Written Testimony of
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"Building the Future of Finance:
How the CLARITY Act Unlocks Innovation"

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Subcommittee on Digital Assets, Financial Technology, and Artificial Intelligence

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Chairman Steil, Ranking Member Lynch, and distinguished Members of the Subcommittee: thank you for the opportunity to testify today on how the CLARITY Act will help unlock innovation in American financial markets.

My name is Ryan Louvar. I serve as Chief Legal Officer and Head of Business and Legal Affairs, Digital Assets[1], at WisdomTree[2]. I also serve as a Steering Committee member for the Coalition for Tokenized Markets (CTM). I have spent more than 25 years working at the intersection of asset management, ETFs, financial regulation, digital assets, and tokenization. Before my current role, I served as General Counsel for WisdomTree's U.S. ETF business. Prior to WisdomTree, I served in multiple roles at another large asset manager and investment services provider, State Street, including as Chief Legal Officer, Secretary, AML Officer, and Code of Ethics Compliance Officer for the SPDR family of ETFs.

I appear today as a representative of WisdomTree, which, together with its global subsidiaries, manages over $160 billion[3] in assets and has more than 20 years of experience as a financial innovator in U.S. regulated financial services, providing transparent access to markets for investors. Over the past five years, WisdomTree has extended that same U.S. regulated finance discipline to tokenized real world assets, digital funds, stablecoins, and blockchain-enabled financial infrastructure. WisdomTree currently offers the largest lineup of SEC-registered tokenized funds in the market – 15 funds spanning money market, equity, fixed income, asset allocation, and alternative strategies – all regulated with the same rigor as any traditional SEC-registered product. And in February 2026, WisdomTree became the first, and to date the only, firm to receive SEC exemptive relief allowing SEC-registered broker-dealers to trade an SEC-registered money market fund – the WisdomTree Treasury Money Market Digital Fund (WTGXX) – 24/7 at a stable $1.00 value, enabling instant settlement for tokenized fund shares within U.S. law for the first time. Together, these milestones demonstrate both that tokenization can be responsibly developed within the U.S. regulatory framework and why clear statutory rules are the next step toward broader adoption.

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[1] Mr. Louvar serves as Chief Legal Officer and Head of Business and Legal Affairs for WisdomTree's digital asset business, including in the same or related legal leadership capacity for WisdomTree's SEC-registered investment adviser, SEC-registered investment company, SEC-registered transfer agent, SEC-registered broker-dealer, New York limited purpose trust company, and affiliated money services business and state-licensed money transmitter.

[2] WisdomTree, Inc., together with its subsidiaries, is a global financial innovator providing a broad range of investment products and financial solutions. In addition to its traditional asset management business, WisdomTree has developed tokenized products and infrastructure, including SEC-registered tokenized funds, a U.S. dollar stablecoin, tokenized gold, and related institutional digital asset services, including through WisdomTree Prime® and WisdomTree Connect™. WisdomTree Prime is WisdomTree's blockchain-native platform for retail investors, providing access to tokenized funds, stablecoins, and digital commodities in a single onchain environment. WisdomTree Connect is WisdomTree's institutional and business-to-business platform, providing similar access to tokenized real world assets for institutional and B2B/B2B2C users. For more information, see www.wisdomtreeprime.com and www.wisdomtreeconnect.com.

[3] WisdomTree, Inc., "WisdomTree Reports Monthly Metrics for June 2026" (July 10, 2026), https://ir.wisdomtree.com/news-events/press-releases/detail/798/wisdomtree-reports-monthly-metrics-for-june-2026.

My message today is simple: the movement to tokenized markets does not mean, and should not require, diminished investor protections. Properly implemented, this technological shift is a way to modernize financial infrastructure while preserving the protections that have made U.S. capital markets among the deepest, most liquid, and most trusted in the world. The United States should not have to choose between innovation and investor protection in digital assets markets. We should have both.

