FIN-TECH AND DIGITAL ASSETS

US Get Ready For The Digital Future

The Crypto Week and Digital Asset Strategy

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Table of Contents

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Executive Summary

- In July 2025, Congress passed three major crypto bills and regulators approved a series of rules allowing banks to engage in crypto activities, signaling a coordinated shift toward dollar-backed stablecoins over a retail CBDC to reinforce US financial dominance through blockchain.
- The **GENIUS Act**, the first standalone US law on stablecoins, treats them as a strategic financial tool and limits issuance to federally approved institutions—excluding big tech without special approval.
- All stablecoins must be fully backed 1:1 by liquid assets like cash and Treasuries, with monthly reserve disclosures and token-holder protections in bankruptcy.
- Stablecoins are framed as geopolitical instruments for exporting the US monetary system via decentralized rails. The strategy supports a weaker dollar for trade, while boosting its global utility through stablecoin adoption.
- Major US banks like Citi and JPMorgan are rapidly integrating stablecoin infrastructure, and the creation of tokenized deposits and settlement networks.
- Oversight shifts from the SEC and the Fed to the Office of the Comptroller of the Currency (OCC). SEC and CFTC serve a more ancillary role in the new regulatory framework. The SEC ruled to treat stablecoins in banks' balance sheets as "cash equivalents."
- As a positive spillover effect, mandating Treasury-backed reserves creates up to $2 trillion in new demand for US debt, underpinning the fragile US fiscal position.
- The **CLARITY Act** classifies tokens by decentralization—SEC for securities, CFTC for commodities—excluding stablecoins and NFTs, but critics warn of weakened consumer protections and regulatory arbitrage.
- The **Anti-CBDC Act** blocks retail digital dollar issuance, citing privacy risks, but may cause a severe delay in official digital currency adoption, when the standard will likely emerge at global level.
- Bank regulators (**SEC, FDIC, OCC**) say that banks don't need to ask for additional authorisation, before engaging in crypto activities.
- The SEC has launched its "**Project Crypto**", with plans to update securities laws for blockchain-based finance; and the CFTC has launched its "**Crypto Sprint**" program. In both cases, a new favourable regulatory treatment represents a major shift in the US approach to digital assets, after years of ambiguity or overly aversion.
- Finally, the **Digital Asset Report** issued by the White House and the Treasury Department outlines a roadmap to reinforce dollar dominance and make the US a crypto leader through stablecoin adoption, regulatory modernization, institutional tokenization, and public-private collaboration. This represents the overall policy framework for the digital asset strategy of the US administration and has been issued correctly by a politically-accountable, elected institution.

Introduction

The week of July 14, 2025, dubbed "Crypto Week" by Congress, marked a major turning point in the US digital asset policy strategy. In a rare show of bipartisan momentum, lawmakers passed three key bills: the GENIUS Act, the CLARITY Act, and the Anti-CBDC Act. At the same time, regulators authorized banks to provide crypto custody, and major US banks revealed their digital asset strategies centered on stablecoins and tokenized deposits. Finally, the White House and the Treasury Department released their Digital Asset Report, which outlines the overall strategy of the US government towards digital assets.

This coordinated push signals a strategic realignment between Capitol Hill, Wall Street, and the Treasury. The GENIUS Act marks a watershed moment in US financial regulation, setting the foundation for how dollar-pegged stablecoins are issued, governed, and integrated into both domestic and global markets. Alongside the CLARITY Act and Anti-CBDC Act, it reshapes the digital asset landscape, redistributes regulatory power, and signals a new phase in the US approach to crypto finance, one that seeks to extend dollar dominance through decentralized rails, while introducing unprecedented risks and political tradeoffs.

Rather than developing a retail central bank digital currency (CBDC), policymakers are embracing privately issued USD stablecoins as tools for global payments and monetary influence. These digital dollars—fast, borderless, and blockchain-based—are projected to grow to over $2 trillion in market cap by 2028, potentially generating $1.75 trillion in new demand for US Treasuries. In effect, stablecoins are emerging as the preferred vehicle to extend dollar dominance in the digital age—anchoring global liquidity while reinforcing US fiscal and geopolitical power.

