



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



HOUSE COMMITTEE ON  
**AGRICULTURE**  
CHAIRMAN GT THOMPSON

**Background:** Digital assets represent a clear opportunity for the advancement of innovation in the United States. This technology can modernize our financial infrastructure, reinforce the dollar's leadership in global markets, and support new collaborative models for delivering services, including access to financial products, social networks, and distributed computing systems.

### **The Problem: No Clear Rules**

Today, the biggest obstacle to innovation is the lack of clear regulations. Without knowing how digital assets will be treated, companies and developers are stuck in legal limbo.

Neither the Securities and Exchange Commission (SEC) nor the Commodity Futures Trading Commission (CFTC) currently has full authority over the offer and sale of non-security digital assets, creating a regulatory "spot market gap." This lack of clarity has:

- Confused investors and developers;
- Allowed bad actors to scam the public; and
- Pushed companies to move overseas, where clearer rules exist.

The Biden-Harris Administration, led by former SEC Chairman Gary Gensler, focused on enforcement instead of creating clear rules. This approach put responsible digital asset developers and service providers in the impossible spot of trying to navigate what and when regulations apply.

### **What's being done?**

House Committee on Financial Services and House Committee on Agriculture Republicans are working on a regulatory framework for digital asset markets and closing current regulatory gaps. The discussion draft establishes clear, functional requirements to protect consumers while fostering innovation. The digital asset market structure discussion draft will:

#### **Protect consumers by strengthening transparency and accountability:**

- Digital asset developers will be required to provide accurate, relevant disclosures, including information relating to each digital asset project's operation, ownership, and structure.

#### **Strengthen the market by protecting digital asset projects:**

- Digital asset developers will have a pathway to raise funds under the SEC's jurisdiction.
- Market participants will have a clear process to register with the CFTC for digital commodity trading.

#### **Provide clarity to customer-facing digital asset institutions by:**

- Establishing clear lines between the SEC and CFTC; and
- Creating comprehensive registration regimes to permit them to lawfully serve customers in digital asset markets.

**Bottom Line:** By providing strong safeguards and long-overdue regulatory certainty, the discussion draft advances President Trump's vision to make the U.S. the "crypto capital of the world" and reinforces America's leadership in the global financial system. Congress is working on creating a lasting framework – one that encourages innovation, protects users, and brings digital asset leadership back to the U.S.