- **Clarity is a catalyst.** The GENIUS Act[4] has already shown that clear congressional rules accelerate responsible participation; the CLARITY Act can do the same, at even greater scale, for the broader digital asset market.
- **Same rules, modern rails.** A tokenized security is still a security; Section 505[5] of the CLARITY Act gets that principle right, and I discuss it in detail below.
- **Proof, not theory.** WisdomTree is already doing this responsibly today – through SEC-registered funds and U.S. regulated intermediaries, by taking the regulatory front door, and by seeking the incremental regulatory modernization needed to bring new capabilities to market.
- **The stakes are American leadership.** The next generation of financial infrastructure will be built somewhere. This Committee has the opportunity to ensure the United States leads where that innovation is developed, regulated, and brought to market responsibly.

But to do so, Congress must provide clear, durable rules that allow responsible firms to build here, within a stable U.S. regulatory framework. The CLARITY Act is an important step toward that goal, and together with the GENIUS Act, would enable traditional finance and digital native firms to compete on a level, regulated playing field and provide greater benefits for investors.

I. Tokenization is financial infrastructure modernization

Tokenization is often discussed as if it were a new asset class, but it can be more accurately described as a new method of issuance, ownership recordkeeping, transfer, and settlement of traditional financial products. It is a new set of rails. It can change how an asset moves, how ownership is recorded, and how settlement happens, but it should not automatically change the fundamentals of the specific investment.

A tokenized registered fund share does not lose its regulatory and investor protections because the shareholder record or transfer mechanism uses blockchain technology. The element that changes is the technological infrastructure through which these assets can be issued, moved, and held. That

[4] The Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act), Pub. L. No. 119-27, 139 Stat. 419 (2025).
[5] Unless otherwise indicated, references in this testimony to Section 505 are to Section 505 of the May 2026 Senate Banking Committee amendment in the nature of a substitute to H.R. 3633. The House-passed version of H.R. 3633 uses different section numbering and does not contain the same tokenization provision.

shift creates real, new opportunities for American investors, from faster settlement, greater choice in how and where to hold assets, including the option of a self-hosted wallet on the blockchain of one's choosing, and broader access to investment options.

A helpful analogy is the evolution of ETFs. In the last thirty years, ETFs have fundamentally changed how many investors accessed markets. ETFs changed the wrapper, the trading experience, and the distribution model, allowing familiar exposures such as equities and fixed income to be accessed in a more transparent, cost effective, and efficient form. Tokenization has similar, if not greater, potential. It does not change the economic substance of the asset exposure; rather, it changes how that exposure can be owned, transferred, settled, and used in a digital environment.

That distinction matters. If policymakers treat tokenization as a loophole, they fundamentally misunderstand the technology already being used by millions of Americans in a burgeoning multi-trillion dollar industry and will miss the opportunity to improve financial infrastructure for the benefit of American capital markets and American investors. If they treat it as a mere label requiring no operational or regulatory adaptation, they will miss the opportunity too. The right solution is to preserve the legal substance while modernizing the mechanics.

II. The CLARITY Act provides needed market-structure certainty

That is where the CLARITY Act comes in. For years, the central source of uncertainty in this industry has been the absence of a clear answer to a basic question: which regulator oversees which activity. The CLARITY Act would answer it. It would preserve the SEC's authority over securities, including tokenized securities, as Section 505 confirms, and would provide a clearer federal framework for intermediated digital-commodity spot markets.[6] Those intermediary activities present the classic risks of custody and conduct that have historically warranted supervision. Bringing them within a defined federal regime, with registration, customer-asset protection, recordkeeping, and AML obligations, replaces the current patchwork of case-by-case enforcement with predictable rules of the road.

A market cannot function well when its participants cannot tell in advance which agency's rules apply to them. The CLARITY Act would replace much of that ambiguity with a workable division of labor between the CFTC and the SEC. The CLARITY Act is particularly important for tokenization in two related ways: Section 505, together with the broader modernization provisions in Sections 107 and 108[7], establishes a framework for the regulatory treatment of tokenized

[6] The House-passed text of H.R. 3633 would establish CFTC registration regimes for digital commodity exchanges, brokers, and dealers. The May 2026 Senate Banking Committee substitute contains related Bank Secrecy Act, sanctions, customer-protection, and customer-property provisions. The House-passed and Senate committee texts differ materially in structure and substance, and the precise final allocation of SEC and CFTC authority remains subject to the legislative process.