The Genius Act: A Turning Point for US Stablecoin Regulation

One of the three major pieces of crypto legislation moving through Washington, the Guiding and Establishing National Innovation for US Stablecoins (GENIUS) Act, has now passed both the Senate and the House with strong bipartisan support. This marks the first time Congress has passed standalone legislation focused specifically on dollar-pegged stablecoins: digital tokens backed by low-risk reserves such as cash or short-term US Treasuries, designed to maintain a fixed value and facilitate fast, low-cost payments.

At its core, the GENIUS Act does more than merely define stablecoins; it elevates them to a key pillar of US financial strategy. In contrast to the central bank-led approaches of the EU and China, the United States is choosing a private-sector model, rooted in the dominance of the dollar and the liquidity of US capital markets.

The legislation introduces a tiered licensing regime, authorizing only Permitted Payment Stablecoin Issuers (PPSIs) to issue US dollar-pegged stablecoins. These may include federally insured depository institutions, OCC-chartered nonbanks, state-chartered issuers, and qualifying nonbank financial entities. To reiterate, non-financial commercial entities are prohibited from issuing stablecoins unless they receive explicit regulatory approval. This measure potentially prevents large corporations, particularly tech giants like the so-called "Magnificent Seven" (Apple, Microsoft, Google, Amazon, Meta, Nvidia, and Tesla), from unilaterally creating their own digital currencies that could rival the dollar in circulation and influence, unless they receive a specific authorisation.

Smaller issuers—with less than $10 billion in circulation—may operate under state supervision, provided that their regimes are deemed substantially equivalent to federal standards. Larger issuers are subject to federal oversight by the OCC, Federal Reserve, or FDIC. Foreign issuers must meet comparable regulatory requirements and submit to US oversight to operate within the US market.

To promote safety and financial stability, GENIUS mandates that all payment stablecoins be fully backed on a one-to-one basis by high-quality liquid assets. These reserves must be safeguarded with qualified custodians, and issuers are required to produce monthly reserve disclosures and, in some cases, annual audited financial statements. The Act includes bankruptcy provisions to ensure that holders of stablecoins receive priority claims on reserves in the event of issuer insolvency.

GENIUS also embeds strong compliance obligations. Issuers must implement robust frameworks for anti-money laundering (AML), sanctions compliance, and customer identification (KYC). This applies equally to foreign issuers, who will no longer be able to access the US market without meeting these same standards—eliminating regulatory advantages previously enjoyed by non-US players.

Crucially, the Act also brings regulatory clarity. It explicitly defines stablecoins as neither securities nor commodities, thus removing them from the purview of the SEC and CFTC. Instead, oversight is placed in the hands of the Federal Reserve, the Office of the Comptroller of the Currency (OCC), or state banking regulators, depending on the issuer's charter. Politically, the GENIUS Act also signals a shift in regulatory balance. By carving stablecoins out of the definitions of securities, deposits, and bank liabilities, the bill limits the SEC's jurisdiction while folding stablecoins into the Bank Secrecy Act framework for anti-money laundering compliance. This narrows the SEC's reach and consolidates power within the Treasury-led regulatory ecosystem, particularly the OCC.

To prevent regulatory arbitrage, the Act grants the federal Stablecoin Certification Review Committee—comprising Treasury, the Fed, and FDIC—the authority to determine which state regimes qualify as "substantially similar." In exceptional cases, federal agencies may override state regulators if they fail to enforce standards adequately. State regulators may also collaborate with federal counterparts through memoranda of understanding.

The Macroeconomic Strategy Behind the GENIUS Act

Beyond legal structure, the GENIUS Act has profound macroeconomic implications. By requiring stablecoin reserves to be held in US Treasuries, the Act creates a new and potentially massive source of structural demand for US government debt, estimated by some to reach $2 trillion in the coming years. This provision is central to the Treasury Department's broader strategy to fund US deficits while reinforcing the dollar's role as the world's reserve currency.

Expanding Dollar Hegemony via Decentralized Rails

The global adoption of US stablecoins does not just serve users abroad; it also generates strategic economic advantages for the United States. First, it reinforces the dominance of the US dollar in global transactions, even in jurisdictions where the Federal Reserve has no direct footprint. By digitizing the dollar and embedding it in decentralized payment rails, stablecoins allow the US to extend its monetary reach without expanding its banking system. This enhances the dollar's status as the world's default reserve and transactional currency, particularly in a time when other powers are experimenting with alternative digital currencies (e.g., the digital yuan or digital euro).

