

May 29, 2025

VIA EMAIL

Commissioner Hester M. Peirce
Crypto Task Force
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-0213

RE: Comments on the SEC Crypto Task Force’s Questions Concerning the Security Status of Crypto Assets

Dear Commissioner Peirce:

The Crypto Council for Innovation (“CCI”), a global alliance of industry leaders focusing on digital assets, appreciates the opportunity to respond to several questions posed to the public by the Securities and Exchange Commission’s Crypto Task Force (the “Crypto Task Force”) in its Statement on February 21, 2025 (the “Statement”).¹

CCI members span the digital asset ecosystem and include some of the leading global companies and investors operating in the industry. CCI members share the goal of encouraging the responsible global regulation of crypto to unlock economic potential, improve lives, foster financial inclusion, protect security, and disrupt illicit activity. CCI believes that achieving these goals requires informed, evidence-based policy decisions realized through collaborative engagement between regulators and industry. It also requires recognition of the transformative potential of crypto in improving and empowering the lives of global consumers.

CCI appreciates the Crypto Task Force’s efforts to provide greater regulatory clarity and its stated intention of putting in place a framework that preserves industry’s ability to offer products and services consistent with the Commission’s important regulatory objectives — including protecting investors. CCI indeed appreciates the Crypto Task Force’s engagement with the digital assets industry — through roundtables, meetings, and other forums — to provide this regulatory clarity as well as practical policy measures to best foster innovation and protect investors. To that end, CCI respectfully submits the following comments and recommendations for the Commission’s consideration.

Question 1: What type of regulatory taxonomy would provide a predictable, legally precise, and economically rational approach to determining the security status of crypto assets and transactions in such assets without undermining settled approaches for evaluating the security status of non-crypto assets and transactions?

¹ See “There Must Be Some Way Out of Here”, Statement by Commissioner Hester M. Peirce, Feb. 21, 2025, available at <https://www.sec.gov/newsroom/speeches-statements/peirce-statement-rfi-022125>.

As an initial matter, CCI respectfully submits that it is critical that comprehensive legislation for digital assets and the blockchain technology industry be established to provide needed clarity, allow for responsible innovation, and best protect investors. It is also CCI's view that many crypto assets do not implicate securities laws, and are therefore not suitable for regulation under the securities laws. It is on that general basis that CCI provides our thoughts and recommendations in response to this question.

In the current absence of comprehensive legislation, we would ask the Crypto Task Force and the Commission to devise a regulatory taxonomy for crypto assets based on whether such assets:

- (1) are controlled by a clearly identifiable entity or group of entities,
- (2) are primarily offered in a manner that leads a reasonable person to expect financial returns, based on representations, features, or economic incentives put forward by the issuer or controlling entity; and
- (3) issue assets that are standardized or functionally fungible with each other.

CCI begins by offering certain basic definitions. We share the Commission's definition that a "crypto asset" is an asset that is issued and/or transferred using distributed ledger or blockchain technology, including, but not limited to, so-called "virtual currencies," "coins," and "tokens."² Relatedly, we understand "tokenization" to mean the process of representing an asset through the use of distributed ledger or blockchain technology. We aim to provide a basic overview of a possible taxonomy of digital assets, and then seek to discuss in more detail the three limbs of the test we describe above.

Background

The Crypto Task Force notes that it seeks to put in place a regulatory framework that "will be within the statutory authority given to the Commission, and [that it] will work with other regulators operating within their own statutory authorities."³ We entirely agree with the statement that "[t]he statutes already on the books do not allow a free-for-all for products that fall within our jurisdiction."⁴ Predictability and legal precision for market participants require delineating the boundaries of the Commission's jurisdiction over crypto assets. Clearly-drawn boundaries for the securities laws will likely help swiftly create a regulatory taxonomy for crypto assets, which can also best inform much-needed comprehensive legislation.

It will come as no surprise to the Crypto Task Force that we are critical of the significant confusion created in the crypto industry by the Commission's application of the *Howey* test.⁵

² Framework for "Investment Contract" Analysis of Digital Assets (April 3, 2019), at n.2, available at <https://www.sec.gov/about/divisions-offices/division-corporation-finance/framework-investment-contract-analysis-digital-assets>.

