# The United States

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## From enforcement to legislation

Until January 2025 the United States regulated digital assets through enforcement. The Securities and Exchange Commission applied the *Howey* investment-contract test to tokens and sued issuers and exchanges, with mixed results. The Southern District of New York held in 2023 that Ripple's institutional sales of XRP were securities offerings while its programmatic exchange sales were not. The SEC's 2023 suits against Coinbase, Binance and Kraken were still pending when the administration changed. The Commodity Futures Trading Commission treated bitcoin and ether as commodities and policed derivatives. FinCEN had since 2013 treated exchangers and administrators of convertible virtual currency as money services businesses under the Bank Secrecy Act, with state money-transmitter licences and New York's BitLicense on top. No statute addressed the asset class as such.[1]

The change came in three steps. Executive Order 14178 of 23 January 2025 established a working group on digital asset markets, directed agencies to review and rescind guidance, and prohibited a United States central bank digital currency. The SEC formed a Crypto Task Force, rescinded Staff Accounting Bulletin 121 (which had forced custodian banks to carry client crypto on balance sheet),

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dismissed or settled its pending exchange cases and began a rule-making programme styled "Project Crypto". The banking agencies withdrew their 2022 and 2023 statements discouraging bank involvement, while the Office of the Comptroller of the Currency confirmed by interpretive letter that national banks may custody crypto assets and engage in stablecoin activities.[2] Then Congress legislated.

## The GENIUS Act

The Guiding and Establishing National Innovation for US Stablecoins Act, the GENIUS Act, was signed into law on 18 July 2025. It creates a federal regime for "payment stablecoins" and makes it unlawful, after a transition, for anyone other than a permitted payment stablecoin issuer to issue one in the United States. Permitted issuers are of three kinds: subsidiaries of insured depository institutions, federal qualified nonbank issuers approved by the OCC, and state-qualified issuers supervised by a state regulator under a regime substantially similar to the federal one. The state route is capped at US$ 10 billion in outstanding issuance. Issuers must hold reserves at least one-to-one in cash, demand deposits, short-dated Treasuries, repos and government money-market funds, publish monthly reserve reports attested by a registered accounting firm, honour redemption at par, and may not pay interest or yield to holders. They are financial institutions under the Bank Secrecy Act and must maintain AML and sanctions programmes with the capacity to freeze and seize tokens on lawful order. Stablecoin holders rank first in the issuer's insolvency.[3]

The Act takes effect on the earlier of eighteen months after enactment, 18 January 2027, or 120 days after the primary federal regulators publish final implementing regulations. Three years after enactment, digital asset service providers may no longer offer or sell payment stablecoins issued by anyone other than a permitted issuer, a provision aimed at offshore dollar stablecoins. The Act also provides for foreign payment stablecoin issuers. A token issued under a foreign regime that the Treasury determines to be comparable may be offered through United States service providers, provided the issuer registers with the OCC and can comply with United

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States lawful orders. The comparability determination is the gate through which a Swiss or Singapore dollar-stablecoin issuer would have to pass to reach the United States market.[4]

For Switzerland and Singapore the GENIUS Act has two effects. First, it makes a United States-permitted stablecoin the global benchmark, with the result that MAS's framework, the Hong Kong Ordinance and FINMA's deposit characterisation are now read against it. The GENIUS reserve rules are stricter than MiCA's EMT rules, which permit a large share of the reserve in low-risk assets other than deposits. They are comparable to MAS's. Second, it creates a path, through the comparability determination, by which a Singapore MPI's or a Swiss bank's dollar stablecoin could be distributed in the United States without a United States issuer. Whether Treasury will find the Singapore or Swiss regime comparable remains open. Singapore's chances are better once its stablecoin bill passes, because MAS's framework was drafted with GENIUS-type requirements in view.

## Market structure: the CLARITY Act

The second pillar of the United States programme is market-structure legislation. The Digital Asset Market Clarity Act, the CLARITY Act, passed the House of Representatives on 17 July 2025 by 294 votes to 134. It would define "digital commodities" and allocate their spot markets to the CFTC, confining the SEC to tokens that are investment contracts or "investment contract assets" at issuance. It would create a test for a "mature blockchain system" whose decentralisation ends securities treatment. It would also provide a registration path for exchanges, brokers and dealers in digital commodities and exempt certain developers and non-custodial DeFi activities from intermediary regulation. In the Senate, the Banking Committee advanced its version on 14 May 2026 by fifteen votes to nine. The bill was placed on the Senate calendar on 1 June 2026, with the Agriculture Committee's text on the CFTC title still to be reconciled. Ethics provisions concerning the President's family's crypto interests, illicit-finance provisions and the treatment of stablecoin yield remained in dispute at the end of June 2026.[5]

