



CRYPTO B R I E F



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Lowenstein Crypto advises leading digital asset and cryptocurrency projects, exchanges, and trading firms. Our practice covers regulatory advice, transactions and structuring advice, investigations, and adversarial matters including commercial disputes, bankruptcy, and related litigation. As these markets continue their rapid growth and market participants continue to evolve and mature their businesses, we are providing this weekly digest as a resource that highlights and summarizes a selection of key recent legal regulatory developments.

House Introduces Bipartisan Bill To Clarify Crypto Regulation

On May 29, a bipartisan group of lawmakers, led by House Committee on Financial Services Chairman French Hill (R-Ark.), introduced the Digital Asset Market Clarity Act of 2025 (Clarity Act). The Clarity Act aims at establishing a clear regulatory framework for market infrastructure regarding digital assets and in part proposes to grant the Commodity Futures Trading Commission (CFTC) exclusive jurisdiction over digital commodity spot markets. Significantly, the Clarity Act introduces a provisional registration process for digital commodity exchanges, brokers, and dealers while maintaining Securities and Exchange Commission (SEC) authority over digital asset activities carried out by SEC-registered broker-dealers and national securities exchanges. Notably, the Clarity Act exempts certain decentralized finance (DeFi) activities from registration, including the development and validation of DeFi protocols. The Clarity Act reflects growing bipartisan interest in advancing U.S. digital asset regulation. *The full text of the bill can be found [here](#).*

House Committee on Agriculture Hearing Held: 'American Innovation and the Future of Digital Assets: From Blueprint to a Functional Framework'

On June 4, the House Committee on Agriculture also held a hearing to discuss the Clarity Act and the immediate need for appropriate market structure regulations to establish a clear regulatory framework for digital asset markets. With bipartisan support, the Clarity Act aims to create a comprehensive regulatory framework for crypto by providing clear and durable regulatory rules. Avery Ching, CEO of Aptos Labs; Ryne Miller, Partner and Co-Chair of Lowenstein Crypto at Lowenstein Sandler LLP; the Honorable Michael S. Piwowar, Executive VP of the Milken Institute; and Chelsea Pizzola, Partner at Willkie Farr & Gallagher LLP, all testified at the hearing. The panelists provided meaningful insight and comments regarding the regulatory landscape and encouraging consumer protections (such as segregation of customer funds, audits, and disclosures). If enacted, the Clarity Act may spark innovation and allow the U.S. to position itself more competitively in the crypto industry. *More information and a link to view the entire hearing can be found [here](#).*

Crypto Staking on Proof-of-Stake Networks Does Not Involve the Offer and Sale of Securities, Says SEC Division of Corporation Finance

On May 29, the SEC's Division of Corporation Finance (Division) released a statement on proof-of-stake staking, providing greater clarity on the application of federal securities law as it relates to certain digital asset staking activities. The Division takes the position that certain protocol staking activities, such as self-staking, self-custodial staking, and custodial staking through a qualified third

party, do not involve an “offer or sale of securities” and thus do not trigger the need to file registration statements. Generally, according to the Division, protocol staking does not involve the managerial or entrepreneurial efforts of others and therefore does not meet the standards of an investment contract. Instead, protocol staking involves merely administrative or ministerial acts and/or a service for which compensation is provided. *Please see the Division’s statement [here](#). To learn more about the SEC’s statement with respect to staking, please see Lowenstein Crypto’s client alert [here](#).*

SEC Withdraws From Binance Lawsuit

On May 29, the SEC, Binance founder and former CEO Changpeng Zhao, and the Binance entities filed a joint stipulation voluntarily dismissing the lawsuit, with prejudice, initially brought by the SEC on June 5, 2023. The stipulation was expected after the parties asked the U.S. District Court for the District of Columbia for a 60-day stay of litigation and marks the end of the long legal battle between the parties. The SEC continues to take actions that reflect the broader regulatory shift toward a more policy-oriented and less enforcement-heavy approach with respect to the digital asset industry. See *the SEC’s press release [here](#) and a copy of the stipulation [here](#).*

New York City Comptroller Opposes Mayor Adams’ ‘BitBond’ Bitcoin-Backed Bond Proposal

On May 29, Brad Lander, New York City’s Comptroller, opposed Mayor Eric Adams’ BitBond proposal (BitBond), which would allow New York City to issue bitcoin-backed municipal bonds. Lander expressed concern about bitcoin’s instability and its regulatory issues. The BitBond proposal was first introduced by Adams in 2025 at a bitcoin conference. The hope for BitBond was that it would help New York City raise capital to fund capital assets while providing a rate of return to bondholders that is directly related to bitcoin appreciation. *The Comptroller’s full statement can be found [here](#).*

Meta Shareholders Reject Proposal To Add Bitcoin to Its Treasury

On May 28, shareholders of Meta Platforms Inc. (Meta) overwhelmingly rejected a proposal to allocate a portion of Meta’s \$72 billion in liquid assets to bitcoin. The proposal, introduced by the National Center for Public Policy Research, garnered 3.92 million shareholder votes in favor and nearly 5 billion votes against. The proposal advocated for bitcoin to serve as an inflation-resistant store of value and a strategic reserve asset. This voting outcome reflects shareholders’ concerns over the stability of bitcoin and its long-term role in corporate finance. *Meta’s Form 8-K showing the proposal’s voting outcome can be found [here](#).*

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