[7] The May 2026 Senate Banking Committee amendment in the nature of a substitute to H.R. 3633 contains broader modernization provisions that complement Section 505. Section 107 would require the SEC to adopt rules modernizing recordkeeping requirements under the Securities Exchange Act of 1934, the Investment Advisers Act

securities; and the bill more broadly provides greater regulatory clarity for the digital asset infrastructure on which those securities operate. Given that many of these tokenized securities and funds operate on public blockchains, regulatory clarity for the tokens that allow these blockchains to function is critical to providing legally reliable and workable rails on which regulated tokenized products can be built. Together with the GENIUS Act's regulated framework for payment stablecoins, which may serve as settlement assets in tokenized markets, these provisions provide important components of a regulated tokenization ecosystem.

III. Recent SEC regulatory modernization shows innovation is possible – CLARITY would provide a broader framework

WisdomTree's recent SEC exemptive relief demonstrates how responsible innovation can advance within existing legal frameworks. The CLARITY Act would provide the durable market-structure foundation needed for that innovation to develop at scale.

On February 23, 2026, the SEC issued an order under the Investment Company Act of 1940 permitting WisdomTree Securities and other eligible broker-dealers, subject to the conditions in the application, to purchase and sell shares of WisdomTree's tokenized government money market fund, WTGXX, at a stable value of $1.00 per share rather than only at the fund's next calculated net asset value.[8] That relief enables 24/7 trading and instant settlement for tokenized money market fund shares through a dealer-principal liquidity model, marking the first time registered tokenized mutual fund shares could trade and instantly settle 24/7 within the U.S. regulatory perimeter.

This is not a theoretical development; it is a practical case study in regulatory modernization that enables tokenization. The tokenized fund remains an SEC-registered investment company. The adviser remains an SEC-registered adviser. The transfer agent remains an SEC-registered transfer agent. The broker-dealer remains subject to SEC and FINRA broker-dealer obligations. The innovation is not a weakening of the U.S. regulatory framework; rather, it demonstrates how that framework can responsibly evolve to accommodate modern blockchain rails for trading, settlement, recordkeeping, transferability, and liquidity. Investors can, for example, move between an SEC-regulated, tokenized yield-bearing money market fund and stablecoin liquidity around the clock.

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of 1940, and the Investment Company Act of 1940, including to facilitate the use of distributed-ledger records. Section 108 would require the SEC to update requirements applicable to digital asset activities to the extent they are outdated, unnecessary, or unduly burdensome in light of the technology.

[8] *See* Investment Company Act Release No. 35968 (Feb. 23, 2026), File No. 812-15788 (granting relief from Section 22(d), Rule 22c-1, Section 17(d), and Rule 17d-1 of the Investment Company Act of 1940); *see also* WisdomTree, Inc., "WisdomTree To Launch 24/7 Trading and Instant Settlement for Tokenized Money Market Fund Shares" (Feb. 24, 2026) (describing the dealer-principal trading and instant-settlement model), https://ir.wisdomtree.com/news-events/press-releases/detail/777/wisdomtree-to-launch-247-trading-and-instant-settlement.

This matters for three reasons. First, it shows that blockchain-enabled innovation can already occur inside the U.S. regulatory framework: an SEC-registered fund can remain a registered fund while using blockchain infrastructure to improve the investor experience. Second, it reflects the benefit of constructive engagement with U.S. regulators. WisdomTree sought relief, worked through the issues with the SEC staff, and obtained a path forward; recent federal actions have shown that meaningful progress is possible when regulators engage constructively with responsible firms. Third, it illustrates exactly the kind of activity that clear, durable statutory rules are meant to encourage: regulators and industry moving forward from a shared, predictable framework rather than case-by-case negotiation. This type of regulatory environment can help keep the United States at the forefront of responsible tokenization.

