The new gatekeeper of global finance

The Clarity Act could turn US regulation into the world's financial rulebook – offering access to some, while leaving the unprepared locked out of the next phase of growth

WORDS BY
Dr. Ravishankar Chamarajnagar
FOUNDER AND CEO, BRACKT

I returned from Paris last month, having spent three days in rooms where the future of global finance was being quietly debated. Not by politicians, but by fintech executives, institutional investors and regulatory architects who are actually building it. What struck me most was the unanimity of the anxiety beneath the sophisticated technology on display. Operators from São Paulo to Singapore and from Dubai to Ho Chi Minh City all wanted US market access, but few knew how. That gap is about to narrow partially, creating both opportunity and risk.

For the better part of a century, US financial dominance rested on three interlocking pillars: the dollar's status as a reserve currency, the depth of its capital markets, and an institutional infrastructure so entrenched that it became the default architecture for global trade. You did not choose to work within the American financial system. You simply did, because there was no viable alternative. Now, blockchain commoditises rails, replicates tokens and allows exchanges anywhere. The regulatory standard – the enforceable, globally legible rulebook – is the differentiator. This is what the Clarity Act aims to provide.

The Clarity Act's global stakes

The Genius Act brought stablecoins under regulatory supervision and set reserve requirements for dollar-pegged digital currency. But it left most of the digital asset market – securities, commodities, DeFi, tokenised treasuries – in a legal grey zone, costing US and global enterprises billions in missed opportunity and confusion.

The Clarity Act changes this. For the first time, US law will draw a definitive line between a digital security and a digital commodity, clarify the respective jurisdictions of the SEC and the CFTC, and create a coherent framework for exchanges, broker-dealers, and custodians. Crucially, it gives every enterprise outside the US – the Brazilian fintech, the Vietnamese payment company, the Dubai-based digital asset fund – a clear set of rules to align with before approaching a US institution.

In Paris, the reaction was not scepticism; it was relief. The demand for US market entry is profound. What has been missing is a door with a handle. American dominance won't mean a monopoly. The EU's MiCA, the UAE's VARA, and Singapore's MAS all offer a strong, attractive regulatory environment.

The US will win the battle for regulatory dominance as the Clarity Act will become the template other jurisdictions align with, because alignment means access. What American policymakers may cede is the battle for product innovation: the applications and platforms incubated in jurisdictions with lower friction and greater appetite for experimentation. This is not failure. It is a division of labour, one that must be accepted, because attempting to suppress innovation to protect legacy systems has already been tried. The market moved anyway.

> "Compliance, executed well, is no longer a constraint on growth. It is the competitive advantage"

The call to act, before the window closes

For every enterprise navigating this landscape, the imperative is not strategic; it is existential. Non-compliance does not look like a fine. It looks like paralysis: misaligned controls, transactions held or rejected while competitors move, credibility bleeding out at precisely the moment this market is accelerating. You are not paying a penalty; you are stuck, while deep-pocketed US investors onboard with your better-positioned rivals. They will not wait. There are other doors to knock on. The enforcement trajectory is unambiguous. In 2023, Binance paid $4.3bn, the largest Department of Justice corporate resolution in history at the time. In 2024, TD Bank settled for $3.1bn, becoming the largest US bank to plead guilty to a money laundering conspiracy. Even Revolut, celebrated as a model of fintech agility, was fined €3.5m for failures in transaction monitoring. These are not outliers. They are a pattern with a clear, accelerating direction of travel.

Over three decades of building technology for global financial institutions, I have watched compliance treated as a cost centre, an afterthought, and checked only after the deal closes. In the digital asset era, that model is obsolete. It is the single biggest differentiator separating institutions that will capture this market from those locked out of it. Compliance, executed well, is no longer a constraint on growth. It is the competitive advantage.

Do you know, before you transact, whether you are compliant? If the answer is anything other than an unequivocal yes, the window to fix that cheaply is closing faster than most people in Paris were willing to admit. ■