

April 2025



Tokenization & US Policy

<p>Clearer Classification of Tokenized Assets</p> <p>US regulators refined the definitions for utility tokens, asset-backed tokens, and securities. This update provides clearer criteria for defining whether a tokenized asset requires full securities registration or qualifies for exemptions, giving issuers and platforms more predictable compliance paths.</p>	<p>Regulatory Sandboxes and Interoperability Initiatives</p> <p>2025 saw the introduction of regulatory sandbox programs, allowing innovators to test tokenization platforms in controlled environments. Also, new initiatives encourage interoperability among blockchain platforms to facilitate transparent and efficient cross-border transactions.</p>
<p>Enhanced AML/KYC and Reporting Requirements</p> <p>In response to concerns about fraud and illicit activities, regulators mandated more robust anti-money laundering (AML) and know-your-customer (KYC) measures for all platforms facilitating asset tokenization. This applies across asset classes and is designed to enhance transparency and investor protection.</p>	<p>SEC and CFTC Coordination and Task Forces</p> <p>The SEC formed a Crypto Task Force to build a unified framework for crypto and tokenized assets—streamlining registration, clarifying asset status, and offering relief for certain offerings—while the CFTC rescinded prior advisories to align digital-asset derivatives regulation with other financial products.</p>
<p>Bill In Progress: GENIUS Act</p> <p>Establishes a comprehensive federal regulatory framework for payment stablecoins. The Act sets reserve requirements, mandates audits, and divides oversight between the Federal Reserve (for large issuers) and the OCC or state regulators (for smaller issuers).</p>	<p>Bill In Progress: Securities Clarity Act</p> <p>Aims to distinguish between an “investment contract” (which may be a security) and the underlying digital asset (which may not be), introducing the term “investment contract asset.” This bill would allow regulatory treatment of a token to evolve as its use and decentralization increase.</p>
<p>Key Takeaways on US Policy & Tokenization</p> <p>Clearer Asset Definitions: Regulators are sharpening how tokens are classified—utility, asset-backed, or securities—so issuers can better anticipate registration requirements and exemptions.</p> <p>Elevated Compliance Standards: New AML/KYC and reporting mandates raise the baseline for transparency and investor protection across all tokenization platforms.</p> <p>Innovation Enablement: Regulatory sandboxes and interoperability initiatives provide controlled environments and technical frameworks for piloting tokenization models and seamless cross-chain, cross-border transfers.</p> <p>Coordinated Oversight: The SEC and CFTC are aligning their approaches—through task forces and rescinded advisories—to streamline supervision of tokenized assets and derivatives under a unified, consistent regime.</p> <p>Evolving Legislative Frameworks: Congressional efforts are advancing stablecoin reserve/audit rules and introducing flexible token-status constructs, paving the way for adaptive compliance as projects mature.</p>	

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