WisdomTree's experience shows that innovation through U.S. regulated products is possible, but the path is resource intensive and can be uncertain, which is why regulatory clarity – and the CLARITY Act itself – remains important even for firms already building.

In connection with a tokenized gold product, for example, WisdomTree spent years and significant legal and compliance resources engaging with regulators to determine the correct regulatory treatment. That experience illustrates a broader lesson: legal requirements should be rigorous, but they should also be knowable. A framework that requires years of analysis to answer foundational classification questions is not a scalable model for responsible innovation, and the CLARITY Act can help change that.

IV. Section 505 of the CLARITY Act establishes the right framework for tokenized securities

The lesson from our experience is not that regulation should step aside for innovation. It is that innovation accelerates when regulation provides clear rules of the road. Section 505 is one of the most important provisions in the CLARITY Act for traditional finance and tokenization market participants. It reflects a principle that should be straightforward: if a security is tokenized, it should remain the security it represents. The legal character of the asset should not change solely because it is issued, recorded, represented, or transferred using distributed ledger technology.

That principle protects investors. It prevents tokenization from being used as a loophole around longstanding regulatory requirements. It ensures the U.S. securities laws continue to apply where they should and preserves the SEC's authority over securities in whatever their form – tokenized or not.[9] It also gives regulated firms the confidence that bringing a security onchain does not place

[9] This testimony principally addresses issuer-sponsored tokenized securities and fund shares in which tokenization is integrated with the issuer's or transfer agent's official ownership records. Third-party custodial or synthetic tokenization models may confer materially different rights, expose holders to additional third-party or bankruptcy risk, or constitute distinct securities such as linked securities or security-based swaps, and therefore may raise different regulatory considerations. *See* SEC staff, "Statement on Tokenized Securities" (Jan. 28, 2026).

them in a legal no-man's-land, and it gives investors confidence that the rights they associate with a security do not disappear because the recordkeeping technology changes.

At the same time, Section 505 recognizes that the operational mechanics of market structure, custody, transfer agency, and other regulated activities may need to adapt. Legacy securities rules were not written with public blockchains, tokenized transfer, digital wallets, smart contracts, or atomic settlement in mind.[10] That does not mean those rules should be discarded; it means the regulatory framework should preserve their investor-protection objectives while allowing the manner in which they are satisfied to be appropriately modernized for onchain finance.

The right model is not deregulation. It is parity: a tokenized security should receive the same regulatory treatment as the security it represents, while regulators have clear authority to adapt operational requirements to the technology. That is the right balance – same regulatory substance, modernized operational mechanics – and it is exactly the kind of authority that would reduce reliance on bespoke relief over time. For WisdomTree, this is not abstract: our tokenized funds depend on the alignment of legal rights, transfer agent records, blockchain records, wallet controls, issuance and redemption workflows, compliance monitoring, and investor disclosures. Section 505 addresses precisely the questions that matter when a regulated product moves onchain.

V. Why tokenization matters

The practical problem tokenization addresses is simple: modern markets increasingly operate in real time – 24/7/365 – while most traditional financial infrastructure still depends on business hours and multi-day settlement. That is a mismatch.

Investors and institutions increasingly expect financial products to be more available, transferable, integrated, and programmable. Programmability means that rules can be built directly into how an asset moves; for example, automatically freezing a token if it is transferred to a wallet flagged on the Treasury Department's OFAC sanctions list. At the same time, investors and institutions should not have to give up legal rights, investor protections, AML controls, operational discipline, or regulatory accountability to get that experience.

