



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



HOUSE COMMITTEE ON  
**AGRICULTURE**  
CHAIRMAN GT THOMPSON

# Digital Asset Market Clarity (CLARITY) Act of 2025

## TITLE I – DEFINITIONS; RULEMAKING; PROVISIONAL REGISTRATION

### **Sec. 101. Definitions under the Securities Act of 1933**

Section 101 provides for definitions under the Securities Act of 1933.

### **Sec. 102. Definitions under the Securities Exchange Act of 1934**

Section 102 provides for definitions under the Securities Exchange Act of 1934.

### **Sec. 103. Definitions under the Commodity Exchange Act**

Section 103 provides for definitions under the Commodity Exchange Act.

### **Sec. 104. Definitions under the Act**

Section 104 provides for definitions under the Act.

### **Sec. 105. Rulemakings**

Section 105 provides for several rulemakings by the Commodity Futures Trading Commission (CFTC) and the Securities and Exchange Commission (SEC), including joint rulemakings related to defining key terms in the Act, and the process to delist an asset for trading under section 106 of the Act; a joint rulemaking related to mixed digital asset transactions; a joint rulemaking related to the process for considering relief for portfolio margining activities, and affirms the right for U.S. individuals to lawfully custody and transact with their own digital assets.

### **Sec. 106. Provisional registration for digital commodity exchanges, brokers, and dealers**

Section 106 allows an entity seeking to become a digital commodity exchange, broker, or dealer to file a statement of provisional registration with the CFTC. The entity filing the statement must submit management and operating information and keep its books and records open to the CFTC. Such entities must also maintain membership in a registered futures association and comply with rules regarding disclosures to customers and the treatment of customer assets. Provisionally registered entities would be required to implement requirements promulgated by the Commission as they are finalized. After the CFTC has finalized its rules for digital commodity exchanges, digital commodity brokers, and digital commodity dealers, entities can no longer file a statement of provisional registration. Finally, this section clarifies that the CFTC's exclusive jurisdiction over entities that are registered with the Commission also extends to entities that are provisionally registered.

### **Sec. 107. Commodity Exchange Act and securities laws savings provisions**

Section 107 states that nothing in this Act shall apply to any agreement, contract, or transaction that is subject to regulation under the Commodity Exchange Act (including a futures contract, options on a futures contract, swaps, securities futures products, and certain leveraged transactions) or the

securities laws as a security-based swap, security futures product, or option on a security. It also clarifies that registration as a digital commodity exchange, digital commodity broker, or digital commodity dealer does not authorize a person to engage in the aforementioned activities.

#### **Sec. 108. Administrative requirements**

Section 108 expands the provisions in the Commodity Exchange Act regarding the improper use of nonpublic information by government employees to include the trading of digital commodities.

#### **Sec. 109. International cooperation**

Section 109 requires the CFTC and SEC to coordinate with foreign regulators to promote consistent international standards for digital asset market regulation. It also allows the agencies to enter into information-sharing arrangements with foreign counterparts, as appropriate, in the public interest or to protect investors, customers, and users of digital assets.

#### **Sec. 110. Implementation**

Section 110 requires the CFTC and the SEC to promulgate all rules required by the Act no later than 360 days after enactment of the Act.

#### **Sec. 111. Application of the Bank Secrecy Act**

Section 111 treats digital commodity brokers and dealers, as well as exchanges that permit direct customer access, as “financial institutions” under the Bank Secrecy Act.

### **TITLE II – OFFERS AND SALES OF DIGITAL COMMODITIES**

#### **Sec. 201. Treatment of investment contract assets**

Section 201 excludes digital commodities sold pursuant to an investment contract from being considered investment contracts themselves.

#### **Sec. 202. Exempted primary transactions in digital commodities**

Section 202 provides an exemption from traditional securities registration for a digital commodity issuer’s offer or sale of an investment contract involving digital commodities that meets certain conditions related to the blockchain system and the sale, and satisfies disclosure requirements. Issuers are required to file certain disclosures until a defined period after the blockchain system is certified as mature, as well as other disclosures where the issuer is engaged in certain material activities after the blockchain system is certified as mature. While creating a new exemption, this section does not prohibit the SEC from creating other exemptions or modifying existing exemptions.

