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## Crypto Policy Tracker

# House Announces ‘Crypto Week’ as SEC Issues ETP Guidance and Weighs in on Tokenization

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Congress continues to prioritize digital asset legislation, with the House leadership designating the week of July 14 as “Crypto Week,” when the House plans to vote on three significant pieces of digital asset legislation: the CLARITY Act, the CBDC Anti-Surveillance State Act and the Senate-passed GENIUS Act. The bills would establish a regulatory framework for digital assets under the purview of the CFTC and SEC, restrict the use of central bank digital currencies and establish a federal framework for payment stablecoins, respectively. Meanwhile, in the Senate, Sen. Cynthia Lummis (R-WY) introduced crypto tax legislation that includes exemptions for small transactions, updates the tax treatment for mining and staking, and expands the wash sale rule to encompass digital assets.

The SEC also remained active this week. The Division of Corporation Finance staff issued detailed guidance for crypto exchange-traded products (ETPs), outlining disclosure expectations for risk factors, business descriptions and redemption mechanics. Commissioner Hester Peirce suggested that in-kind redemptions for crypto ETPs, which would allow redemptions in digital assets rather than cash, may be under review, signaling a potential shift in the agency’s approach to fund mechanics. In public remarks, SEC Chair Paul Atkins described tokenization as a market innovation and emphasized the SEC’s focus on fostering a transparent regulatory environment.

### Congressional Updates

#### House Announces Week of July 14 as ‘Crypto Week’

- On July 3, House Committee on Financial Services Chairman French Hill (R-AR), House Committee on Agriculture Chairman GT Thompson (R-PA) and House leadership [announced the week of July 14](#) will be designated as Crypto Week, when the House will consider three pieces of crypto legislation:
  - [CLARITY Act \(H.R. 3633\)](#). This bill would establish a regulatory framework for digital assets and delineate the regulatory authority over digital assets between the SEC and the CFTC. On June 10, the Financial Services Committee reported out the CLARITY Act by a [bipartisan vote of 32-19](#), while the House Agriculture Committee also reported out the bill by a [bipartisan vote of 47-6](#). Additional details [are available here](#). The CLARITY Act is scheduled for a full House floor vote and, if passed, would head to the Senate. The House Rules Committee has until [5:00 p.m. on July 9](#) to introduce new amendments to the bill.

- CBDC Anti-Surveillance State Act (H.R. 1919). This bill would prohibit the Federal Reserve from issuing a central bank digital currency (CBDC) directly or indirectly to an individual.
- GENIUS Act (S. 1582). The House will consider the Senate's recently passed GENIUS Act, which would establish a federal framework for payment stablecoins. Additional information [can be found here](#).

### Senator Lummis Introduces Crypto Tax Bill

- On July 3, Sen. Cynthia Lummis (R-WY) introduced [a bill to amend](#) the Internal Revenue Code of 1986 and modernize the tax treatment of digital assets. The bill follows recent Senate action on the One Big Beautiful Bill Act (H.R. 1), during which Lummis advocated for the inclusion of digital asset tax provisions, a challenging endeavor in the context of broader budget legislation. Although those provisions were not ultimately included, the introduction of standalone legislation reflects her continued commitment to advancing crypto-focused tax reform.
- The July 3 legislation includes several key provisions:
  - De Minimis Exemption. Exempts capital gains on transactions involving digital assets of \$300 or less, subject to an annual cap of \$5,000 on the total amount of gains that can be excluded from taxation annually. *See new Section 139J.*
  - Mining and Staking. In the case of a taxpayer who engages in validation of digital asset transactions, it clarifies that income from digital asset mining and staking is not recognized until the sale or disposition of the asset. *See new Section 451(l).*
  - Wash Sale Rule Expansion. Extends the 30-day wash sale rule to include digital assets, but does not apply if the taxpayer is a "dealer." *See revised Section 1091.*

### Agency Updates

#### Sen. Cassidy Expresses Support for Digital Assets

- On June 23, Sen. Bill Cassidy (R-LA) released a [discussion draft of a resolution](#) stating that the U.S. should support the development of digital assets and aim to be the leader in its development and adoption. Cassidy added that Congress should enact a tax regime tailored to digital assets that does not penalize taxpayers; otherwise, the U.S. risks driving companies and innovation overseas. Resolutions in Congress are considered formal expressions of a member's opinion on a particular issue, and they will not become law.

### Agency Updates

#### SEC Chair Atkins Discusses Tokenization and Market Innovation

- On July 2, SEC Chair Paul Atkins [appeared on CNBC](#) to discuss tokenization and broader innovation in U.S. capital markets. He described tokenization as a promising development and stated that the SEC should focus on supporting innovation through a clear and transparent regulatory framework.
  - Atkins noted that prior reliance on regulation through enforcement had limited innovation but indicated that the current SEC is taking a different approach.
  - Atkins also stated that his goal is to "make IPOs great again" and highlighted the need to revisit aspects of the accredited investor standard that governs access to certain private investment opportunities.

## SEC Outlines Disclosure Expectations for Crypto ETPs

- On July 1, 2025, the SEC Division of Corporation staff released a [statement offering guidance](#) on disclosure requirements for crypto exchange-traded products (ETPs). The staff statement outlines how ETP issuers can satisfy federal securities law obligations in registration statements, drawing on examples from recently approved products and offering insight into areas of frequent staff comment. The guidance highlights several key disclosure areas, including:
  - Risk Factors. The staff provided a nonexhaustive list of risks commonly disclosed in crypto asset ETP registration statements, including risks related to the underlying crypto asset and risks of fraud, manipulation, front-running, wash trading or operational failures on trading platforms.
  - Description of Business. ETP issuers may organize their disclosures around the characteristics of the underlying crypto asset and its associated network, including initial development team; method of minting crypto assets; process for staking, locking and burning; process for validation; and total token supply, as well as the trust's service providers and the extent to which issuers are materially reliant on third parties.
  - Description of Securities. The staff statement encourages issuers to include details on shareholder rights, such as voting limitations, procedures for material amendments or termination of the trust agreement, and whether such rights can be modified without majority approval.
  - Plan of Distribution. Staff observations on distribution-related disclosures include descriptions of the creation and redemption process among the trust, authorized participants, custodians and other service providers, including whether settlement occurs on-chain or off-chain.
  - For further details, please refer to our recent client alert.

## SEC Commissioner Peirce Suggests In-Kind Redemptions May Be on the Horizon

- On June 26, SEC Commissioner Hester Peirce, who leads the agency's Crypto Task Force, participated in a [panel at the Bitcoin Policy Institute](#), where she addressed the possibility of in-kind creation and redemption mechanisms for crypto exchange-traded products (ETPs).
  - While cash creations and redemptions have been the standard, Peirce indicated that in-kind redemptions, where investors exiting a fund would receive digital assets instead of cash, are something that have been in the back of her mind for some time.
  - Peirce confirmed that some pending applications submitted to the SEC include in-kind features, which are now under staff review. Although no timeline was offered, Peirce's comments suggest the Commission is open to evaluating in-kind redemptions in the near future.
  - Multiple issuers have requested the ability to offer in-kind redemptions for crypto ETPs, viewing them as more efficient and consistent with the functioning of crypto markets.



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