[10] One example of an operational rule that may warrant continued regulatory consideration is Rule 611 of Regulation NMS. Rule 611 was adopted in 2005 for an equity market structure organized around protected quotations and the execution and routing infrastructure then in use. The SEC has proposed rescinding Rule 611 and Rule 610(e) as part of a broader review of equity market structure. Without taking a position in this testimony on the proposed rescission, WisdomTree believes the SEC should ensure – through interpretation, exemptive relief, or rulemaking, as appropriate – that applicable market-structure rules permit broker-dealers to account appropriately for immediate atomic settlement and other material non-price execution attributes in determining the most favorable terms reasonably available, while preserving price transparency, applicable best-execution obligations, and investor protection. This reflects the broader principle underlying this testimony: preserving the substance of investor protection while modernizing the operational mechanics through which those protections are delivered. See 17 C.F.R. § 242.611; Securities and Exchange Commission, *The Trade-Through Rule and Locked and Crossed Markets Provisions of Regulation NMS*, Exchange Act Release No. 34-105655, File No. S7-2026-20, 91 Fed. Reg. 36656 (June 17, 2026).

Properly implemented, tokenization, accompanied by thoughtful regulatory modernization, can help close that gap. It can allow regulated assets to move more efficiently, reduce timing friction between sale and reinvestment, support more immediate settlement, and allow cash, securities, collateral, and payment instruments to interact more efficiently rather than in separate systems.

These are not hypothetical benefits. Tokenized U.S. Treasury and money market instruments already let institutions manage cash and post collateral around the clock rather than on a multi-day cycle; tokenized funds are making transferability and settlement more efficient for investors of all types; and stablecoins have shown how dollar value can move globally on blockchain rails. That matters for the United States, because the next generation of financial infrastructure will be built somewhere, and the question is whether the United States continues to lead in developing it and exporting the regulatory standards other markets around the world look to as the benchmark.

For most Americans, however, this debate is not really about blockchain. It is about whether the financial products they rely on become more efficient, more accessible, less costly, and available with the speed and flexibility that modern markets increasingly demand, while preserving the investor protections they already expect. The technology itself should fade into the background. What investors should notice is a better financial experience – not fewer protections.

VI. WisdomTree is building through the regulatory front door

WisdomTree's approach to tokenization has been built around a simple principle: take the regulatory front door while innovating within a framework grounded in investor protection, compliance and risk management. That is not a slogan; it is how we have structured the business, allowing us to operate effectively under different regulatory environments.

Our tokenized fund business is built on a highly regulated U.S. structure. WisdomTree Digital Trust, an SEC-registered investment company, issues the tokenized funds. WisdomTree Digital Management, an SEC-registered investment adviser, oversees the general management and administration of the tokenized funds. WisdomTree Transfers, Inc., an SEC-registered transfer agent, maintains shareholder records and supports blockchain integrated recordkeeping. WisdomTree Securities, Inc., an SEC-registered broker-dealer and FINRA member, facilitates purchases and sales of tokenized fund shares and supports the 24/7 trading functionality discussed below. Our broader digital asset infrastructure also includes WisdomTree Digital Movement, Inc., a federally registered money services business and state-licensed money transmitter, and WisdomTree Digital Trust Company, LLC, a New York limited purpose trust company chartered by the New York Department of Financial Services to engage in virtual currency business.

At every stage of our tokenization journey, WisdomTree chose the more regulated path rather than the easier one and embraced this new technology by working with our regulators to ensure the highest standards. Our structure is far from the easiest way to build. It requires securities law compliance, investment company governance, transfer agency controls, broker-dealer obligations, AML and sanctions compliance, state money transmission licensing, and New York trust company supervision. We pursued a New York limited purpose trust company because we believed that comprehensive bank-style supervision and fiduciary powers would better protect customers and create stronger protections for safekeeping and custody. But it is the right way to build if the goal is to bring traditional finance onchain responsibly and serve investors well.

WisdomTree currently offers 15 SEC-regulated tokenized funds through WisdomTree Prime and WisdomTree Connect, spanning money market, equity, fixed income, asset allocation, and alternative strategies, supported across multiple public blockchains.[11] These tokenized funds do not invest in crypto assets. They are registered under the Investment Company Act of 1940 and Securities Act of 1933, regulated with the same rigor as traditional finance products, but with the ability to realize the benefits of operating in an onchain environment.