³ "The Journey Begins", Statement by Commissioner Hester M. Peirce, Feb. 4, 2025, available at <https://www.sec.gov/newsroom/speeches-statements/peirce-journey-begins-020425>.

⁴ *Id.*

⁵ *SEC v. W.J. Howey*, 328 U.S. 293 (1946).

The application of *Howey* led the Commission to formulate a multi-factor framework to determine the status of crypto assets (the “Framework”).⁶ That Framework was an important, well-intentioned and necessary step. However, in the absence of further guidance, the Framework is not, by itself, enough to create a predictable, easily applicable, or widely replicable approach to the threshold question of security status. Security status determination cannot be the exclusive preserve of businesses with vast resources or large law firms. It must be accessible to all innovators and entrepreneurs.

The Southern District of New York’s decision in *SEC v. Ripple Labs*⁷ has recognized a further complication in the application of *Howey* – namely that depending on the precise factual circumstances, primary transactions using the same crypto asset could be subject to the federal securities laws, while other seemingly similar transactions on the secondary market might not be so subject. This decision, with which several other federal courts have expressly agreed or disagreed,⁸ makes it nearly impossible for market participants to rely on the nature or identity of the asset itself to be confident that they are not entering into a securities transaction. The ruling in *Ripple Labs* therefore points to the need for bright-line tests on which market participants and innovators can generally rely.

A New Approach

We identify these shortcomings with the Commission’s prior application of *Howey* to suggest the basic contours of a new regulatory approach. But which crypto assets are within the Commission’s jurisdiction?

We would start by noting that the broad concept underlying the federal securities law is the need to address information asymmetries between venture promoters, on the one hand, and prospective investors on the other.⁹ The information asymmetries that the federal securities laws seek to address also point to a more fundamental factor in the context of the federal securities laws — the question of control.

The Commission has consistently recognized that the question of control is one that may turn on various facts and circumstances.¹⁰ As a general matter, however, “control”, in the securities laws context, or the corporate context has typically meant the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether

⁶ SEC, Framework for “Investment Contract” Analysis of Digital Assets, (April 3, 2019), available at <https://www.sec.gov/about/divisions-offices/division-corporation-finance/framework-investment-contract-analysis-digital-assets>.

⁷ 2023 WL 4507900 (S.D.N.Y. July 13, 2023).

⁸ See, for example, *SEC v. Terraform Labs Pte. Ltd.*, No. 23-01346 (S.D.N.Y. July 31, 2023), (expressly disagreeing with *Ripple Labs*), and *SEC v. Binance*, 2024 WL 3225974 (D.D.C. June 28, 2024) (agreeing with *Ripple Labs*).

⁹ See, for example, Frank H. Easterbrook & Daniel R. Fischel, Mandatory Disclosure and the Protection of Investors, 70 VA. L. REV. 669, 694 (1984).

¹⁰ See, for example, *Modernization of Beneficial Ownership Reporting*, 88 Fed. Reg. 76896, 76899 n. 29, (Oct. 10, 2023), available at <https://www.govinfo.gov/content/pkg/FR-2023-11-07/pdf/2023-22678.pdf>.

through the ownership of voting securities, by contract, or otherwise.¹¹ The catch-all term “otherwise” is particularly relevant in the blockchain context. In the context of crypto assets specifically, control may be based on some combination of financial control (e.g., rights to determine and allocate proceeds or profits), governance (e.g., voting rights or administrative rights), or, particularly in the context of blockchain-based assets, technological (e.g., a “kill switch” or the use of a private permissioned protocol). None of these features — a right to allocate payments, a right to “kill” protocol operations under specified circumstances, a right to vote on specified matters — is dispositive of security status, but operating in combination, they may strongly indicate the existence of control by an entity or clearly identifiable group of entities.

