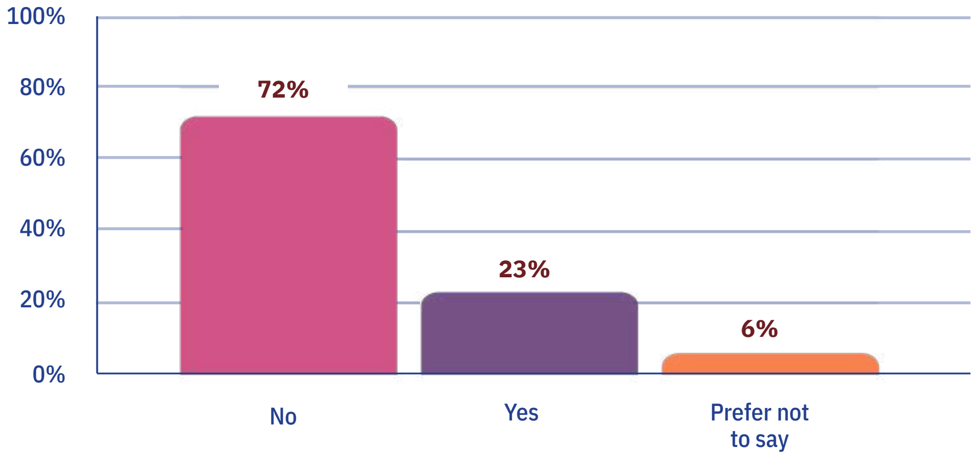


All the CCOs were asked to cite their concerns regarding crypto recommendations. Their responses (multiple responses allowed):

- Fiduciary duty and/or suitability considerations: 85%
- Due diligence and oversight of third parties: 75%
- Identifying whether a crypto asset is a security: 72%
- Valuation: 70%
- Adapting compliance program overall: 58%
- Custody rule: 58%
- Recordkeeping: 57%
- Trading and trading relationships: 55%
- Disclosures: 51%
- Employee training: 49%
- AML and/or OFAC sanctions screening: 49%
- Cybersecurity: 45%
- Marketing: 30%
- Code of Ethics: 26%

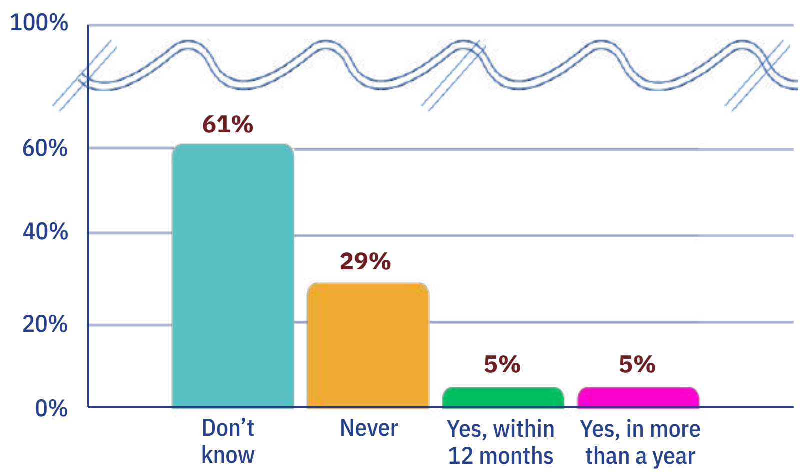
Critical Insight: The concerns cited by CCOs suggest that regulatory clarity and further education relating to crypto assets would be helpful (and perhaps even warranted). For instance, Bitcoin ETFs, which are approaching $200 billion in AUM, function in much the same way as any other type of ETF – they require no special or different treatment, thus eliminating most of the concerns cited. Fiduciary duty and client suitability are concerns no matter which asset class is considered for a client's portfolio, and employee training also is important for any new asset class. Training could be addressed by, for example, researching crypto educational offerings such as the CBDA.

Personal Crypto Ownership Among All CCOs Responding



When asked if they personally own crypto assets, 100% responded, answering:

- No: 72%
- Yes: 23%
- Prefer not to say: 6%

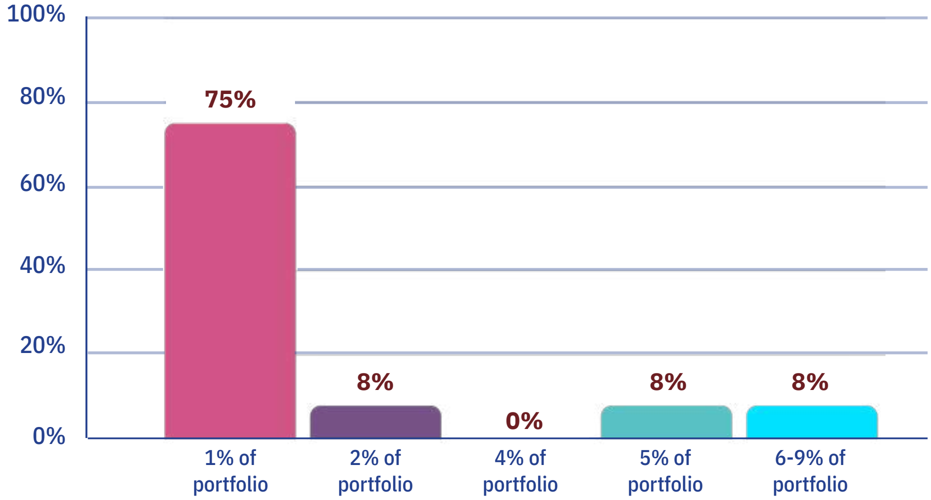


The 72% of CCOs who don't personally own crypto were asked if they plan to buy. Here are their responses:

