



UNITED STATES HOUSE COMMITTEE ON  
**FINANCIAL SERVICES**  
CHAIRMAN FRENCH HILL



HOUSE COMMITTEE ON  
**AGRICULTURE**  
CHAIRMAN GT THOMPSON

The Digital Asset Market Clarity (CLARITY) Act establishes clear, functional requirements for digital asset market participants, prioritizing consumer protection while fostering innovation. By providing strong safeguards and long-overdue regulatory certainty, the legislation advances American innovation and reinforces America's leadership in the global financial system.

### **Why is the CLARITY Act needed?**

- Digital assets and related blockchain technology have the potential to form the foundation of the next generation of internet innovation.
- However, regulation-by-enforcement and ongoing regulatory ambiguity have stifled innovation, triggered innovative U.S. companies locating in jurisdictions outside the U.S., and left consumers unprotected.
- The CLARITY Act addresses these challenges by establishing a clear framework for digital asset markets and closing the current regulatory gaps.
- For years, Congress has been working on legislation to provide a roadmap that supports entrepreneurs, developers, and consumers.
- Now is the time to deliver that clarity and protections for Americans.
- The CLARITY Act is essential to restoring confidence, encouraging innovation, and keeping businesses in the United States.

### **The CLARITY Act will protect consumers by strengthening transparency and accountability for market participants:**

- Developers will be required to provide accurate, relevant disclosures, including information relating to the digital asset project's operation, ownership, and structure.
- Customer-facing digital asset firms, like brokers and dealers, will be required to:
  - Provide appropriate disclosures to customers;
  - Segregate customer funds from their own; and
  - Address conflicts of interest through registration, disclosure, and operational requirements.

### **The CLARITY Act will strengthen the market by fostering the development of digital asset projects:**

- Digital asset developers will have a clear pathway to raise funds under the SEC's jurisdiction.
- Market participants will have a trusted pathway to trade digital commodities through intermediaries and exchanges overseen by the CFTC.

### **The CLARITY Act will provide clarity to customer-facing digital asset firms:**

- Establishes clear lines between the two market regulators: SEC and CFTC.
- Creates comprehensive registration regimes to permit digital asset firms to lawfully serve customers in digital asset markets.