Trump's Dual Strategy: Weakening the Dollar, Reinforcing its Power

The Trump administration's broader strategy blends two seemingly opposing goals: weakening the dollar to reduce the trade deficit, while preserving its dominance by expanding its global utility. Stablecoins are central to this logic. In one scenario, countries like Japan could be pressured into reallocating portions of their dollar reserves—such as its $1.2 trillion stockpile—toward purchasing US stablecoins. This would increase the dollar's global circulation, reducing its value, while the resulting inflows would be reinvested into Treasuries, lowering government borrowing costs. As Vice President JD Vance put it, the global uptake of stablecoins could become "a force multiplier of our economic might."

Financial Frictions and Risks Ahead

Yet the strategy carries risks. As dollars migrate from domestic bank accounts into stablecoins, banks may be forced to raise deposit rates to stem outflows, while the Treasury ramps up issuance to satisfy rising demand for short-term bills. The result could be a steeper yield curve—falling short-term rates, rising long-term and bank rates—a classic precursor to financial instability.

A warning sign came in 2023 when Circle, the issuer of USDC, nearly lost its dollar peg after $3.3 billion of reserves were caught in the collapse of Silicon Valley Bank. A Federal Reserve and FDIC backstop prevented a broader collapse, but the episode highlights the systemic risks stablecoins can pose. Now, with the Treasury projecting that up to $6.6 trillion in bank deposits could shift into stablecoins under the GENIUS Act, the stakes are considerably higher. What was once a fringe innovation is fast becoming a pillar of US monetary policy—with all the power and peril that entails.

Conflict of Interest: Treasury as Both Borrower and Regulator

One of the more quietly controversial aspects of the GENIUS Act is the power it gives to the US Treasury. The same agency that issues government debt—the US Treasury—also oversees stablecoin issuers through the OCC, raising concerns about a conflict of interest, especially as stablecoins increasingly hold Treasuries as reserves. As the stablecoin market expands, potentially generating trillions in demand for government securities, this dual role raises concerns about a conflict of interest. Treasury would be regulating its own largest group of bond buyers.

To address this, lawmakers added procedural safeguards. The Treasury Secretary must now justify certain decisions, such as granting exemptions or recognizing foreign stablecoins, and a new review committee involving the Federal Reserve and FDIC can step in. But these measures only manage the process, they don't resolve the deeper structural tension.

What makes this more problematic is the relatively limited role the Federal Reserve plays in the new framework. Despite stablecoins' growing relevance for monetary policy, the Fed has little direct authority under the Act. This reflects a broader political choice of aligning stablecoins with fiscal objectives rather than integrate them into the central bank's toolkit.

While the GENIUS Act may help normalize stablecoins and reinforce dollar dominance, it does so by concentrating power in an institution that has much to gain from their success. In doing so, it risks compromising regulatory neutrality and weakening the balance between fiscal and monetary institutions.

The CLARITY Act: Redefining US Digital Asset Oversight

The CLARITY Act, passed alongside GENIUS Act, addresses the broader digital asset market structure, covering intermediaries, trading platforms, and dividing regulatory oversight between the SEC (Securities and Exchange Commission) and CFTC (Commodity Futures Trading Commission).

At the heart of the issue is the longstanding ambiguity over whether digital assets are securities or commodities—a distinction that determines whether SEC or CFTC rules apply. Under the CLARITY Act, classification depends on the asset's use and level of decentralization.

- If a token is issued to raise capital, and investor profits depend on the actions of a central team, it is considered a security, subject to SEC oversight.
- Once the token's blockchain becomes sufficiently decentralized—defined as no more than 20% insider control—it is reclassified as a commodity and comes under CFTC jurisdiction.

Stablecoins, tokenized real-world assets, and NFTs are explicitly excluded from this framework.

The Act gives the CFTC primary authority over digital commodities, introducing a $75 million exempt offering regime for projects tied to “mature” blockchains. It also creates new registration categories for brokers, custodians, and other intermediaries, with provisional licenses during the transitional phase. While the CFTC takes the lead on trading oversight, the SEC retains power over anti-fraud and disclosure enforcement. Certain DeFi protocols may be exempt, pending further CFTC guidance.

Critiques and Concerns Over Regulatory Fragmentation

Despite its intent to provide clarity, the Act has drawn criticism for deepening confusion through its dual oversight model, which some argue complicates enforcement and creates regulatory arbitrage.

