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Crypto Week Was More than the GENIUS Act: What the CLARITY Act and Anti-CBDC Surveillance State Act Mean for the Future of Digital Assets

By David Zaslowsky | August 20, 2025



Cryptocurrency

The week of July 14 to 18, 2025 marked a historic moment for the U.S. cryptocurrency industry, as the U.S. House of Representatives officially designated it “Crypto Week.”

This initiative signaled a profound shift in how Washington approaches the burgeoning digital asset landscape, moving from cautious observation to active legislative engagement.

While much of the attention landed on the GENIUS Act, it is also important to understand the implications of the CLARITY Act and the Anti-CBDC Act for the future regulatory landscape of digital assets.

The Spotlight Stealer: Understanding the GENIUS Act

The bill that dominated the headlines and, indeed, has already been signed into law by President Trump during “Crypto Week,” is the Guiding and Establishing National Innovation for U.S. Stablecoins Act, or the GENIUS Act.

This was very significant legislation, primarily focused on providing a clear regulatory framework for stablecoins. Also significant is that the legislation was bi-partisan. The Senate passed it with a vote of 68-30, and the House passed it with a vote of 308-122.

Stablecoins are cryptocurrencies designed to maintain a stable value, typically by being pegged to a fiat currency like the U.S. dollar.

Unlike volatile cryptocurrencies such as Bitcoin or Ethereum, stablecoins aim to offer the benefits of blockchain technology—speed, efficiency, and lower transaction costs—with the price stability of traditional assets.

They are often seen as the backbone of the crypto economy, facilitating trading, lending, and payments within the digital realm.

The GENIUS Act addresses a critical regulatory void that had long plagued the stablecoin market. Before its passage, the legal status of stablecoins was ambiguous, leading to uncertainty for issuers, investors, and consumers alike. The Act brings much-needed clarity by:

- **Establishing a Federal Regulatory Framework:** It defines stablecoins as distinct from traditional securities or commodities, creating a bespoke regulatory regime.
- **Mandating 1:1 Reserve Backing:** A cornerstone of the Act is the requirement for stablecoin issuers to maintain 100% reserves in highly liquid, safe assets, such as U.S. dollars or short-term Treasury bills. This aims to protect consumers by preventing scenarios like the collapse of algorithmic stablecoins that lacked sufficient backing.
- **Enhancing Transparency and Audits:** Issuers are now required to publicly disclose the composition of their reserves monthly and undergo regular, independent audits. This significantly boosts transparency and accountability.
- **Prioritizing Consumer Protection:** In the event of an issuer's insolvency, the Act prioritizes stablecoin holders' claims over other creditors, offering a vital layer of consumer safeguard.
- **Combating Illicit Activity:** The Act integrates stablecoin issuers into existing anti-money laundering (AML) and sanctions frameworks, strengthening national security by enabling authorities to better track and prevent illicit financial flows.

The passage of the GENIUS Act is a tremendous achievement, transforming a previously unregulated corner of the digital asset market into a more secure and transparent environment. The legislation signals Congress's willingness to regulate digital currencies with specificity and prudence.

It is a clear signal that the U.S. is serious about fostering responsible innovation in digital payments and leveraging stablecoins to reinforce the dollar's global standing.

However, the world of digital assets extends far beyond stablecoins, and that is where the CLARITY Act and the Anti-CBDC Surveillance State Act come into play.

The Unsung Hero: The CLARITY Act and the Future of Digital Commodities

While the GENIUS Act addresses the stablecoin question, the Digital Asset Market Clarity (CLARITY) Act tackles an even broader and more complex issue: the fundamental classification of digital assets and the jurisdictional boundaries between regulatory agencies.

For years, the U.S. digital asset market has been stymied by a lack of clear definitions, leading to turf wars between the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC).

This ambiguity has created a climate of uncertainty, hindering innovation and pushing some legitimate businesses offshore. The CLARITY Act seeks to resolve this in a number of ways.

First, the Act defines "digital commodity." At its core, the CLARITY Act introduces a robust definition for "digital commodity," broadly encompassing digital assets that are intrinsically linked to a blockchain system and derive their value from the use of that system. This is crucial because it differentiates these assets from traditional securities.

Second, the Act clarifies SEC and CFTC jurisdiction. The bill aims to draw clear lines, primarily granting the CFTC regulatory oversight over digital commodities and related markets, including digital commodity exchanges, brokers, and dealers.

This is a significant shift, as many believe the CFTC's existing framework for commodities is better suited for many decentralized digital assets than the SEC's securities laws, which were designed for traditional financial instruments.

Digital assets that represent investment contracts or confer financial rights remain under the SEC's jurisdiction.

Third, a key innovation of the CLARITY Act is the concept of a "Certification of Decentralization." This mechanism allows issuers of digital assets to formally assert that their underlying blockchain network meets specific decentralization standards.

Once certified as "mature" and sufficiently decentralized, a digital asset would generally be excluded from securities classification. This provides a much-needed pathway for projects to shed the "security" label as they mature and decentralize, fostering organic growth and development.

Fourth, the legislation seeks to protect decentralized finance (DeFi) and innovation by including provisions to exempt certain DeFi activities (such as activities related to the operation of a blockchain or decentralized trading protocol) and wallet providers from extensive SEC oversight.

