



ICYMI: Takeaways from Proposed Crypto Legislation

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Last week, U.S. Senators Cynthia Lummis (R-WY) and Kirsten Gillibrand (D-NY) released the [Responsible Financial Innovation Act](#), detailing plans for what could be the future of crypto regulation in the United States. The bipartisan bill is packed with proposals and below are five highlights for retail investors and consumers.

Takeaways for Investors

1) Tax exemptions for small payments: Any transaction less than \$200 would be tax-free. This means that if you use bitcoin to buy a latte you wouldn't trigger a taxable event on the sale of that bitcoin. Such an exemption could lead to wider adoption of crypto as a payment method.

2) Clarifies what is a security: The bill aims to make a distinction between which digital assets are securities and commodities by examining the rights or powers conveyed to the consumer.

3) Gives regulatory oversight to the CFTC: In the past, the SEC has been discussed as the potential regulator of crypto, but the CFTC gets the nod in the proposed bill. (The crypto industry generally views the CFTC [more favorably](#).)

4) Requires stablecoin reserves: Mandates that issuers of stablecoins (cryptocurrencies that are pegged to the dollar, for example) maintain reserves fully backing their digital asset.

5) Establishes definitions and disclosures: Imposes disclosure requirements for crypto firms and creates a set of industry definitions to allow for clear discussions around regulation.

Makara's POV

We welcome this bill as a step towards clearer regulation to guide future industry growth while protecting consumers. We think it'll be some time, and many iterations, until a final bill is passed, but this Senate bill is a positive step forward for crypto innovators and investors.

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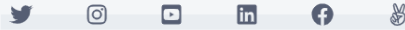
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