Senator Elizabeth Warren warns that big tech firms could exploit the decentralized classification to issue unregulated tokens, bypassing SEC scrutiny. Consumer advocacy groups, such as Americans for Financial Reform (AFR), argue that the bill weakens investor protection by shifting too much authority to the CFTC, which lacks a comparable consumer protection mandate. Compared to earlier proposals like FIT 21, critics say the CLARITY Act is even more deregulatory, reclassifying many tokens as commodities and opening the door to increased fraud and investor risk.

The Anti-CBDC Act: Blocking the Digital Dollar

Alongside the GENIUS Act, the US House of Representatives also passed the Anti-CBDC Surveillance State Act, which now awaits a Senate vote. While the GENIUS Act has already cleared the upper chamber, the Anti-CBDC Act remains under review. The bill seeks to ban the Federal Reserve from issuing a retail central bank digital currency (CBDC)—a digital dollar intended for public use in everyday transactions. It does not prohibit wholesale CBDCs, which are restricted to interbank settlements and are not accessible to the general public.

A revised version of the bill explicitly targets only retail CBDCs, leaving room for the continued use of distributed ledger technologies (DLT) in wholesale contexts. This legal carve-out allows the Fed to pursue tokenized reserves and other institutional experiments without crossing into politically contentious territory. In fact, the Fed itself maintains a clear distinction between tokenized central bank liabilities and retail CBDCs, treating the former as a technical modernization effort rather than a new form of money.

Consequences of the Ban

Proponents of the bill frame it as a defense against surveillance and government overreach, citing concerns that a retail CBDC could enable real-time tracking of consumer transactions. However, critics warn of broader strategic costs. If enacted, the US would become the only major economy to formally ban a CBDC, risking isolation in the evolving global digital currency ecosystem. In our view, a well balanced digital asset ecosystem requires three forms of digital currencies to be available at the same time: crypto assets for speculative reasons, stablecoins for payments, and retail CBDC as a backstop currency and public safe assets in people’s digital wallets serving as the foundation of trust in the digital assets ecosystem.

Opponents argue that the legislation could undermine the Federal Reserve’s leadership in modernizing cross-border payments, particularly through initiatives like Project Agora, which aims to integrate tokenized commercial and central bank money. More broadly, critics fear that ceding ground in digital currency development to geopolitical rivals like China could erode the global role of the dollar, weaken US influence over international financial standards, and reduce the effectiveness of sanctions enforcement.

US Bank Regulators Sharpen Oversight of Crypto-Asset Safekeeping

In July 2025, US banking regulators—the Federal Reserve, Federal Deposit Insurance Corporation (FDIC), and Office of the Comptroller of the Currency (OCC)—jointly issued a series of statements and bulletins aimed at tightening supervisory expectations around crypto-asset safekeeping services offered by banks. These interventions reflect a shift from regulatory ambiguity to a more defined, risk-based oversight framework, particularly as banks expand their involvement in the digital asset ecosystem.

At the core of these publications is a clear message: while banks are not prohibited from engaging in crypto-asset custody, they must demonstrate robust risk management capabilities before doing so. Crypto safekeeping is not treated as an entirely new financial activity, but rather as a technologically distinct form of custody that presents elevated operational, legal, and reputational risks. Regulators emphasized that existing banking laws and supervisory standards already apply—particularly those related to internal controls, cybersecurity, anti-money laundering (AML), customer protection, and third-party risk.

The agencies called for enhanced scrutiny of how banks manage private cryptographic keys, oversee third-party custodians, and maintain internal governance structures. Institutions must thoroughly assess the unique risks associated with each asset, including its technical structure, underlying governance model, and potential exposure to forks, airdrops, or smart contract vulnerabilities. Special attention was given to the need for segregation of customer assets and well-defined contingency planning, particularly in the event of sub-custodian failure or asset loss.

Importantly, the guidance requires banks to notify their primary regulators before launching crypto safekeeping services. Supervisory approval will depend on the institution's ability to demonstrate operational resilience, legal compliance, and technological competence. Risk frameworks must be dynamic, not static, with regular reassessment as the crypto market and its regulatory context continue to evolve.

Taken together, these measures do not signal a retreat from allowing crypto involvement in banking but rather a recalibration: banks may participate in the crypto economy, but only under clear supervisory expectations and within the boundaries of safe and sound practices. The implicit regulatory logic is to prevent crypto-related risks from spilling over into the broader financial system via underprepared institutions. This move also signals that US regulators are increasingly unwilling to allow institutional engagement with crypto-assets to outpace regulatory capacity.