Separately, WisdomTree Prime also offers retail users access to digital commodities such as bitcoin and ether: the user holds an entitlement to the asset, with the record reflected in the user's hosted WisdomTree wallet while the underlying bitcoin and ether are held through a third-party custodian. The platform also makes available tokenized gold with the token representing a certificate of title to physical gold segregated in a secure vault. Hence, WisdomTree participates both as an issuer of tokenized registered funds and, on the commodity side, as a provider of access to digital commodities and a physical commodity (gold) through a hosted wallet model.

VII. Responsible tokenization requires structure, controls, and investor protection

Onchain finance should not be treated as an excuse to ignore risk. Innovation does not eliminate risk; it changes where risk lives. For U.S. regulated tokenized funds, responsible innovation requires preserving the connection between the onchain token, the underlying legal rights, the official books and records, and the investor protections that attach to the regulated fund structure. For WisdomTree, that means a thoughtful and practical framework in how we operate in this cutting-edge environment on behalf of investors:

- **Legal structure.** Our tokenized funds are registered investment companies under the Investment Company Act of 1940, subject to the same investor protection framework that governs registered funds more broadly, including independent board oversight, shareholder rights, custody requirements, and segregation of fund assets from WisdomTree corporate assets. Investors are well protected through these long-term structures.
- **Recordkeeping.** WisdomTree's SEC-registered transfer agent, WisdomTree Transfers, maintains the official shareholder record and supports blockchain integrated

[11] WisdomTree makes tokenized fund shares available across multiple public blockchains, including Ethereum, Arbitrum, Avalanche, Base, Optimism, Plume, Solana, and Stellar. For more information, see WisdomTree Prime, https://www.wisdomtreeprime.com. Blockchain availability varies by fund, feature, and platform.

recordkeeping, with onchain and offchain records aligned and reconciled. A tokenized fund share cannot be treated as a digital object divorced from legal ownership records.

- **Controlled issuance.** Minting, burning, transfer, pause, freeze, and related functions map to regulated issuance, redemption, and transfer workflows. Minting and burning of fund tokens is controlled by WisdomTree – not by bridges or third parties – preserving a single source of truth around supply, ownership, and reconciliation. This is a deliberate design choice: in a market where some projects diffuse control across anonymous, offshore developer groups to avoid accountability, WisdomTree – through its identifiable, U.S. regulated entities – is responsible for the tokenized assets and accountable to regulators, to courts, and to our investors.
- **Compliance controls.** Wallet screening, customer identification, sanctions screening, transaction and suspicious activity monitoring, and ongoing risk assessment are essential to responsible tokenization. Access to our tokenized funds is permissioned through onboarding and wallet-level controls, not simply by possessing a wallet.
- **Operational resilience.** Blockchain-based systems introduce new operational questions – smart contract risk, key management risk, reconciliation risk, settlement-finality risk, and third-party service provider risk – that a responsible framework must address directly.

That design is also where tokenization's value becomes tangible for investors. It allows a single, permissioned platform to operate across multiple supported blockchains while preserving one shareholder record and one source of truth. It can improve access, letting more investors reach real asset exposure at lower minimums and with fewer intermediary layers standing between them and the assets they want to own. And as tokenization develops further, it has real potential to strengthen capital formation itself, giving companies and funds a faster, more transparent, and more efficient way to raise and deploy capital, without giving up the legal and operational chain of trust that regulated markets depend on.

VIII. The United States must be positioned to lead the next generation of finance

For decades, U.S. capital markets have been the global standard because firms around the world wanted to operate under U.S. rules – rules that combined innovation, liquidity, investor protection, and the rule of law. Tokenization gives the United States an opportunity to extend that leadership.

If Congress provides clear rules, firms will continue to invest, build, and innovate in the United States because they value access to the world's deepest capital markets and the certainty that comes from clear, durable regulation. If we do not, innovation will still happen, but increasingly elsewhere, and American users may end up relying on products built under foreign rules and supervised by foreign regulators. We should help build the future of financial infrastructure, not import it.

