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Trump Signs GENIUS Act, Landmark U.S. Crypto Law Regulating Stablecoins

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President Donald Trump has signed the GENIUS Act, short for Guiding and Establishing National Innovation for U.S. Stablecoins, marking the first major federal law regulating cryptocurrency in the United States. The bipartisan legislation sets out a framework for licensing, reserves, bankruptcy protections, and anti-money laundering compliance specifically for stablecoin issuers.

During the signing ceremony at the White House on July 18, Trump used the opportunity to contrast his administration's stance with that of his predecessor, accusing the previous government of attempting to stifle innovation in the crypto sector. He described stablecoins as a powerful economic tool and even admitted, somewhat humorously, that he supported the bill early on because it was "good for the votes." The event was attended by top executives from major crypto firms, including Coinbase, Kraken, Gemini, Tether, and Robinhood.

The GENIUS Act is expected to provide regulatory clarity for the estimated \$250 billion stablecoin market. Among its key provisions are requirements for independent audits, public reserve disclosures, and a dual oversight structure combining federal and state-level regulation. Financial markets responded with enthusiasm, as the total global crypto market cap jumped above \$4 trillion following the announcement, with significant gains seen in assets like Bitcoin, Ethereum, and Solana.

Despite bipartisan support, the bill has not escaped criticism. Senator Josh Hawley warned that it could give excessive power to large tech firms and raise concerns over consumer data privacy. Senator Elizabeth Warren also voiced objections, pointing to limited consumer protections and possible ethical issues, citing reports that Trump's family-affiliated firm, World Liberty Financial, is linked to a new stablecoin. Representatives of the company insisted it remains a private, non-governmental initiative.

Under the law, federal regulators now have six months to develop and implement specific rules to operationalize the legislation. The GENIUS Act represents a pivotal part of Trump's broader digital finance strategy, which also includes the creation of a Strategic Bitcoin Reserve, efforts to

halt lawsuits by the Securities and Exchange Commission (SEC) against crypto companies and plans to position the United States as a global leader in digital currency innovation.

The passage of the GENIUS Act signals a new chapter in federal crypto oversight and a significant shift in Washington's attitude toward blockchain-based financial systems.