

Crypto Legislation: An Overview of H.R. 3633, the CLARITY Act

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On June 23, 2025, the House Committees on Financial Services and Agriculture reported H.R. 3633, the Digital Asset Market Clarity Act of 2025 (or the CLARITY Act). The bill would give the Commodity Futures Trading Commission (CFTC) a central role in regulating digital commodities and related intermediaries while preserving certain aspects of Security and Exchange Commission (SEC) authority over primary market crypto transactions, subject to a new limited exemption from SEC registration requirements for fundraising. The bill would define *digital commodity* as a digital asset whose value is “intrinsically linked” to the use of the blockchain. The term *digital commodity* would exclude securities, derivatives, and stablecoins. A summary of the major provisions of the [amendment in the nature of a substitute](#) is below.

Defining *Mature* Blockchains

H.R. 3633 would require that the value of a digital commodity related to a mature blockchain be “substantially derived from the use and functioning of the blockchain,” that it not restrict or privilege any users, and that it limit ownership by certain holders to less than 20% of outstanding units, among other things. Maturity (or intended maturity) would be a precondition for certain features of the bill’s framework.

The bill would allow a digital commodity issuer to certify to the SEC that its related blockchain is *mature* and would identify criteria by which the SEC would assess blockchain maturity. H.R. 3633 would define *mature blockchain* as “a blockchain system, together with its related digital commodity, that is not controlled by any person or group of persons under common control.”

SEC Jurisdiction

The bill would provide an exemption from the [Securities Act of 1933](#)’s registration requirement for offers of investment contracts involving digital commodities on mature blockchains that meet certain conditions. Issuers relying on the exemption would be required to limit sales of digital commodities to \$75 million over a 12-month period. H.R. 3633 would require issuers relying on the exemption to file an “offering

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statement.” Issuers of digital commodities related to blockchains that are not mature would have additional reporting requirements. The bill would direct the SEC to write rules within 270 days of enactment implementing additional requirements for blockchains that fail to mature and would be permitted to limit such an issuer’s reliance on the exemption to raise additional funds.

The bill would not limit access to accredited investors based on income or net worth participation thresholds.

The bill suggests that some of the digital commodities subject to this bill may also be *investment contract assets*—digital assets that, among other traits, are sold pursuant to investment contracts (a type of security). However, the bill would clarify that an “investment contract” does not include an “investment contract asset.” This seems to imply that an instrument must be issued through an investment contract to qualify as an “investment contract asset” but that an “investment contract asset” is not itself an investment contract and thus not a security.

H.R. 3633 would allow traditional securities markets participants registered with the SEC to engage in [secondary market](#) trading upon notification to—but not registration with—the CFTC provided regulation by the two agencies is “consistent.” The bill would permit an *alternative trading system* (ATS) registered with the SEC, subject to certain limitations, to trade any digital commodity that meets listing standards. The SEC would have jurisdiction and rulemaking authority over the digital commodity transactions of these market participants.

CFTC Jurisdiction

The bill would provide the CFTC with exclusive regulatory jurisdiction over transactions in digital commodities—including in spot or cash markets—by or on any entity registered with or required to be registered with it. The bill would require *digital commodity exchanges* (DCEs), such as the centralized platforms that currently dominate crypto trading, and *digital commodity brokers* and *dealers* to register with the CFTC. The bill would establish Core Principles, with which exchanges would be required to comply, and would include trade monitoring, record keeping and reporting, addressing antitrust considerations, and minimizing conflicts of interest, among others. The bill would prohibit a DCE from comingling its assets with those of customers, but a customer could waive this for certain reasons. The bill would prohibit DCEs and their affiliates from trading for their own accounts but would allow the CFTC to write rules permitting such trading for certain specified purposes. The bill would require that the bankruptcy code be updated to account for funds held by DCEs but would omit funds waived from the comingling prohibition.

DCEs would be permitted to offer for trade only digital commodities whose related blockchains are certified as mature or—for blockchains not yet mature—whose issuers comply with ongoing reporting requirements. Prior to listing new digital commodities, DCEs would be required to publish certain information, including source code, transaction history, and “digital commodity economics.” New certifications would become effective 20 days after filing. CFTC disapprovals would require detailed analysis.

Provisional Registration and Other Provisions

H.R. 3633 would establish a provisional registration that would regulate DCEs, brokers, and dealers until the bill is implemented. Entities that apply for registration would be considered compliant with the provisional registration regime subject to certain conditions, which include protecting customer assets and allowing the CFTC to access their books and records. A provision permitting the CFTC to collect fees from intermediaries filing under the provisional registration would sunset after four years.

Decentralized finance activities, such as validating, would be excluded from the bill's requirements but not from the agencies' anti-fraud and anti-manipulation authorities.

The bill would also

- apply the [Bank Secrecy Act](#) to new DCEs, brokers, and dealers, subjecting them to its anti-money laundering requirements;
- amend the [Bank Holding Company Act](#) to allow financial holding companies and qualifying banks to conduct digital commodities activities;
- limit SEC and CFTC jurisdiction over payment stablecoins to transactions involving registered entities; and
- create a qualified digital asset custodian requirement (which may include banks) that could be subject to state or federal regulation by various regulators, depending on type.

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