Beyond the CLARITY and GENIUS Acts, there are additional opportunities for Congress, the Treasury Department, the SEC and other U.S. regulators to continue modernizing the regulatory framework for tokenized markets. To support those efforts, WisdomTree joined with other leading financial institutions and asset managers to form the *Coalition for Tokenized Markets* (CTM)[12], which works to advance thoughtful regulatory modernization that preserves strong investor protection and AML safeguards while improving the efficiency and interoperability of tokenized financial products, including in areas such as customer identification. Our objective is straightforward: to ensure that the future of tokenized capital markets is developed in the United States and other well-regulated markets. The alternative is not that tokenization stops – it is that innovation increasingly develops outside the United States, beyond the reach of American regulators and law enforcement.

I also want to note the commodity side of the market. Through WisdomTree Prime, retail users can gain access to digital commodities such as bitcoin and ether, holding an entitlement recorded in a hosted WisdomTree wallet while the underlying assets are held through third-party custodial arrangements. That gives us a practical, first-hand view of the access, recordkeeping, and intermediary activities the CLARITY Act would bring within a defined framework, and it is one reason we think the CLARITY Act's treatment of digital-commodity spot markets and intermediaries is sound.

For developers on that side of the market, the CLARITY Act's framework for certain network tokens and ancillary assets, together with an SEC-administered disclosure regime, is a meaningful step. As discussed above, regulatory clarity for the native tokens underlying public blockchains gives builders confidence in the rails themselves; but good-faith builders also face uncertainty about how to raise capital and distribute tokens lawfully on top of them. A clear, calibrated framework, with meaningful disclosure obligations, anti-fraud protections, offering caps, and a path to termination of ongoing disclosure obligations once specified statutory certification conditions are satisfied, would give builders a way to proceed responsibly, onshore, and at reasonable cost.

WisdomTree has witnessed this dynamic play out with the GENIUS Act. Since Congress established a federal framework for payment stablecoins, more issuers have entered the U.S. market and regulated institutions across traditional finance have engaged more broadly, precisely because they have grown comfortable that clear rules exist and are being implemented. Clear congressional direction has proven to be a catalyst, giving serious institutions the confidence to commit. Enacting the CLARITY Act has the potential to serve as that same catalyst for the broader

[12] *See* Coalition for Tokenized Markets, "Our Mission" (describing CTM as an industry-led coalition focused on regulatory modernization, compliant secondary markets, modernized AML/KYC frameworks, and cross-border policy coordination for tokenized securities, funds, and collateral), at https://www.coalitionfortokenizedmarkets.org.

digital asset market, unlocking participation that today remains on the sidelines waiting for exactly the certainty this bill would provide.

IX. Conclusion

The question is no longer whether finance will become more digital. It will. The question before Congress is whether the United States will continue to lead in developing the next generation of financial infrastructure – building on the strengths that have long made our capital markets the global benchmark for innovation, liquidity, and investor protection. WisdomTree believes it should.

WisdomTree's experience shows that responsible tokenization is possible today. We are building through the regulatory front door, using registered funds, a registered adviser, a registered transfer agent, a registered broker-dealer, MSB and money transmission infrastructure, and New York trust company supervision – bringing real world assets onchain while preserving legal rights, investor protections, and compliance controls. The CLARITY Act provides the framework that lets far more of this happen, at scale, and with confidence. This legislation is not about choosing innovation over regulation. It is about ensuring that innovation occurs within a clear, trusted, and accountable regulatory framework.

The CLARITY Act gets the core principle right: preserve the law's substance, modernize the mechanics, and allow responsible innovation to occur inside the regulatory perimeter. WisdomTree's experience demonstrates that this approach works. We have shown that tokenization can be built through registered funds, regulated intermediaries, and constructive engagement with regulators. With CLARITY, more firms will have the confidence to build responsibly, more investors will benefit from modernized financial infrastructure, and the United States will be well positioned to continue leading the evolution of global capital markets. At WisdomTree, we describe this philosophy as *Responsible DeFi*: embracing innovation while maintaining transparency, accountability, investor protection, and strong regulatory oversight. That philosophy has guided our work from the beginning. We believe it represents a model for how traditional finance can responsibly participate in the next generation of financial markets, and we look forward to continuing that work.