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For a Zug or Singapore business the market-structure bill matters because it would settle, for the first time, which United States agency a token issuer must satisfy and under what test a token stops being a security. The "mature blockchain" test would give a Zug protocol foundation an argument that FINMA's utility-token classification and the United States position coincide once the network is decentralised. Until the bill passes, the position is set by the SEC's 2025 statements, which have narrowed the range of tokens treated as securities (memecoins, proof-of-work mining, certain stablecoins and certain staking arrangements have been declared outside the securities laws) without changing the statute.[6]

## Tax and reporting

The United States taxes crypto assets as property, so every disposal is a taxable event for capital gains purposes, including the use of tokens to buy goods. Brokers must report gross proceeds on Form 1099-DA for transactions from 1 January 2025 and basis from 2026 under the final regulations of June 2024. The extension of broker reporting to DeFi front-ends, finalised in December 2024, was repealed by Congress in April 2025 under the Congressional Review Act. The United States is a signatory of the November 2023 joint statement on CARF but had not, by June 2026, adopted CARF implementing rules, so United States providers report domestically and the United States exchanges with partners under FATCA and bilateral arrangements only.[7]

## What a Swiss or Singapore client should expect

A client in Zug or Singapore should assume that the United States market is closed unless it registers there. A token sale must exclude United States persons under Regulation S with real controls, because the SEC's narrowing of the securities perimeter does not cover a token sold with a promise of profit from the issuer's efforts. An exchange may not serve United States residents without state and federal registration, as the enforcement history of Binance and BitMEX shows. A stablecoin issuer may reach the United States through the GENIUS comparability gate once Treasury opens it. A fund manager may take United States investors under

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Regulation D or 3(c)(7) with the usual conditions. In return, the United States supplies capital, liquidity and, after 2025, a regulatory direction that Switzerland and Singapore have begun to follow.

## Cross-border perspective

A Singapore MPI with a strong Asian retail business receives an approach from a United States venture investor who wants the platform to "enter the US". The lawyer's first question is whether the investor means serving United States customers or raising United States money. The second is cheap: a Regulation D offering with accredited investors and a Singapore issuer. The first is expensive: a United States subsidiary, money-transmitter licences in up to forty-nine states or a federal charter once the CLARITY Act supplies one, a BSA programme and a separation of the United States order book from the Singapore one. Most Singapore platforms that have tried the first route have ended with a licensed United States partner and a revenue share. The Swiss experience is identical.

# Notes

1. SEC v Ripple Labs Inc, 682 F Supp 3d 308 (SDNY 2023). FinCEN, Guidance FIN-2013-G001, "Application of FinCEN's Regulations to Persons Administering, Exchanging, or Using Virtual Currencies", 18 March 2013. New York Department of Financial Services, 23 NYCRR Part 200 (BitLicense), 2015. ↩
2. Executive Order 14178 of 23 January 2025, "Strengthening American Leadership in Digital Financial Technology", 90 Fed Reg 8647. SEC, Staff Accounting Bulletin No. 122, 23 January 2025, rescinding SAB 121. OCC, Interpretive Letter 1183, 7 March 2025, and Interpretive Letter 1184, 7 May 2025. ↩
3. GENIUS Act, Pub L 119-27, signed 18 July 2025. The White House fact sheet of 18 July 2025 summarises the 100 % reserve requirement, monthly disclosure and the application of the Bank Secrecy Act. The issuer categories,

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the US$ 10 billion state-route ceiling and the effective-date mechanics are in ss. 2 to 4 and s. 20 of the Act. ↩

4. GENIUS Act, ss. 3(b) (prohibition on offering non-permitted stablecoins three years after enactment), 18 (treatment of foreign payment stablecoin issuers and comparability determinations) and 20 (effective date). ↩
5. Galaxy Research, "CLARITY Act passage odds, Senate calendar", 9 June 2026, reporting the Senate Banking Committee vote of 14 May 2026 (15–9), placement on the Senate legislative calendar on 1 June 2026, and the open issues on ethics and illicit finance. The House vote of 17 July 2025 is recorded in the Congressional Record. ↩
6. SEC Division of Corporation Finance, Staff Statement on Meme Coins, 27 February 2025. Staff Statement on Certain Proof-of-Work Mining Activities, 20 March 2025. Staff Statement on Stablecoins, 4 April 2025. Staff Statement on Certain Protocol Staking Activities, 29 May 2025. These statements are staff views and bind neither the Commission nor the courts. ↩
7. IRS Notice 2014-21. Treasury Decision 10000, Gross Proceeds and Basis Reporting by Brokers, 28 June 2024. Public Law 119-5 of 10 April 2025 (disapproval of the DeFi broker rule). On CARF see Chapter V below. ↩

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