The existence of control and the predominance of financial rewards should therefore guide the Commission’s development of a regulatory taxonomy for crypto assets. While we cannot definitively enumerate all circumstances where control exists in the context of a crypto asset, we provide examples of activity that should not be considered to be control or evidence of control. For example, we do not think the following features or activities, by themselves, should be examples of control:

- Implementing or launching software, or providing code updates;
- Using, creating software for, launching, or deploying decentralized applications (“dApps”) or similar functionality, including, but not limited to, launching custom blockchains, on the networks;
- Using tokens to pay for goods or services, including to compensate employees, vendors or contractors;
- Claiming or otherwise receiving or disbursing tokens through an airdrop or other forms of token-based rewards;
- Sending, receiving, or otherwise transferring tokens for purposes of inter-blockchain or cross-chain communications, transfer, interoperability, or bridging technologies; or
- Receiving token rewards in return for mining, staking, securing or otherwise validating transactions or other information, including by delegation, or otherwise participating in the operation of the networks.¹²

With this understanding of what *is not* control as background, we respectfully reiterate that the application of the federal securities laws is warranted where a crypto asset:

(1) is controlled by an entity or clearly identifiable group of entities;¹³

¹¹ See, for example, the definition of “control” under Rule 405 under the Securities Act, or the definition of “control” under Section 15(b)(13)(E)(ii) of the Securities Exchange Act, 1934.

¹² See also our response to Question 3 below, where we revisit a number of these items in the context of blockchain infrastructure that should not trigger the application of the federal securities laws.

¹³ We would also note that for clarity, it would be necessary for this group of entities to be either affiliated (as with members of a corporate group) or to be clearly shown to be acting in concert or coordination. For a more detailed discussion, see text at n.20 below, and our discussion of the ruling in *Intercontinental Exchange v. SEC*, 23 F.4th 1013 (D.C. Cir. 2022).

(2) is primarily offered in a manner that leads a reasonable person to expect financial returns, based on representations, features, or economic incentives put forward by the issuer or controlling entity; and

(3) issues assets that are standardized or functionally fungible with each other.¹⁴

To illustrate the practical implications of this three-fold test for which crypto assets are securities, we offer below a basic taxonomy of digital assets for the Commission’s consideration:

(1) **Network tokens:** A network token primarily derives its value from the functioning of a blockchain network. These tokens are intrinsic to a blockchain and depend on the blockchain for their existence and purpose.¹⁵ The value of a network token is principally determined by the functioning of its underlying network. In many cases, this underlying network may not be controlled by any identifiable entity or group of entities. In the absence of such control, tokens based on such networks should not be regulated under the federal securities laws. Ether, for example, is an example of a network token — and because it is based on a decentralized network,¹⁶ it is not suitable for regulation under the federal securities laws.

(2) **“Real world asset” (“RWA”) tokens:** RWA tokens represent assets that exist independently of the crypto assets that represent them, or represent a right or entitlement to such assets. For example, an RWA token may represent a right in property, or a debenture or the right to the delivery of a commodity. The legal status of the RWA tokens depends on the nature of the token and the rights that the token conveys or represents vis-à-vis the RWA that is tokenized. For example, a token that represents or conveys an interest in a bond would be regulated as a bond and therefore as a security. By contrast, a token that represents an entitlement to a slice of pizza would not be regulated as a security.

(3) **Non-fungible tokens:** These tokens are primarily intended to be collectibles or represent entitlements to unique goods, and they may overlap with RWA tokens. Unlike RWA tokens, however, and like physical collectibles, the ownership of such tokens may be viewed as being inherently valuable, rather than valuable for granting access or rights in some other asset. As a general matter, the bespoke, non-standardized character of non-fungible tokens makes them unsuitable for regulation under the federal securities laws.

¹⁴ The standardization or fungibility factor reflects the fact that the federal securities laws have historically been concerned with “offerings” to groups of people, whether the public at large or smaller groups of wealthy or institutional investors. They have typically not sought to police offerings of bespoke assets, whether those are financial in character (such as bank loans) or otherwise (such as artworks or fine wines).

¹⁵ See Lee Schneider & Sylvia Sanchez, *Understanding and Classifying Blockchain Tokens*, The International Journal of Blockchain Law, Vol. 8 (March 2024), available at <https://www.owlexplains.com/en/articles/understanding-and-classifying-blockchain-tokens/>.