- Don't know: 61%
- Never: 29%
- Yes, within 12 months: 5%
- Yes, in more than a year: 5%

Critical Insight: Even though 89% of CCOs work for firms that are not allocating to crypto, 33% of them personally own this asset class or plan to do so. Again, while the sample size is small, this suggests that the advisory firm investment strategies and recommendations may not align completely with firm CCOs' personal investment strategies.

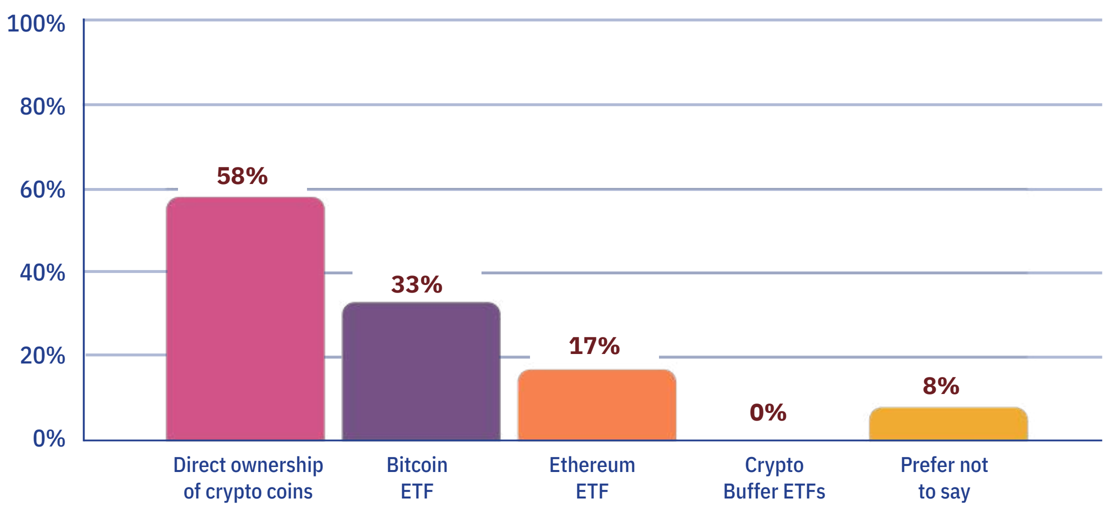
The CCOs' Personal Crypto Holdings



12 CCOs who personally own crypto provided additional anonymous details about their holdings:

Portfolio Allocation Percentages:

- ▶ 1% of portfolio: 75%
- ▶ 2% of portfolio: 8%
- ▶ 4% of portfolio: 0%
- ▶ 5% of portfolio: 8%
- ▶ 6-9% of portfolio: 8%



Those who specified their holdings (multiple responses allowed):

- ▶ Direct ownership of crypto coins: 58%
- ▶ Bitcoin ETFs: 33%
- ▶ Ethereum ETF: 17%
- ▶ Crypto Buffer ETFs: 0%
- ▶ Prefer not to say: 8%

Summary

The 2025 DACFP/IAA Crypto Survey of Chief Compliance Officers found that just 11% of 53 advisory firms whose CCO responded to the survey permit crypto allocations. The results may differ next year after the market matures even further, particularly as institutions offer new products and education of the digital asset market continues to grow.

As demand for crypto increases from both financial advisors and clients, and regulatory clarity makes it more likely that firm leadership will be willing to participate, firm adoption may increase, and, if so, those who engage soonest could gain a competitive advantage in attracting AUM.

About DACFP

Founded by Ric Edelman, the Digital Assets Council of Financial Professionals is the leading provider of crypto education. DACFP connects the financial services industry and digital assets communities with leading experts via live and online events, webinars, blogs and other educational content. Its flagship program, the Certified in Blockchain and Digital Assets℠ (CBDA), is the first and largest certification program of its kind – an online self-study program featuring a world-class faculty and 18 Continuing Education credits. Thousands of financial professionals from 37 countries have enrolled. The CBDA is also a designation which is listed in the FINRA database of professional designations.

About the Investment Adviser Association

The Investment Adviser Association (IAA) is the leading trade association representing the interests of fiduciary investment advisers. The IAA's member firms collectively manage more than $35 trillion in assets for a wide variety of institutional and individual investors. In addition to serving as the voice of the advisory profession on Capitol Hill and before the SEC, DOL, CFTC and other U.S. and international regulators, the IAA provides extensive practical and educational resources to its membership. For more information, visit www.investmentadviser.org or follow us on LinkedIn and YouTube.