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## Crypto Policy Tracker

# GENIUS Act Clears Senate, SEC Withdraws Proposed Rules and Bitcoin Reserve Bill Introduced

By [Josh Boehm](#), [Chris Daniel](#), [Meagan E. Griffin](#), [Eric C. Sibbitt](#), [Dana V. Syracuse](#), [Kristofer Reading](#), [Dina Ellis Rochkind](#), [Lisa E. Rubin](#) and [Samantha Ackel](#)

The Senate passed the GENIUS Act with bipartisan support, marking a significant step forward in advancing stablecoin legislation. Legislative action on stablecoins will now move to the House of Representatives. The House Financial Services Committee has been focused on its own version of stablecoin legislation, the STABLE Act ([H.R. 2392](#)).

Additional crypto policy developments continued to gain momentum across all branches of government. Rep. Tim Burchett (R-TN) introduced legislation to codify the executive order establishing a Strategic Bitcoin Reserve. Federal banking regulators issued a joint request for information seeking input on ways to mitigate payments fraud, a signal that agencies remain focused on balancing innovation with consumer protection. Meanwhile, the SEC withdrew 14 previously proposed rules, including those affecting best execution and custody standards.

## Congressional Updates

### GENIUS Act and STABLE Act Updates

- On June 17, the Senate passed the GENIUS Act ([S.1582](#)) overwhelmingly with a bipartisan [vote of 68 to 30](#). This marks a significant milestone in advancing federal stablecoin legislation, with the goal of getting it signed into law before July 4.
- The legislation now heads to the House of Representatives, where the House Financial Services Committee [has been focused](#) on its [own version of stablecoin legislation](#), the STABLE Act ([H.R. 2392](#)). The STABLE Act passed out of the House Financial Services Committee earlier this year but has not been considered on the House Floor. On June 18, [the President urged](#) the House to pass the GENIUS Act without any changes to the legislative text as soon as possible so he can sign it into law.
- The GENIUS Act establishes a regulatory framework for payment stablecoins, defined as digital asset coins designed for payment, listed by a stablecoin issuer that maintains the coin will hold a stable value relative to a fixed amount of monetary value. For more on past developments of the GENIUS Act, please see our past trackers [here](#) and [here](#).

- The version of the bill that passed the Senate [was amended to gain support](#) from Democratic Senators for final passage of the legislation on the Senate Floor. Key amendments include:
  - **State Regulation:** The GENIUS Act authorizes stablecoin issuers to opt for state regulation (e.g., New York's BitLicense) if such issuers' outstanding issuance is \$10 billion or less and the Treasury Secretary determines a state's regulatory regime is "substantially similar" to the GENIUS Act's framework. The new version includes a provision to expedite the review and certification of existing state regimes, including those in effect within 180 days of the bill's passage. *See Section 4(c).*
  - **Out-of-State Bank Subsidiaries:** The revised GENIUS Act also expanded the authorization for state-chartered depository institutions, including trust companies that accept deposits, to provide money transmission or custodial services by allowing them to do so through permitted payment stablecoin issuer subsidiaries in any state under their home state's rules if they contain certain prudential requirements. *See Section 16(d).*

### Members of Congress Voice Concern About Double Taxation of Digital Assets

- On June 9, Reps. Zach Nunn (R-IA), Bryan Steil (R-WI) and Byron Donalds (R-FL) and Majority Whip Tom Emmer (R-MN) [sent a letter](#) to Treasury Secretary Scott Bessent and IRS Acting Commissioner Michael Faulkender to express concern about the federal tax treatment of digital asset network rewards earned through proof-of-work mining and proof-of-stake validation.
- The letter referenced [IRS Notice 2014-21](#) and contends that the IRS "taxes these rewards at the moment of creation rather than upon sale or exchange, which imposes an unfair and duplicative burden on American digital asset infrastructure projects."

### Rep. Burchett Introduces Legislation to Codify Strategic Bitcoin Reserve

- On June 6, Rep. Tim Burchett (R-TN) introduced the "Executive Order 14233 Act of 2025" ([H.R. 3798](#) to codify President Trump's [Executive Order 14233](#), which aims to establish a strategic Bitcoin reserve and United States digital asset stockpile.
- The Executive Order, released March 6, indicated that the Secretary of the Treasury would establish an office to administer and maintain control of custodial accounts, collectively known as the "Strategic Bitcoin Reserve," held by the Department of the Treasury that was forfeited as part of criminal or civil asset forfeiture proceedings or in satisfaction of any civil money penalty imposed by any executive department or agency. Under Executive Order 14233, the government BTC deposited into the Strategic Bitcoin Reserve is not to be sold and must be maintained as reserve assets of the United States, utilized to meet governmental objectives in accordance with applicable law.