¹⁶ William Hinman, Dir., SEC Div. of Corp. Fin., Remarks at the Yahoo Finance All Markets Summit: Digital Asset Transactions: When Howey Met Gary (Plastic) (June 14, 2018), available at <https://www.sec.gov/newsroom/speeches-statements/speech-hinman-061418>.

(4) **Stablecoins:** These tokens are primarily intended to maintain a fixed ratio or relationship with a reference asset or assets, such as a fiat currency. For that reason, they offer no financial “reward” or expectation or profit, and accordingly should not be regulated under the federal securities laws. Indeed, the staff of the SEC’s Division of Corporation Finance recently issued a statement providing that “Covered Stablecoins” (as such term is defined in the SEC’s Statement) do not involve the offer and sale of securities under the Securities Act or Exchange Act.¹⁷

(5) **Entertainment / Consumption tokens:** As a general matter, these tokens may overlap with the network token category, or with the non-fungible token category, or even, in some cases, with the RWA token category. These tokens are primarily meant to be “consumed”, i.e., to be used within a closed system (such as a gaming token or a music token), or to be exchanged for a consumable good (e.g., a cup of coffee or a hat). They may be transferable, but because of their intended use for entertainment or consumption, speculative activity in such tokens is likely to not yield significant results in most cases.

Our taxonomy is necessarily imprecise and marked by fuzzy boundaries.¹⁸ Reasonable people may disagree on whether a token is a network token or an entertainment token, for example. Nevertheless, this basic taxonomy is meant to show how the three-fold test of centralization, financial rewards, and standardization can provide meaningful ways to distinguish among tokens in a manner that is relevant to the federal securities laws.

We would also respectfully suggest that the Commission identify multiple states or stages of decentralization, with varying disclosure, registration or other compliance requirements across these stages. This would enable firms to more precisely determine, in regulatory terms, where they stand on the decentralization spectrum. We recognize that regulation can never be sufficiently calibrated to impose precisely tailored requirements for every firm. Instead, our aim is to work with the Commission to ensure that differentiated regulatory requirements capture the varying realities for a significantly higher number of crypto firms at different points along the decentralization spectrum.

Question 2: Should the Commission address when crypto assets fall within any category of financial instruments, other than investment contracts, that are specifically listed in the definition of “security” in the federal securities laws?

The Commission should clarify that the existence of certain types of financial features for crypto assets does not imply that those assets are subject to the federal securities laws. In our response to Question 1 above, we identified the primary financial character of a crypto asset as one among

¹⁷ Division of Corporation Finance, Staff Statement on Stablecoins, (Apr. 4, 2025), available at <https://www.sec.gov/newsroom/speeches-statements/statement-stablecoins-040425>.

¹⁸ To be clear, our focus on centralization and financial rewards does not require a return to the SEC’s 2019 Framework. That Framework was characterized by a host of factors of unclear and variable weightage which, under the previous administration, proved impossible to operationalize for the industry. The Framework also resulted in binary outcomes, casting assets as either centralized or decentralized, without fully acknowledging that crypto assets usually move fluidly on a spectrum between centralization and decentralization.

three principal bases for its regulation under the federal securities laws. In our response to this question, we ask the Commission to clarify that certain financial features are not sufficient in themselves for an asset to be subject to the federal securities laws. Such an approach would provide greater legal certainty and ensure consistency with existing interpretations of securities laws.

Section 2(a)(1) of the Securities Act of 1933 identifies a range of instruments as “securities,” including any note, stock, treasury stock, security future, security-based swap, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, transferable share, investment contract, voting-trust certificate, or certificate of deposit for a security.¹⁹ Several of these categories are well-settled in commercial terms. Market participants typically have a robust understanding of, and clear expectations around terms such as “stock,” “bond” or “debenture.” Other terms in the definition have been relatively rarely used by the Commission to exercise jurisdiction over various assets — for example, the phrase “evidence of indebtedness”²⁰ could extend to a variety of financial instruments, some of which have been traditionally regulated as securities (such as debt securities) and some which have not (such as home mortgage loans). Yet other terms, just like *Howey*’s test for an investment contract, are heavily dependent on facts and circumstances — the Commission has, for example, used the test for a “note” under *Reves v. Ernst & Young*,²¹ as the basis for a number of actions against crypto asset issuers, and against the sponsors or promoters of crypto asset-based lending programs.²²

