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Senate to Clarify CFTC's Role in Crypto Oversight with September Draft

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The U.S. Senate Agriculture Committee is preparing to release a draft bill in September that will define the Commodity Futures Trading Commission's (CFTC) role in overseeing digital assets. The effort is part of a broader push by U.S. lawmakers to create a clear regulatory structure for the growing cryptocurrency market.

The upcoming legislation aims to clarify the CFTC's jurisdiction over digital commodities, including certain cryptocurrencies. Currently, uncertainty remains over which federal

agencies, particularly the CFTC or the Securities and Exchange Commission (SEC), should regulate specific parts of the crypto sector.

The CFTC is responsible for overseeing commodity futures and derivatives markets. However, the evolving nature of digital assets has blurred traditional regulatory boundaries, with many cryptocurrencies displaying characteristics of both commodities and securities.

To address this regulatory overlap, the Senate is pursuing a dual-committee approach. The Senate Banking Committee, which oversees the SEC, released its draft earlier this year, focusing on securities regulation. The Senate Agriculture Committee, which oversees the CFTC, is now preparing a draft to focus on digital commodities. Lawmakers intend to integrate both efforts into a single, unified regulatory framework.

According to reports from journalist Eleanor Terrett, bipartisan discussions are ongoing, with input from both Republican and Democratic senators being considered as the Agriculture Committee finalizes its draft.

The executive branch has also played a role in accelerating the legislative timeline. The White House previously introduced the GENIUS Act (Guiding Emerging Networks and Innovative Use of Securities), calling for a comprehensive digital asset policy. The administration has urged Congress to produce a final version of the framework by September, citing the need for regulatory clarity and industry stability.

One of the expected features of the Agriculture Committee's bill is a clear outline of the CFTC's legal authority over digital commodities and how this authority will align with that of the SEC in cases where assets fall into both categories. The goal is to improve enforcement consistency while avoiding duplicate oversight or unnecessary restrictions.

The draft is also expected to incorporate joint rulemaking provisions, requiring coordination between the CFTC and SEC. The Senate Banking Committee's version already proposes a 270-day deadline for decisions regarding crypto firm registrations, and similar provisions may appear in the Agriculture Committee's draft.

In a move toward greater transparency, the Banking Committee has opened a public comment period for its draft, encouraging responses from industry participants, investors, and advocacy groups. The Agriculture Committee may adopt a similar approach.

With the release of the Agriculture Committee's draft expected soon, the proposed framework could shape the future of U.S. crypto regulation. A balanced and clearly defined system may support innovation, attract investment, and offer legal certainty across digital asset markets.