#### **Sec. 203. Treatment of secondary transactions in digital commodities that originally involved investment contracts**

Section 203 provides that secondary market transactions in digital commodities originally issued as part of an investment contract shall not be considered part of the original investment contract transactions under securities laws.

#### **Sec. 204. Requirements for offers and sales of digital commodities by digital commodity related persons and digital commodity affiliated persons**

Section 204 establishes requirements for project insiders to sell their digital commodities. Those requirements taper down after a blockchain system of the digital commodity is certified as mature. The requirements include lockup periods and limitations on annual sales. The SEC is provided with rulemaking authority related to reporting obligations of insiders with respect to transactions in digital commodities.

#### **Section 205. Mature blockchain system requirements**

Section 205 provides a process for a digital commodity issuer, related person, affiliated person, or decentralized governance system to certify to the SEC that the blockchain system relating to a digital commodity is mature. The SEC may issue rules identifying conditions by which a blockchain system can be considered mature. Section 205 also sets out statutory conditions a blockchain system can meet to be deemed mature.

#### **Sec. 206. Effective date**

Section 206 provides that the provisions under this Title will take effect 360 days after enactment or, in the case of rulemakings under the Title, the later of 360 days after enactment or 60 days after publication of the final rule in the Federal Register.

### **TITLE III – REGISTRATION FOR INTERMEDIARIES AT THE SEC**

#### **Sec. 301. Treatment of digital commodities and permitted payment stablecoins**

Section 301 excludes digital commodities and permitted payment stablecoins from the definition of a security under the securities laws.

#### **Sec. 302. Anti-fraud authority over permitted payment stablecoins and certain digital commodity transactions**

Section 302 provides the SEC with anti-fraud and anti-manipulation authority over transactions with or involving permitted payment stablecoins and digital commodities that occur on or with an SEC registered entity. It also provides the SEC with limited authority over transactions in permitted payment stablecoins when transacted by or through an entity registered with the SEC.

#### **Sec. 303. Eligibility of alternative trading systems**

Section 303 prevents the SEC from blocking a trading platform from operating under an exemption solely because it trades digital commodities or permitted payment stablecoins and securities. The section also provides that an alternative trading system (ATS) primarily facilitating the trading of digital commodities, permitted payment stablecoins, or both is not to be considered a facility of a national securities exchange.

#### **Sec. 304. Operation of alternative trading systems**

Section 304 gives the SEC jurisdiction over digital commodity activities by SEC registered broker-dealers and national securities exchanges where such registrants are exempt from registration with the CFTC.

Section 304 directs the SEC to revise existing regulations to allow national securities exchanges and broker-dealers that are exempt from registration with the CFTC to operate ATSS for digital commodities and permitted payment stablecoins. The SEC may establish additional rules for such systems.

#### **Sec. 305. Modernization of recordkeeping requirements**

Section 305 clarifies that brokers, dealers, and exchanges under the Securities Exchange Act of 1934 may consider blockchains for purposes of books and records requirements. The section also requires the SEC to issue and revise its rules in accordance with this section within 180 days of enactment.

#### **Sec. 306. Exemptive authority**

Section 306 amends the Securities Act of 1933, allowing flexibility for the SEC to utilize its existing exemptive authorities.

#### **Sec. 307. Additional registrations with the Commodity Futures Trading Commission**

Section 307 permits a SEC registered broker or dealer to maintain a registration with the CFTC as a digital commodity broker or dealer in order to list or trade contracts of sale for digital commodities.

#### **Sec. 308. Exempting digital commodities from state securities laws**

Section 308 adds digital commodities to “covered securities,” which are exempt from state blue sky law registration requirements.