One significant industry concern is that having reached the limits of *Howey*, future Commission action around crypto assets should not seek to rely on other little-used, easily misunderstood or ambiguous terms in Section 2(a)(1) of the Securities Act of 1933 or in Section 3(a)(10) of the Securities Exchange Act of 1934. In all cases, we suggest the Commission should look to see if the three-fold test we suggest in our response to Question 1 is met — namely whether certain crypto assets:

(1) are controlled by a clearly identifiable entity or group of entities,

¹⁹ 15 U.S. Code § 77b(a)(1). The full definition refers to “any note, stock, treasury stock, security future, security-based swap, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a “security”, or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.”

²⁰ Notably, the term is absent from Section 3(a)(10)’s definition of a “security” under the Securities Exchange Act, 1934.

²¹ 494 U.S. 56 (1990).

²² See, for example, *In re Blockchain Credit Partners d/b/a DeFi Money Market*, (Aug. 6, 2021), available at <https://www.sec.gov/litigation/admin/2021/33-10961.pdf>; and *In re BlockFi Lending LLC* (Feb. 14, 2022), available at <https://www.sec.gov/files/litigation/admin/2022/33-11029.pdf>.

(2) are primarily offered in a manner that leads a reasonable person to expect financial returns, based on representations, features, or economic incentives put forward by the issuer or controlling entity; and

(3) are standardized or functionally fungible with each other.

If each of these three elements are met, and the crypto asset is a security, it matters relatively less which of the terms under Section 2(a)(1) the Commission classifies the asset under.²³ In clarification of the second prong of that test, we respectfully urge the Commission to definitively state that certain crypto asset-specific features²⁴ such as:

(1) the ability to trade the asset on a secondary market or the admission of the crypto asset to trading on a secondary market;

(2) the ability to make airdrops to network participants, whether in exchange for network maintenance or network promotion services or otherwise;

(3) the crypto asset's potential for capital appreciation; and

(4) the use of the crypto asset to compensate developers or service providers

should not be seen as either dispositive of or even indicative of the financial character of the asset.

Our principal reason for seeking this clarification is that the four factors identified above, and other factors similar to them, are overbroad. Each of these features can and do apply to many non-crypto, non-financial assets. These features, singly or in combination, are likely to be insufficient to establish the financial or other character of any crypto asset.

We recognize that the Commission operates pursuant to the federal securities laws, and that in the context of crypto assets, current and future staff at the Commission may make determinations regarding the entire range of instruments named in Section 2(a)(1). Our suggestion is only that those determinations be made on substantive considerations of control, financial character and fungibility rather than on features that apply to a wide range of financial and non-financial assets.

Question 3: Certain crypto assets are used in a variety of functions inherent to the operation of a blockchain network, such as mining or staking as part of a consensus mechanism or securing the network, validating transactions or other related activities on the network, and paying transaction or other fees on the network. These technology

²³ One area where this might matter is, for example, whether the crypto asset that has been found to be a security is an "equity security" and therefore should be regulated as such. However, that question is not directly relevant here and has accordingly not been addressed further.

²⁴ Notably, each of these features has been identified in the Framework as being relevant to a determination of the third and fourth prongs of the *Howey* test (namely "a reasonable expectation of profits" and "reliance on the efforts of others");

<https://www.sec.gov/about/divisions-offices/division-corporation-finance/framework-investment-contract-analysis-digital-assets>.

functions may be conducted directly or indirectly, such as through third-party service providers. What types of technology functions are inherent to the operation of a blockchain network? Should the Commission address the status of technology functions under the federal securities laws and, if so, what issues should be addressed?

