

Crypto Council for Innovation

July 26, 2023

Patrick McHenry
Chairman
House Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

Maxine Waters
Ranking Member
House Committee on Financial Services
4340 O'Neill House Office Building
Washington, DC 20515

French Hill
Chairman
Subcommittee on Digital Assets,
Financial Technology and Inclusion
1533 Longworth House Office Building
Washington, DC 20515

Stephen Lynch
Ranking Member
Subcommittee on Digital Assets,
Financial Technology and Inclusion
2109 Rayburn House Office Building
Washington, DC 20515

Dear Chairman McHenry, Ranking Member Waters, Chairman Hill, and Ranking Member Lynch:

The Crypto Council for Innovation (CCI) is pleased to support H.R. 1747, the *Blockchain Regulatory Certainty Act*. We applaud the decision of the Financial Services Committee to mark up this bipartisan legislation, which will help to protect American innovation by ensuring that developers are not subject to an unnecessary and inappropriate compliance burden that would significantly impede their ability to perform their day-to-day jobs. The development of digital assets in the United States is critical to our national and economic security, and we appreciate efforts to establish the regulatory clarity that is desperately needed.

CCI is a global alliance of industry leaders with a mission to communicate the benefits of crypto/Web3 and demonstrate its transformational promise. CCI members include some of the leading global companies and investors operating in the industry. They span the crypto ecosystem and share the goal of encouraging the responsible global regulation of crypto to unlock economic potential, improve lives, foster financial inclusion, protect national security, and disrupt illicit activity.

H.R. 1747 would help ensure that cutting edge innovation continues to take place in the United States by establishing basic protections for blockchain software developers and non-custodial digital asset service providers. As you know, existing state money transmission and licensing laws as well as

federal anti-money laundering laws, including the Bank Secrecy Act, were originally developed with traditional financial institutions in mind. However, unlike traditional financial institutions, blockchain software developers and non-custodial service providers - such as crypto miners, node operators, and validators - do not maintain control over users' funds and do not engage in any decision making regarding individual transactions. Nevertheless, there is currently legal and regulatory uncertainty regarding the extent to which these requirements apply to developers and service providers. The Blockchain Regulatory Certainty Act would address this uncertainty by clarifying that developers and non-custodial service providers are not subject to the requirements of these laws as long as they are not taking custody of any consumer or users' funds.

CCI firmly believes that maintaining America's innovative edge in the development of blockchain technology and Web3 is critical to maintaining our leadership within the global financial system. The basic protections provided by H.R. 1747 represent a core building block in providing a foundation for future responsible innovation here in the United States. We applaud the Committee for their commitment to this important issue and we strongly urge members to support H.R. 1747 when it is considered during this week's markup.

Sincerely,

A handwritten signature in black ink, appearing to be 'S. Warren', with a long horizontal flourish extending to the right.

Sheila Warren
Chief Executive Officer
Crypto Council for Innovation