This acknowledges the unique nature of these emergent technologies and aims to foster innovation without stifling it with overly burdensome regulation. But the SEC retains its anti-fraud and anti-manipulation enforcement authority over these decentralized activities, ensuring some regulatory oversight on misconduct.

Finally, the Act seeks to enhance consumer protections for digital commodities. Despite the shift in regulatory authority, the CLARITY Act does include elements of strong consumer protections, requiring digital commodity exchanges to implement robust measures for customer asset protection, market transparency, and risk management.

It also explicitly subjects these entities to Bank Secrecy Act (BSA) and anti-money laundering (AML) obligations, aligning them with traditional financial institutions.

The CLARITY Act is a testament to the growing understanding in Congress that a one-size-fits-all approach to digital asset regulation is simply not viable.

By providing a more tailored framework that recognizes the unique characteristics of digital commodities, the Act aims to unlock significant innovation, keep American entrepreneurs competitive on the global stage, and protect consumers in this rapidly evolving space.

It is hoped that the clarity in the legislation can help unlock the potential of many digital assets by removing the legal grey area in which many have operated.

Safeguarding Freedom: The Anti-CBDC Surveillance State Act

Whereas the GENIUS Act and CLARITY Act focus on enabling the growth of private digital assets, the Anti-CBDC Surveillance State Act addresses a critical concern about government-issued digital currencies.

This bill, strongly supported by privacy advocates and those wary of government overreach, aims to prevent the Federal Reserve from issuing a retail Central Bank Digital Currency (CBDC) that could compromise Americans' financial privacy and freedom.

A CBDC is a digital form of a country's fiat currency, issued and controlled by its central bank. Unlike decentralized cryptocurrencies, a CBDC is a direct liability of the central bank. Proponents of the CBDC argue for benefits like increased financial inclusion, faster payments, and greater monetary policy control.

Critics of an unchecked CBDC argue that it could lead to an unprecedented level of government surveillance, where every transaction could be monitored, and spending could potentially be controlled or restricted based on government dictates.

The Anti-CBDC Surveillance State Act aims to prevent such an “Orwellian surveillance tool.” Indeed, the bill’s title and language reflect a broader ideological stance against perceived overreach by the “administrative state.”

The core of the bill is the prohibition against the Fed issuing a retail CBDC directly to individuals. The aim is to prevent the Federal Reserve from becoming a retail bank, holding personal financial data on every American and directly controlling individual transactions.

The legislation also seeks to prevent the Fed from indirectly issuing a CBDC through commercial banks or other third parties, thereby closing potential loopholes for a government-controlled digital currency that could still allow for extensive surveillance.

In addition, the bill explicitly states that a CBDC cannot be used as a tool to implement monetary policy, aiming to limit the government's ability to manipulate the economy through programmable money.

Crucially, the statute makes it clear that any issuance of a CBDC would require explicit authorizing legislation from Congress, ensuring that such a monumental shift in monetary policy is subject to democratic debate and oversight.

Advocates of the Anti-CBDC Surveillance State Act say that it should not be seen as an anti-innovation bill; rather, it is a pro-privacy and pro-freedom bill that seeks to ensure that any future digital currency developments in the U.S. align with fundamental American principles.

The legislation resonates with a large segment of the crypto community that values decentralization and privacy, aligning with broader digital rights movements. For lawmakers and constituents wary of expanding government oversight into private transactions, this bill represents a firm stance against overreach into personal financial data.

Conclusion: A Turning Point for U.S. Crypto Regulation

The CLARITY Act is largely seen as a pragmatic step toward regulatory modernization. It has support from both industry groups and consumer advocates who want clear rules of the road.

The Anti-CBDC Act, by contrast, is more ideologically charged, with strong backing from conservative lawmakers and skepticism from Democrats who view CBDCs as a potential tool for financial inclusion.

This divergence underscores a key tension in U.S. crypto policy: the desire to foster innovation while guarding against systemic risks and government overreach.

Regardless, the signing of the GENIUS Act into law and the passage of the CLARITY Act and the Anti-CBDC Surveillance State Act marks a turning point in the U.S. approach to digital assets.

They signal a maturing approach from U.S. policymakers, moving beyond a reactive stance to proactively shape a regulatory environment that balances innovation with consumer protection, and economic competitiveness with individual freedom.

As the digital asset landscape continues to evolve at breakneck speed, these acts represent a significant effort at ensuring that the United States remains at the forefront of this technological revolution.

The CLARITY Act (H.R. 3633), passed the House with bipartisan support in a 294–134 vote. The Anti-CBDC Surveillance State Act (H.R. 1919) passed the House by a narrower 219–210 margin. Both now head to the Senate, where their fate is uncertain.

The Senate has yet to introduce its own version of the CLARITY Act, and the Anti-CBDC bill may face resistance from lawmakers who support continued research into digital dollar initiatives. Whether these bills ultimately become law remains to be seen.

But one thing is clear: the era of regulatory ambiguity is coming to an end. For blockchain innovators, legal advisors, and investors alike, the time to engage with these new frameworks is now. “Crypto Week” may be over, but its legislative legacy has just begun.

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