#### **Sec. 309. Exclusion for decentralized finance activities**

Section 309 exempts certain decentralized finance activities related to the operation and maintenance of blockchain networks from SEC regulation, although not from the Commission’s anti-fraud or anti-manipulation enforcement authorities. Decentralized finance activities include validating or providing incidental services with respect to a digital asset, providing user-interfaces for a blockchain network, publishing and updating software, or developing wallets for blockchain networks.

#### **Sec. 310. Treatment of custody activities by banking institutions**

Section 310 prevents federal regulators from imposing requirements on financial institutions to include customers’ assets as liabilities on their balance sheets or from holding additional capital against these assets, except as necessary to mitigate against operational risks as determined by the appropriate federal or state regulator.

#### **Sec. 311. Digital commodity activities that are financial in nature**

Section 311 narrowly amends the Bank Holding Company Act to allow non-bank subsidiaries of holding companies (e.g., digital commodity brokers or dealers) to engage in digital commodity activities by adding such activities to the list of those that are financial in nature.

#### **Sec. 312. Effective date; Administration**

Section 312 provides that the provisions under Title III will take effect 360 days after enactment or, in the case of rulemakings under the Title, the later of 360 days after enactment or 60 days after publication of the final rule in the Federal Register.

### **Sec. 313. Studies on foreign adversary participation**

Section 313 requires the Secretary of the Treasury, in consultation with the CFTC and the SEC, to conduct a study and submit a report to the relevant congressional committees within a year of enactment on the involvement of governments of foreign adversaries in digital commodity markets and digital commodity registrants. The Comptroller General is required to conduct the same study and submit the same report to the relevant congressional committees.

## **TITLE IV—REGISTRATION FOR DIGITAL COMMODITY INTERMEDIARIES AT THE CFTC**

### **Sec. 401. Commission jurisdiction over digital commodity transactions**

Section 401 sets out the new authority of the CFTC over certain transactions in digital assets. Specifically, the section provides the Commission with exclusive regulatory jurisdiction over digital commodity cash or spot markets that occur on or with new CFTC registered entities created in this Act: Digital Commodity Exchanges, Digital Commodity Dealers, and Digital Commodity Brokers. This new authority complements the Commission's existing anti-fraud and anti-manipulation authority over all cash or spot market commodity transactions, including cash or spot market transactions in digital assets. This section also permits digital commodity brokers to engage in financing agreements for digital commodities with their customers.

Lastly, this section provides the CFTC with authority over transactions with or involving a permitted payment stablecoin that occurs on or with a CFTC registered entity. Section 401 prohibits the CFTC from implementing a rule or regulation, imposing a requirement or obligation on a registered entity or other entity registered with the CFTC, or imposing a requirement or obligation on a permitted payment stablecoin issuer regarding the operation of a permitted payment stablecoin issuer or a permitted payment stablecoin.

### **Sec. 402. Requiring futures commission merchants to use qualified digital asset custodians**

Section 402 requires futures commission merchants to hold customers' digital assets in a qualified digital asset custodian.

### **Sec. 403. Trading certification and approval for digital commodities**

Section 403 establishes the process by which a registered entity may determine that digital commodities are eligible to be traded on or through entities registered with the CFTC. The process requires a registered entity to submit a certification to the CFTC that the digital commodity meets the requirements of the Commodity Exchange Act, including the listing requirements under section 404 of this Act. The CFTC then has up to 80 days to review the certification for its accuracy, completeness, and veracity.

Section 403 also provides that a digital commodity exchange, broker, or dealer applying for CFTC registration may seek prior approval to list or offer certain digital commodities when registered with the CFTC.

### **Sec. 404. Registration of digital commodity exchanges**

Section 404 provides for the registration and regulation of digital commodity exchanges. Registered digital commodity exchanges must comply with core principles that include listing standards, trade surveillance, capital, conflicts of interest, reporting, and system safeguards. Subject to the core

principles, digital commodity exchanges are allowed to list only those digital commodities for which the issuer is in compliance with the disclosure requirements and for which they have made public disclosures regarding source code, transaction history, and digital asset economics.

