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US Crypto Law Opens Doors for Tokenization Firms

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The United States Congress has officially passed the GENIUS Act, marking a significant milestone in the regulation of stablecoins and blockchain-based financial infrastructure. This is the first comprehensive federal legislation aimed at clarifying the legal status of stablecoins and supporting the emerging field of real-world asset (RWA) tokenization.

The new law establishes detailed rules for the issuance, custody, and usage of stablecoins, offering much-needed regulatory certainty for both fintech startups and traditional financial

institutions. Analysts say the legislation is a turning point for technology companies that have been operating under ambiguous guidelines.

Dave Hendricks, founder of the digital asset tokenization platform Vertalo, welcomed the clarity provided by the legislation. He said the new framework would accelerate strategic partnerships and innovation among firms already working in the sector. “This clears the path for new investment in technology and strategic partnerships,” Hendricks said in an interview.

Among the beneficiaries is Paxos, the blockchain infrastructure firm behind PayPal’s USD stablecoin. Paxos strategy head Walter HSSERT said the law validates years of efforts made to comply with evolving financial regulations. The company has partnered with firms such as Stripe and Mastercard to build compliant digital asset services.

The GENIUS Act also supports the advancement of tokenized finance by laying the groundwork for stablecoins to serve as settlement tools in institutional and retail settings. RWA tokenization, which involves converting traditional assets like real estate or government bonds into blockchain-based tokens, is expected to benefit from the legal clarity and compliant payment systems the law encourages.

Florian Nöhl, who leads tokenization projects at IBM’s LinuxONE division, said the legislation helps reduce settlement risks and costs in retail transactions. IBM is currently working on solutions to help banks adopt digital asset technologies.

Despite the law’s broad support, some challenges remain. Ryan Zega of Aptos Labs noted that integrating blockchain systems with traditional banking infrastructure will require substantial coordination. He also emphasized the need for education among lawmakers and financial institutions to ensure smooth adoption.

The GENIUS Act may influence international policy as well. Its reciprocity provisions could serve as a template for cross-border compliance and enable stablecoins to be used more freely in global markets.

Still, not everyone in the industry is optimistic. Hendricks cautioned that the law could disproportionately benefit large financial institutions, potentially limiting decentralised innovation. “This may be a step toward greater centralisation,” he said.

As digital finance continues to evolve, the GENIUS Act is expected to serve as a foundational framework for the future of regulated blockchain-based systems.