The Commission should clarify that the provision of technology functions, without more, should not be the basis for regulation under federal securities law. Indeed, the Commission has already taken this view in a different context, noting that software developers who act independently to publish or republish code would likely not be subject to regulation.²⁵ That view has been affirmed and expanded upon considerably by Federal courts, one of which has observed that “it defies logic that a drafter of computer code underlying a particular software platform could be liable under Section 29(b) [of the Exchange Act] for a third-party’s misuse of that platform.”²⁶ The same Federal judge analogized attempts to hold blockchain technology providers liable for alleged violations of the federal securities laws to liability claims against payment applications like Venmo or Zelle for a drug deal that used the platform to facilitate a fund transfer.²⁷

These observations by the courts and the Commission appear to indicate that the provision of infrastructure or technology that is inherent to or essential for the operation of the blockchain should not, without more, be subject to securities regulation. A piece of infrastructure or technology should not itself be considered to be an intermediary. Instead, as the Commission has always emphasized,²⁸ the securities laws seek, among other things, to regulate functions or activities, not technologies.

Accordingly, where a technology is provided to an entity by a third-party provider, the federal securities laws should apply to that third party provider only if the provider is, or is required to

²⁵ Supplemental Information and Reopening of Comment Period for Amendments Regarding the Definition of “Exchange” 88 *Fed. Reg.* 29448 at 29455 (May 5, 2023), observing that “A software developer who, acting independently and separate from an organization, publishes or republishes code without any agreement (formal or informal) with any person for that code to be used for a function of a market place or facilities for bringing together buyers and sellers of securities may be less likely to be acting in concert to provide a market place or facilities for bringing together buyers and sellers.”

²⁶ *Risley v. Universal Navigation*, 690 F. Supp. 3d 195 (S.D.N.Y. 2023).

²⁷ *Id.* at 232, observing that “There, as here, collateral, third-party human intervention causes the harm, not the underlying platform. In this regard, the Court sees merit in Defendants’ counterpoint that this case is more like an effort to hold a developer of self-driving cars liable for a third party’s use of the car to commit a traffic violation or to rob a bank. In those circumstances, one would not sue the car company for facilitating the wrongdoing; they would sue the individual who committed the wrong. Unable to do so given the Protocol’s anonymization function, Plaintiffs sue the creators of the Protocol. This they simply cannot do, at least under the current law.” (Internal citations omitted.)

²⁸ See, e.g., Division of Corporation Finance, Division of Investment Management, and Division of Trading and Markets, Statement on Digital Asset Securities Issuance and Trading (Nov. 16, 2018), available at <https://www.sec.gov/newsroom/speeches-statements/digital-asset-securities-issuance-trading>. (“Notwithstanding how an entity may characterize itself or the particular activities or technology used to bring together buyers and sellers, a functional approach (taking into account the relevant facts and circumstances) will be applied when assessing whether a system constitutes an exchange. The activity that actually occurs between the buyers and sellers—and not the kind of technology or the terminology used by the entity operating or promoting the system—determines whether the system operates as a marketplace and meets the criteria of an exchange under Rule 3b-16(a).”) (Internal citations omitted.)

be, subject to the federal securities laws on some basis other than the provision of technology or infrastructure by itself.²⁹ In other words, a third-party acting as an intermediary in a manner that implicates federal securities laws should not escape regulation merely because they perform such services through technology. But where intermediaries are eliminated through the use of decentralized blockchain networks that are not controlled by anyone, it is unlikely that federal securities laws would be implicated as there are no intermediaries to regulate.

With this principle as background, it may be helpful to provide commonly occurring examples of technology or infrastructure in the blockchain. Crypto assets are underpinned by blockchain networks, the most popular of which are typically peer-to-peer, decentralized, public, permissionless networks (most prominently, for example, the Bitcoin or Ethereum networks).³⁰ We respectfully submit that the constituents of, or participants in such decentralized, public, permissionless networks, and the networks themselves are unsuitable for federal securities regulation. At a more granular level, for decentralized, public, permissionless blockchain networks, the following infrastructural elements or technological features should generally not be subject to regulation under the federal securities laws:

- (1) individual blockchain nodes and validators or other base layer actors; including mining or staking tokens as part of validating transactions, securing one or more blockchain networks, and/or participating in the networks' consensus mechanism, whether proof of work, proof of stake, or other methodology;³¹
- (2) the ledger (i.e., the chain of blocks that compose the public blockchain);
- (3) smart contract protocols and decentralized applications, to the extent the network makes use of them;