Banks' Quarterly Results and Digital Assets Strategy

Major US banks reported solid quarterly earnings in Q2, even amid geopolitical uncertainty and trade tensions. Beyond the numbers, several banks used the moment to signal their longer-term digital asset strategies, aligning themselves with the regulatory shift driven by the GENIUS and CLARITY Acts—positioning to dominate the stablecoin infrastructure under a bank-led, dollar-based framework.

Citi's strategy stands out for its breadth and ambition. The bank is not merely exploring a proprietary stablecoin; it is actively laying the groundwork to dominate the tokenized deposit and cross-border payment rails. The documents show Citi's five-pillar approach: building fiat-crypto on/off ramps, managing stablecoin reserves, offering crypto custody, co-developing a Zelle-like bank stablecoin with peers (e.g., JPMorgan and Bank of America), and scaling tokenized deposit services that enable real-time global settlement.

In parallel, JPMorgan, Bank of America, and others echo similar themes. JPMorgan's Depositcoin initiative and participation in stablecoin pilots indicate a strategic hedging—one foot in compliance, the other in innovation. Their vision suggests that stablecoins and tokenized deposits are seen less as disruptive threats than as tools to reinforce banking dominance in payments and FX markets.

Regulatory Power Shift

Traditionally, the Federal Reserve and the Securities and Exchange Commission (SEC) serve as prudential regulators, overseeing the stability, integrity, and systemic risk of the US financial system. The Fed monitors macro-financial risks and the safety and soundness of banks, while the SEC acts as Wall Street's watchdog, enforcing disclosure and investor protection standards in securities markets.

In the context of crypto regulation, the CLARITY Act has emerged as a legislative turning point. The bill seeks to redefine digital asset oversight by transferring much of the SEC's authority to the Commodity Futures Trading Commission (CFTC), effectively weakening the SEC's central role. This move has sparked broad criticism, particularly from consumer protection advocates and Democrat lawmakers.

Critics argue the bill prioritizes market structure over investor protection. Americans for Financial Reform (AFR) contend the CLARITY Act is even more deregulatory than the previously introduced FIT 21 bill. By classifying many crypto tokens as commodities, the Act may allow issuers to bypass strict securities laws, opening the door to increased fraud and market manipulation.

Former CFTC Chair Timothy Massad has also criticized the bill's "dual oversight" model, which could exacerbate regulatory confusion rather than clarify enforcement responsibilities. He emphasizes the need for stronger coordination between the SEC and CFTC, particularly in the fast-moving digital asset space.

As mentioned, Senator Elizabeth Warren has raised concerns that the bill could enable large technology companies to exploit legal loopholes and issue unregulated tokens, effectively sidestepping SEC scrutiny. Similarly, Representatives Maxine Waters and Angie Craig oppose the legislation for transferring too much authority away from the SEC, arguing that it puts industry interests ahead of retail investor safety.

These shifts pose deeper institutional risks. The CLARITY Act may erode the influence of traditional prudential regulators just as crypto becomes more intertwined with the mainstream financial system. While the bill promises a more tailored framework for digital assets, its design risks favoring "light-touch" regulation and enabling regulatory capture. Dual registration and inter-agency cooperation, though sound in theory, may in practice lead to fragmented oversight, blurred lines of accountability, and opportunities for regulatory arbitrage.

Further criticisms include the Act's failure to mandate plain-language disclosures for consumers, the absence of robust stablecoin reserve standards, limited investor redress mechanisms, and vague definitions around "mature" blockchain systems. By preempting state-level protections and under-regulating decentralized finance (DeFi), the Act could weaken regulatory accountability not just in crypto markets but also in traditional finance, where standards of transparency and systemic oversight have long been hard-won.

In sum, the CLARITY Act represents a political and regulatory recalibration, one that risks sidelining core institutions like the Fed and SEC, while amplifying systemic vulnerabilities in a rapidly evolving sector.

US Digital Assets Report Charts Course for Dollar Dominance and Crypto Innovation

On July 30, the US Treasury released its long-awaited 166-page Digital Asset Report, outlining a strategic vision that positions digital assets as central to American financial and geopolitical leadership. The report frames the sector as both inevitable and essential: "One in five Americans - over 68 million people - own cryptocurrencies," it states, asserting that individuals and businesses should be able to use digital assets "without fear of prosecution." The report embraces US dollar-backed stablecoins as the next frontier in global payments and urges policymakers to support their adoption as a vehicle for preserving dollar dominance in the digital age. It also draws clear red lines: US efforts must preserve the two-tier banking system, safeguard individual financial privacy, and embed strong AML/CFT and sanctions compliance into all digital infrastructure.