Digital commodity exchanges are also subject to comprehensive requirements to segregate customer funds, provide risk-appropriate disclosures to retail customers, designate a chief compliance officer, be members of a registered futures association if they hold customer funds, and comply with any rules the registered futures association imposes.

Digital commodity exchanges that accept customer funds are required to hold those funds in a qualified digital asset custodian.

No digital commodity exchange or affiliate of the exchange is permitted to act as a counterparty to any transaction on the exchange, except in limited circumstances. And finally, a digital commodity exchange customer may elect, in writing, to participate in any blockchain services facilitated by the exchange, such as staking, subject to the requirements and limitations imposed by the CFTC. A customer's access to the exchange is not permitted to be conditioned on the customer's election to participate in blockchain services.

#### **Sec. 405. Qualified digital asset custodians**

Section 405 sets out the requirements for qualified digital asset custodians. Qualified digital asset custodians are subject to adequate supervision and appropriate regulation by certain federal, state, or foreign authorities. Section 405 provides the CFTC authority to further define minimum standards for adequate supervision and appropriate regulation and to provide rules for CFTC registered entities to custody digital assets.

#### **Sec. 406. Registration and regulation of digital commodity brokers and dealers**

Section 406 creates a comprehensive federal regulatory framework under the Commodity Exchange Act for the registration, oversight, and supervision of digital commodity brokers and dealers. It requires these firms to register with the CFTC, meet capital and risk management requirements, and comply with recordkeeping, reporting, business conduct, and customer protection standards. Firms engaged in financing agreements must meet additional requirements including capital, disclosure, recordkeeping, and supervision of employees and agents in connection with such financing agreements.

Customer funds held by a digital commodity broker or dealer are subject to comprehensive segregation and commingling restrictions. They are also required to be held in a qualified digital asset custodian. A customer of a digital commodity broker or dealer may elect, in writing, to participate in any blockchain services facilitated by the broker or dealer, such as staking, subject to the requirements and limitations imposed by the CFTC. A digital commodity broker or dealer may not condition a customer's access to their services on the customer's election to participate in blockchain services. In addition, digital commodity brokers and dealers are required to be members of a registered futures association and comply with any additional rules they impose.



**Sec. 407. Registration of associated persons**

Section 407 requires associated persons of digital commodity brokers and dealers to register with the CFTC and makes it unlawful for digital commodity brokers and dealers to permit persons to become or remain an associated person if the broker-dealer knew or should have known that the person was not registered with the CFTC or their registration was expired, suspended, or revoked.

**Sec. 408. Registration of commodity pool operators and commodity trading advisors**

Section 408 codifies the treatment of certain commodity pool operators (CPOs) dually registered with the SEC as investment advisors to match the statutory treatment granted to certain dually registered commodity trading advisors. Section 408 also requires the CFTC to issue rules providing exemptions for CPOs and commodity trading advisors to provide relief from duplicative, conflicting, or unduly burdensome requirements or to promote innovation, if those exemptions foster the development of fair and orderly markets, are in the public interest, and are consistent with the protection of customers.

**Sec. 409. Exclusion for decentralized finance activities**

Section 409 exempts certain decentralized finance activities related to the operations and maintenance of blockchain networks from CFTC regulation, although not from the Commission's anti-fraud or anti-manipulation enforcement authorities. Exempted activities include validating or providing incidental services with respect to a digital commodity, providing user-interfaces for a blockchain network, publishing and updating software, and developing wallets for blockchain networks.

**Sec. 410. Resources for implementation and enforcement**

Section 410 authorizes the CFTC to charge and collect filing fees from entities that are provisionally registered as digital commodity exchanges, brokers, or dealers under the Act. It requires the CFTC to publish a fee schedule, including an analysis of estimated costs to carry out the Act, annually in the Federal Register. This fee schedule must be submitted to Congress prior to publication. Additionally, the CFTC is provided expedited hiring authority to fill positions related to carrying out this Act. The authorities granted by this section sunset after four fiscal years.