²⁹ That approach is consistent with the approach taken by the federal courts. For example, in *Intercontinental Exchange v. SEC*, 23 F.4th 1013 (D.C. Cir. 2022) the U.S. Court of Appeals for the District of Columbia was confronted with the question of whether wireless services provided by a securities exchange to connect customers to a third-party data center and to the exchange's proprietary data feed constituted "facilities" of the exchange, and were therefore subject to the SEC's jurisdiction. The D.C. Circuit ruled for the SEC, finding that these wireless connections constituted "facilities" of the exchange. The D.C. Circuit went on to note that the Exchange Act defines an exchange to include "the market facilities maintained by such exchange." Although the wireless connections in question were provided and maintained by an affiliate of the exchange, and not by the exchange itself, the D.C. Circuit held that such affiliate and the exchange formed a "group of persons" that together maintained or provided a market place or facilities. The D.C. Circuit observed that "Whatever the outer bounds of the undefined term "group," it certainly includes closely connected corporate affiliates such as the [the affiliate] and the [e]xchanges. If it did not, then a party would itself be able to elude SEC jurisdiction by making simple changes to its corporate structure, an obviously untenable result." Note, however, that the D.C. Circuit also observed that "outer boundary of the term "group of persons" remains murky, and vigilance is necessary to ensure the term is not stretched too far."

³⁰ Private, permissioned blockchains will require a different and higher degree of scrutiny to determine the extent and nature exerted by the entity that administers the blockchain.

³¹ This appears to be consistent with the recent statement by the staff of the Division of Corporation Finance that mining activities on a public, permissioned blockchain should not be regulated under the securities laws. See Division of Corporation Finance, Statement on Certain Proof-of-Work Mining Activities, (Mar. 20, 2025), available at <https://www.dechert.com/knowledge/onpoint/2025/3/sec-staff-issues-statement-on-proof-of-work-crypto-mining-acti-vi.html>.

- (4) unhosted or self-hosted wallets;
- (5) Receiving token rewards in return for mining, staking, securing or otherwise validating transactions or other information, including by delegation, or otherwise participating in the operation of the networks;
- (6) Payments of transaction, “gas” or other fees on the networks;
- (7) Using, creating software for, launching, or deploying dApps or similar functionality, including, but not limited to, launching custom blockchains, on the networks;
- (8) Transactions and activities (such as voting) involving decentralized autonomous organizations or similar functionality on the networks;
- (9) Claiming or otherwise receiving or disbursing tokens through an airdrop or other forms of token-based rewards;
- (10) Using tokens to pay for goods or services, including without limitation as any form of employee, vendor, or contractor compensation;
- (11) Sending, receiving, or otherwise transferring tokens for purposes of inter-blockchain or cross-chain communications, transfer, interoperability, or bridging technologies;
- (12) Any activity or transaction using tokens on a “testnet,” or otherwise involving a network that is not live; and
- (13) Other similar or related uses on or within the networks.

This does not mean that centralized applications built on top of decentralized, public, permissionless networks should never be subject to the federal securities laws. They should, if they engage in functions that are regulated by the federal securities laws, provided the performance of the function itself is controlled by a clearly identifiable entity or group of entities. However, we would submit that the Commission should only consider regulating centralized applications on public networks if they are “substantive,” i.e., if they truly perform the regulated function themselves, as opposed to, for example, acting merely as a portal, gateway, or link to the underlying decentralized network through which the user maintains complete control over their assets and transactions.

This does not mean that centralized institutions or entities that make use of the blockchain should also not be subject to regulation by the Commissioner. For example, a registered investment adviser that relies on a blockchain for the compilation or verification of the records it is required to keep under the Investment Advisers Act of 1940, will continue to remain liable for inaccuracies or deficiencies in those records.

