

HR 5496

Clarity for Digital Tokens Act of 2021

Congress: 117 (2021–2023, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Oct 5, 2021

Current Status: Referred to the House Committee on Financial Services.

Latest Action: Referred to the House Committee on Financial Services. (Oct 5, 2021)

Official Text: <https://www.congress.gov/bill/117th-congress/house-bill/5496>

Sponsor

Name: Rep. McHenry, Patrick T. [R-NC-10]

Party: Republican • **State:** NC • **Chamber:** House

Cosponsors (3 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Budd, Ted [R-NC-13]	R · NC		Oct 5, 2021
Rep. Davidson, Warren [R-OH-8]	R · OH		Oct 5, 2021
Rep. Gonzalez, Anthony [R-OH-16]	R · OH		Oct 22, 2021

Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Referred To	Oct 5, 2021

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Clarity for Digital Tokens Act of 2021

This bill excludes certain offerings of digital tokens (i.e., a digital representation of value or rights recorded on a publicly available ledger) from securities registrations.

The exclusion from securities registration is in effect until the later of 3 years from the date of the first sale of a token or 3 years after the effective date of the bill. During this exclusionary period, the initial development team of a token must disclose every 6 months details of the network—the system of connected devices that create and validate the ledger of transactions. This includes disclosure of the source code, the transaction history, the economics of the token, the plan to achieve network maturity, prior token sales, information regarding the team, trading platforms used, and certain material transactions.

On or before the end of this period, the team must report to the Securities and Exchange Commission regarding the maturity of the network. Network maturity is reached either through decentralization of the network or through network functionality, as specified by the bill. If network maturity is not reached within 3 years, the initial development team must register the tokens as a security.

Actions Timeline

- **Oct 5, 2021:** Introduced in House
- **Oct 5, 2021:** Referred to the House Committee on Financial Services.