In terms of market structure, the Treasury calls for regulatory modernization to accommodate tokenized assets and digital asset trading platforms. It recommends that the SEC revise Regulation ATS or create a new framework that enables platforms to trade digital commodities and securities side-by-side, under a regime tailored for the unique nature of blockchain markets. It further advises modernizing transfer agent rules to explicitly allow the use of blockchain-based ledgers, thus removing a major bottleneck for real-world asset tokenization and secondary market settlement. The report also supports safe harbors, regulatory sandboxes, and fast-track approval mechanisms to ensure innovative financial products reach markets without bureaucratic delays.

The report also strongly supports institutional tokenization and market depth, calling on US regulators to establish conditions that make American digital asset markets the deepest and most liquid in the world. This includes endorsing tokenized non-cash collateral frameworks and a US digital asset taxonomy, both of which originated from the CFTC's Digital Asset Markets Subcommittee (DAMS) under its Global Markets Advisory Committee. The report credits this subcommittee, composed of both crypto-native and traditional finance leaders, for building consensus on tokenization policy, many of whose 2024 recommendations have now been formally adopted.

Beyond regulatory architecture, the report calls for modernizing banking regulation by clarifying permissible activities such as custody, tokenization, and stablecoin issuance, and ensuring bank capital rules reflect actual, not assumed, risk exposure. It also proposes clearer pathways to obtain Fed master accounts and charters for crypto-native institutions.

On AML/CFT, the report calls for a tailored approach for different business models (e.g., centralized platforms vs. DeFi protocols), with updated OFAC guidance and strengthened BSA compliance. It encourages use of blockchain analytics and AI-based tools to detect illicit activity without overregulating lawful innovation.

On taxation, the report recommends IRS guidance on staking, mining, wrapping, and de minimis exemptions, and calls for legislation treating digital assets as a distinct asset class under modified versions of securities or commodities tax rules.

Treasury Secretary Scott Bessent declared the end of the war on crypto, crediting President Trump with transforming the US into a global crypto leader. Key milestones include launching the Presidential Working Group on Digital Assets, enacting the GENIUS Act, halting hostile enforcement, and advancing market structure reforms like the CLARITY Act. Bessent framed the new digital asset report as a blueprint to reinforce dollar dominance, modernize regulation, and attract global innovation, urging entrepreneurs to build the crypto future in the US.

We consider of paramount importance that a politically-accountable, elected institution has taken ownership of the digital asset segment of the economy, as it carries risks that no regulator can and will ever bear. Strategically important choices must be made by elected politicians and policymakers, not technical supervisors.

SEC's "Project Crypto" and CFTC's "Crypto Sprint"

Following the Treasury's Digital Asset Report, SEC Chairman Paul Atkins unveiled "Project Crypto," a sweeping initiative to modernize securities laws for an on-chain financial system. The SEC will draft new rules for tokenized assets, crypto asset classification, and distribution—aiming to attract innovation, reshore crypto businesses, and align with the GENIUS Act and PWG recommendations. The agenda includes tailored custody rules, support for self-custody, and streamlined licensing to enable "super-app" platforms offering both security and non-security assets. Atkins emphasized the need to clear regulatory obstacles and foster commercial viability to ensure US dominance in digital finance. Some of the immediate effects have been (a) that stablecoins will be treated as "cash equivalents" in banks' balance sheet, i.e. without requiring punitive capital charges to retain them; (b) that some crypto activities like liquid staking (under certain conditions) does not count as a securities offering, so do not fall within the SEC's jurisdiction, i.e. investors may stake ETH through a protocol, get a token back (like stETH), and use it in DeFi, without triggering securities laws.

Equally, the CFTC issued its "Crypto Sprint" project, an initiative for trading spot crypto asset contracts that are listed on a CFTC-registered futures exchange ("designated contract market" or DCM). Currently, the Commodity Exchange Act currently requires that retail trading of commodities with leverage, margin, or financing must be conducted on a DCM. Starting today, the CFTC invites all stakeholders to provide regulatory clarity on how to list spot crypto asset contracts on a DCM using the CFTC's existing authority, without requiring further authorisation.