



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



## **The Digital Asset Market Clarity (CLARITY) Act**

The CLARITY Act, sponsored by House Committee on Financial Services Chairman French Hill (AR-02) and House Committee on Agriculture Chairman G.T. Thompson (PA-15) was introduced on May 29, 2025, and has 20 cosponsors (13 Republicans, 7 Democrats). The bill advanced out of both Committees with bipartisan support on June 10, 2025.

The 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, this bipartisan 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 financial innovation.
- However, regulation-by-enforcement and ongoing regulatory ambiguity have stifled this innovative potential while leaving consumers unprotected.
- The CLARITY Act addresses these challenges by establishing a clear regulatory framework for digital asset markets and closing the current regulatory gaps.
- The CLARITY Act is essential to restoring confidence in America's regulatory environment, encouraging innovation, and keeping digital asset businesses in the U.S.

### **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 Securities and Exchange Commission's (SEC) jurisdiction.
- Market participants will have a trusted pathway to trade digital commodities through intermediaries and exchanges overseen by the Commodity Futures Trading Commission (CFTC).

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

- The CLARITY Act establishes clear lines between the SEC and CFTC.
- The CLARITY Act creates comprehensive registration regimes to permit digital asset firms to lawfully serve customers in digital asset markets.

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

- Digital asset 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 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.