

Knowpia Inc. Submits Landmark Policy Reports to U.S. Senate Banking Committee on Digital Asset Market Structure RFI

Knowpia Inc. submits landmark policy reports to U.S. Senate, urging clear rules for digital securities, VUD models, and Rule 144 exemptions for token use.

FREMONT, CA, UNITED STATES, August 8, 2025 /EINPresswire.com/ -- [Knowpia Inc.](https://www.knowpia.com), developer of the [Funs.AI](https://www.funs.ai) SocialFi platform, has formally responded to the U.S. Senate Banking Committee's Request for Information (RFI) on the Digital Asset Market Structure discussion draft, submitting three comprehensive policy reports aimed at shaping the future of U.S. digital asset regulation.

Between August 1 and August 6, 2025, Knowpia submitted:

1. Innovation Report of Securities Tokenization (Question 24.a) – Urging Congress to advance the CLARITY Act to formally establish a legal taxonomy for digital assets, with particular focus on the definition and regulatory scope of “Digital Securities.”

1.1 Digital Securities are blockchain-native representations of traditional securities that preserve legal rights such as dividends and liquidation preferences while incorporating on-chain programmability, payments, and governance functions.

1.2 The report proposes the Verified User Distribution Digital Securities Exemption Rule (VUD-Reg), which, under KYC/AML, functional maturity, and embedded compliance controls, would exempt such distributions from Rule 144 holding periods and resale restrictions—allowing



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platform-earned functional securities to circulate immediately on compliant markets.

1.3 Recommends creating a registration and distribution exemption mechanism for non-capital-raising, functionally mature digital securities; introducing SEC-standard disclosure templates; and recognizing on-chain native ATS and decentralized custody models.

2. Token Taxonomy Analysis Report (Question 1.e) – Proposes a functional, technology-neutral token classification system aligned with the CLARITY Act to differentiate securities, commodities, and payment tokens, reducing regulatory overlap and blind spots.

3. Legal Compliance Analysis Report: Rule 144 Exemption for Dual-Character Digital Assets under the EUD Model (Question 2, Rule 144) – Demonstrates that in an End-User Distribution (EUD) model, dual-character tokens (utility + security) are not acquired through capital raising and have functional utility upon receipt, thereby qualifying for exemption from Rule 144 restrictions, with investor protections maintained through smart contracts, on-chain disclosures, and compliant exchanges.

The reports emphasized:

1. Establishing a clear definition and regulatory pathway for Digital Securities;
2. Implementing Rule 144 exemptions for functionally mature securities distributed via VUD;
3. Advancing on-chain native ATS and decentralized custody models;
4. Standardizing disclosures and strengthening interagency coordination among the SEC, CFTC, Treasury, and IRS.

“The Senate’s RFI represents a pivotal moment for U.S. crypto regulation,” said a Knowpia Inc. representative. “Our proposals ensure that innovation and compliance move hand-in-hand, positioning the U.S. not only as a leader in blockchain technology but also in regulatory clarity.” This Senate submission follows Knowpia’s earlier STO+ Token Classification Proposal to the SEC’s Crypto Asset Task Force, introducing a dual-state token model—allowing the same token to function as a utility token within the Funs.AI platform while trading as a security on regulated markets—offering a practical compliance framework for hybrid token models.

About Knowpia Inc.

Knowpia Inc. is a Silicon Valley-based Web3 innovation company developing Funs.AI, a SocialFi platform that merges artificial intelligence and blockchain to empower creators and users through an integrated ecosystem of social interaction, NFT marketplace, and e-commerce.

Keven Lai

Knowpia Inc.

medium@knowpia.com

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