### Agency Updates

#### Federal Banking Regulators Seek Input on Combatting Payments Fraud

- On June 16, the OCC, the Board of the Federal Reserve and the FDIC released a [joint request for information](#) (RFI) [seeking public input](#) on questions related to payments fraud. The RFI offers interested stakeholders the opportunity to identify ways that the OCC, the Federal Reserve and the FDIC could take actions collectively or independently in their respective roles to help consumers, businesses and financial institutions mitigate fraud.
- Vice Chair for Supervision Michelle W. Bowman [released a statement](#) saying that the interagency announcement is a welcome first step in the efforts of the federal banking agencies to combat the increasing occurrence of fraud, particularly check fraud.
- The RFI focuses on five main areas: (i) whether regulators could collaborate with external parties to address fraud; (ii) whether consumers, businesses, financial institutions and others currently have access to adequate financial education; (iii) whether additional regulatory or supervisory actions are needed to mitigate payments fraud; (iv) whether payments fraud data collection and information sharing could be improved; and (v) whether the Reserve Banks could enhance current risk mitigation tools.

### SEC Withdraws Number of Rule Proposals

- On June 12, the SEC [withdrew 14 notices of proposed rulemaking](#) that had been issued between March 2022 and November 2023 under former SEC Chair Gensler. If the SEC decides to pursue future regulatory action in any of these areas, it will issue new proposals, giving industry participants the opportunity to comment.
- Notably, the SEC withdrew a proposed [amendment to Rule 3b-16](#) under the Securities Exchange Act of 1934 that would have broadened the definition of the term “exchange” to include indications of trading interest rather than the matching of orders as currently defined. This change could have captured decentralized exchanges that do not match orders like traditional exchanges, as well as commonly used communication protocols. The SEC later repropose the amendment [with supplemental information](#) making clear an intent to regulate decentralized exchanges and retroactively reinterpreting existing Rule 3b-16 to apply to such exchanges (though it is not clear the text would support this interpretation).
- Additionally, the SEC withdrew a [proposed rule](#) that would have amended certain provisions of the custody rule under the Investment Advisers Act of 1940. The proposal would have expanded registered adviser custody requirements from “funds and securities” to any assets under an advisers’ discretion. It also included reinterpretations of the existing custody rule, apparently aimed at crypto firms, that require advisory client assets to remain inside a qualified custodian at all times. This would have effectively prohibited many crypto exchanges, which are not qualified custodians, from holding advisory client assets. On May 10, 2023, the House Financial Services Committee [sent a letter to the SEC](#) encouraging it to withdraw the proposed rule, asserting that the proposed rule deviates from traditional custody practices, would allow the SEC a backdoor to regulate entities outside of its jurisdiction and would increase the cost of custodial services.

### Outgoing CFTC Chair Pham Discussed Crypto Oversight

- On June 12, in an [interview with Yahoo Finance](#), outgoing CFTC Acting Chair Caroline Pham emphasized that while the CFTC has a pro-growth and innovation mindset, the agency will not tolerate fraud, stating: “Fraud is always illegal. Those are criminals who deserve to be caught, punished and held accountable.” This speech signals that while the current administration is more crypto-friendly, it is not writing the industry a blank check. Acting Chair Pham also said that she is pleased the CFTC has been able to decisively “end the regulation by enforcement” against crypto and able to refocus attention on “catching fraudsters and scammers in our markets.”

### Nomination Updates

#### Senate Agriculture Committee Holds Quintenz Nomination Hearing

- On June 10, the Senate Agriculture Committee held a [nomination hearing](#) for Brian Quintenz, the nominee for the CFTC chair. Quintenz may become the CFTC’s sole commissioner following departures and unfilled vacancies. Quintenz said the CFTC would need more funding and staff if the CLARITY Act is signed into law, given the framework and the potential new jurisdiction for the CFTC under that [market structure bill, which advanced](#) in the House Financial Services and Agriculture Committees.

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*If you have any questions concerning these developing issues, please do not hesitate to contact any of the following Paul Hastings lawyers:*

**Atlanta**

Chris Daniel  
+1-404-815-2217  
[chrisdaniel@paulhastings.com](mailto:chrisdaniel@paulhastings.com)

Meagan E. Griffin  
+1-404-815-2240  
[meagangriffin@paulhastings.com](mailto:meagangriffin@paulhastings.com)

**New York**

Josh Boehm  
+1-212-318-6033  
[joshboehm@paulhastings.com](mailto:joshboehm@paulhastings.com)

Dana V. Syracuse  
+1-212-318-6034  
[danasyracuse@paulhastings.com](mailto:danasyracuse@paulhastings.com)

Samantha Ackel  
+1-212-318-6385  
[samanthaackel@paulhastings.com](mailto:samanthaackel@paulhastings.com)

**San Francisco**

Eric C. Sibbitt  
+1-415-856-7210  
[ericsibbitt@paulhastings.com](mailto:ericsibbitt@paulhastings.com)

Lisa E. Rubin  
+1-415-856-7027  
[lisarubin@paulhastings.com](mailto:lisarubin@paulhastings.com)

**Washington, D.C.**

Kristofer Reading  
+1-202-551-1848  
[kristoferreading@paulhastings.com](mailto:kristoferreading@paulhastings.com)

Dina Ellis Rochkind  
+1-202-551-1938  
[dinaellis@paulhastings.com](mailto:dinaellis@paulhastings.com)

**Paul Hastings LLP**

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