



May 16, 2024



The Honorable Mike Johnson
Speaker
United States House of Representatives
Washington, D.C. 20515

The Honorable Hakeem Jeffries
Minority Leader
United States House of Representatives
Washington, D.C. 20515



Dear Speaker Johnson and Minority Leader Jeffries:



The undersigned organizations, which span the digital assets community and share the goal of encouraging the responsible global regulation of digital assets, write to express our support for H.R. 4763, *the Financial Innovation and Technology for the 21st Century Act* (“FIT 21”). H.R. 4763 creates a comprehensive regulatory framework to protect consumers while addressing the unique structure of U.S. digital asset markets.



BLOCK

FIT 21 establishes a regulatory framework for the issuance and trading of digital assets by the Commodity Futures Trading Commission (CFTC) and the Securities and Exchange Commission (SEC). It provides clarity on which digital assets are regulated by each agency. By passing this legislation, we can accelerate the growth of blockchain technology and digital assets, fostering financial inclusion and protecting national security. It is crucial for the U.S. to maintain its leadership in financial innovation.

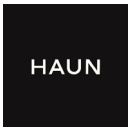


Currently, the U.S. lags behind other major jurisdictions in developing a regulatory framework for digital assets. Major economies like the European Union, United Kingdom, Singapore, Japan, South Korea, the UAE, Brazil, and Australia have made significant progress in this area. Without Congressional action to pass effective rules, American innovators will continue to migrate offshore. American investors and consumers may turn to unregulated offshore markets, posing risks to national security and the economy.



The 2022 collapses of multiple foreign firms highlight the consequences American investors face when digital asset market activity moves to unregulated jurisdictions outside the U.S. SEC Chair Gary Gensler acknowledged this risk, stating that U.S. investors are accessing crypto markets both domestically and offshore, and noting the challenges associated with taking enforcement actions against foreign firms¹ To protect consumers and investors, the U.S. must not abdicate its role in regulating digital assets.





FIT 21 includes important consumer protections, such as segregating customer funds, requiring risk disclosures, extending bankruptcy protections, imposing minimum capital requirements, and addressing conflicts of interest. We strongly support these requirements to safeguard customers and their funds.

We also agree with the Financial Stability Oversight Council's (FSOC) recommendation that Congress pass legislation granting explicit rulemaking authority over the spot market for crypto-assets.² Treasury Secretary Janet Yellen and CFTC Chairman Rostin Behnam have repeatedly expressed the need for regulatory frameworks in these markets.^{3,4}

We recognize that FIT 21 will introduce new compliance challenges for digital assets companies, but regulatory clarity is indisputably more responsible, safer for consumers, and preferable to the status quo. Currently, digital assets firms are instructed to somehow comply with U.S. securities laws that were designed nearly 100 years ago without consideration of the technological advances of today, including the ability for transactions to move at the speed of the internet.

We urge Members of the House to vote in favor of H.R. 4763 to establish a clear regulatory framework that fosters innovation, protects consumers, and maintains U.S. leadership in this foundational technology.

Respectfully,

Crypto Council for Innovation
 Chamber of Progress
 Consumer Technology Association
 The Digital Chamber
 Global DCA
 Proof of Stake Alliance
 Stand With Crypto

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|------------------------|---------------------------|
| a16z | Fabric Ventures |
| Alluvial | Filecoin Foundation |
| Anchain | Frax |
| Archetype | Galaxy |
| Architect | Gemini |
| Block | Global ID |
| Canonical Crypto | Gryphon Digital Mining |
| Circle | Haun Ventures |
| Coinbase | Hourglass |
| CoinFund | Improbable |
| Dapper Labs | Integral |
| DC DAO | Kraken |
| Digital Currency Group | Llama |
| Department of XYZ | MSquared |
| Electric Capital | Marathon Digital Holdings |
| Espresso Systems | MoonPay |

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FOUNDATION

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OpenSea

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Protocol Labs

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Silo

SOLIDUS
LABS

Stellar
Development
Foundation

STORM LABS

Superstate

SURUS

SWEAT

Tephra Labs

udhc

WATERFALL

Mysten Labs

Near Foundation

OAK Network

OpenSea

Paxos

Protocol Labs

Re

Ribbit Capital

Riot Platforms

Sei

Silo Finance

Solidus Labs

Stellar Development Foundation

Storm Labs

Superstate

Surus

Sweat Economy

Tephra Labs

UDHC

Waterfall

1 <https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=408690>

2 <https://home.treasury.gov/system/files/261/FSOC-Digital-Assets-Report-2022.pdf>

3 <https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=408850>

4 <https://www.cftc.gov/PressRoom/SpeechesTestimony/opabehnam41>