

Emmer Introduces Legislation to Provide Clarity for Digital Assets Under Securities Law

September 24, 2020

Washington, D.C. - Today, Congressman Tom Emmer (MN-06) introduced the Securities Clarity Act to provide a path to regulatory certainty for digital assets and other emerging technologies under securities law. He is joined by Representative Mike Conaway, Ranking Member of the House Agriculture Committee, who is introducing the Digital Commodity Exchange Act, which provides a framework for digital commodity exchanges. Representative Darren Soto, a Co-Chair of the Blockchain Caucus, has co-sponsored both measures.

Representative Emmer's legislation provides regulatory clarity for the launch of an open blockchain network. His legislation clarifies that an investment contract asset, or digital token, is separate and distinct from a securities offering it may have been a part of. The bill would allow companies that have complied with current securities registration requirements, or who have qualified for an exemption, provide for the distribution of their assets to the public without fear of additional regulatory uncertainty. These assets are in fact, and always were, commodities.

This effort seeks to clarify the status of any asset sold as the object of an "investment contract" by proposing a new definition, "investment contract asset." The approach is technology-neutral, and applies equally to all assets offered and sold, whether tangible or digital. This new defined term would refer to any asset sold as part of an investment contract that would not be considered a "security" but for its sale as part of an investment contract.

"We have seen regulations hinder the progress of blockchain-based technologies. The development of these vital technologies should not be impacted by government's inability to adjust," **said Congressman Emmer.** "The Securities Clarity Act will allow America to compete in this new advancing space without sacrificing the consumer and investor protections that have made our capital markets the strongest in the world. There are companies that have followed our current rules of the road and managed to navigate our securities regulations. Now, they deserve certainty from our regulators when offering their digital asset to the public."

"This legislation provides important clarity as regulators and industry professionals alike work to appropriately classify assets, especially emerging digital assets," **said**

House Agriculture Committee Ranking Member K. Michael Conaway. “Technology and finance will continue to evolve together. It’s critical that Congress keeps up and provides legal clarity to encourage American ambition and innovation while protecting consumers and investors in digital markets.”

"This is the smartest approach we have seen to provide clarity about how securities law applies to digital assets. We applaud Rep. Emmer for his continued leadership on policy affecting cryptocurrency.” **said Jerry Brito, Executive Director of Coin Center.**

"We are proud to support this important legislation to help clarify the legal status of certain digital tokens, an issue that has significantly impacted the growth of the blockchain ecosystem in the United States. Digital tokens should not be deemed securities solely because they are the object or subject of an investment contract. It is critical that digital tokens have their own legal analysis as to whether they are securities, and we support Congressman Emmer’s effort to make that a reality.” **said Amy Davine Kim, Chief Policy Officer for the Chamber of Digital Commerce.**

"We’re proud to support the introduction of the Securities Clarity Act and the Digital Commodity Exchange Act. Together, these efforts will help clarify outstanding issues related to when and how securities laws and commodities regulations apply to digital assets. Uncertainty over the application of these rules of the road continues to act as a strong headwind for the crypto ecosystem. These bills would do much to clarify the situation and put into law pro-growth policies for the crypto economy.” **said Kristin Smith, Executive Director of the Blockchain Association.**

Read the legislation [here](#).

Congressman Emmer serves as the Ranking Member of the House Financial Services Committee’s Task Force on Financial Technology. In addition, Congressman Emmer became co-chair of the Congressional Blockchain Caucus in 2018 and also introduced the [Blockchain Regulatory Act](#), which provides certainty to blockchain entrepreneurs that do not need to register as money transmitters.

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