**Sec. 411. Digital commodity activities by SEC-registered entities**

Section 411 creates an exemption from CFTC registration for certain SEC-regulated entities engaged in limited digital commodity activities. Specifically, alternative trading systems and registered brokers or dealers can avoid duplicative CFTC registration by submitting a notice, operating within defined trading or revenue limits, and complying with applicable SEC regulations.

**Sec. 412. Requirements related to control persons**

Section 412 makes it unlawful for a blockchain control person to sell digital commodities tied to a certified mature blockchain system without first notifying the CFTC and complying with certain disclosure and sales restrictions. A "blockchain control person" is defined as any individual or group with unilateral control over the system's rules or with significant voting power.

**Sec. 413. Effective date**

Section 413 provides that the provisions under this Title will take effect 360 days after enactment or, in the case of rulemakings under the Title, the later of 360 days after enactment or 60 days after publication of the final rule in the Federal Register.

**Sec. 414. Sense of the Congress**

Section 414 articulates the sense of the Congress that nothing in this Act or any amendment made by this Act should be interpreted to authorize any entity to regulate any commodity, other than a digital commodity, on any spot market.

**TITLE V—INNOVATION AND TECHNOLOGY IMPROVEMENTS****Sec. 501. Findings; Sense of Congress**

Section 501 expresses support for U.S. leadership in digital assets and reaffirms that Congress should establish a functional framework for the issuance of digital assets.

**Sec. 502. Modernization of the Securities and Exchange Commission mission**

Section 502 amends the Securities Act of 1933, the Securities Act of 1934, and the Investment Advisers Act of 1940, and the Investment Company Act of 1940 by adding “innovation” to the factors the SEC must consider when issuing a rulemaking.

**Sec. 503. Strategic Hub for Innovation and Financial Technology**

Section 503 establishes a committee known as the Strategic Hub for Innovation and Financial Technology (FinHub), which will serve as a resource to the SEC on emerging financial technologies, engage with market participants developing these innovations, and facilitate communication between the Commission and market participants by providing information on SEC rules and regulations.

**Sec. 504. Codification of LabCFTC**

Section 504 establishes LabCFTC in the CFTC, which will serve as an information source for the CFTC on financial technology (FinTech) innovation. It will ensure the CFTC is more accessible to FinTech innovators and bolster the CFTC’s understanding of new technologies. LabCFTC will also serve as a forum for innovators seeking a better understanding of the CFTC’s regulatory framework. Section 504 further requires LabCFTC to submit an annual report to Congress on its activity.

**Sec. 505. Study on decentralized finance**

Section 505 requires the CFTC, the SEC, and the Secretary of the Treasury to conduct a joint study on decentralized finance (DeFi), which will include an analysis of the size, scope, role, nature, and use of DeFi protocols; the benefits and risks of DeFi; how DeFi has integrated into the traditional financial markets, including the risks of DeFi integration; and the levels and types of illicit activities in DeFi compared to traditional financial markets. The agencies must submit a report to Congress one year after enactment. The Government Accountability Office (GAO) shall also conduct a report on DeFi and submit it to Congress one year after enactment.

DeFi is defined as blockchain applications that allow users to engage in financial transactions in a self-directed manner such that no third-party intermediary effectuates such transactions or takes custody of a user’s digital assets during any part of such transaction.

**Sec. 506. Study on non-fungible tokens**

Section 506 requires GAO to conduct a study on non-fungible digital tokens. GAO must make the report publicly available one year after enactment.



**Sec. 507. Study on expanding financial literacy amongst digital commodity holders**

Section 507 requires the SEC and CFTC to conduct a study on the financial literacy of digital commodity holders and examine ways the agencies can work together and/or in collaboration with other entities to improve financial literacy among digital commodity holders. This study must be submitted to Congress within a year of enactment.

**Sec. 508. Study on financial market infrastructure improvements**

Section 508 requires the CFTC and the SEC to conduct a study on whether additional guidance or rules are necessary to facilitate the development of tokenized securities and derivatives products. The study will also examine if further rules would foster the development of fair and orderly financial markets, be in the public interest, and provide further investor protections. The agencies must submit the report to Congress one year after enactment.