In conclusion, we return to the principle of control, which we identified in our response to Question 1 above, and ask that the Commission build its regulatory approach around the

presence or absence of control in a network. The Commission has often noted its technology-neutral approach in a number of contexts,³² including in the regulation of crypto assets. In keeping with that approach, we would suggest that the Commission clarify that as a principle, decentralized networks (whether blockchain-based or otherwise) are characterized by an absence of control and accordingly, they and their constituents are generally not subject to the federal securities laws. The Commission should also clarify that activities or functions that are necessary for the operation, maintenance, growth, rectification of errors, and/or addressing of cybersecurity risks on a decentralized network should be considered inherent to the network, and should not be subject to securities regulation.

Question 4: Users of liquid staking applications receive a so-called “liquid staking token.” This token represents their staked crypto asset, and the token can be used in other activities, all while continuing to participate in the proof-of-stake protocol. Should the Commission address the status of liquid staking tokens under the federal securities laws, and, if so, what issues should it address?³³

Base layer actors perform certain functions to maintain the blockchain by validating transactions, and in many cases, proposing new blocks to the blockchain. In return, they earn block or network rewards in the form of newly created tokens. “Liquid staking” enhances the security of proof-of-stake blockchains while providing additional functionality for stakers. When a blockchain user stakes crypto assets directly by operating a proof-of-stake validator node, some or all of the user’s staked crypto assets typically become locked and non-transferable for as long as the crypto assets remain staked and until such time that the relevant blockchain’s “unbonding period” or other waiting time requirement concludes. As a result, such users immediately lose the liquidity associated with their staked crypto assets. A solution to the liquidity constraints associated with staking has emerged in the form of liquid staking, whereby users who stake their crypto assets (“Liquid Stakers” and each, a “Liquid Staker”) receive transferable Receipt Tokens or Liquid Staking Tokens that evidence ownership of (i) the staked crypto assets, and (ii) network rewards that accrue in respect of such staked crypto assets.

With liquid staking, Liquid Stakers typically stake crypto assets through a decentralized liquid staking protocol or staking-as-a-service service provider and receive “Receipt Tokens” evidencing their legal and beneficial ownership of the associated staked crypto assets. Receipt Tokens are generally transferable and usable within decentralized applications, allowing Liquid Stakers to transact with their staked crypto assets without having to withdraw them from staking.

³² See, for example, Fact Sheet, Final Amendments to Electronic Recordkeeping Requirements, available at <https://www.sec.gov/files/34-96034-fact-sheet.pdf> (Oct. 12, 2022) (“The amendments are designed to modernize the rule given technological changes over the last two decades and to make the rule **technology neutral** to be able to adapt to new technologies in electronic recordkeeping.”) (Emphasis added.)

³³ On April 30, CCI submitted an additional comprehensive comment letter regarding staking and related considerations.

A Liquid Staker may redeem the Receipt Tokens with the protocol or service provider for the associated crypto assets at any time, subject to any waiting period imposed by the relevant blockchain. Alternatively, a Liquid Staker may transfer its Receipt Tokens to a third party. Receipt Tokens evidence ownership of intangible commodities in the digital world in a manner substantially identical to warehouse receipts, bills of lading, dock warrants and other documents that evidence title to tangible commodities in the physical world. For example, a person may own gold bullion or livestock but prefer to store it with a depository warehouse or syndicate for safekeeping. In return for depositing the gold bullion or livestock at the depository warehouse or syndicate, the depositor receives a document of title that evidences the depositor's ownership to the commodity that is being stored. Thereafter, the depositor can transfer the document of title to a counterparty in a commercial transaction or may use it to satisfy certain delivery obligations as it demonstrates that the person delivering it to the depository warehouse or syndicate has ownership of the actual underlying commodity. The counterparty may then take delivery of the commodity by presenting the document of title to the depository warehouse or syndicate as it represents legal and beneficial ownership of such commodity. Similarly, by redeeming Receipt Tokens, the holder may take delivery of the staked crypto assets as the Receipt Tokens represent legal and beneficial ownership of such staked crypto assets.

Under the prevailing legal framework for the federal securities laws and SEC and SEC staff guidance provided to date, we have previously argued that Receipt Tokens, regardless of the liquid staking arrangement, do not satisfy any element of the *Howey* test.³⁴ Liquid Stakers do not make an investment of money when they allocate crypto assets to a protocol or service provider to be staked in exchange for Receipt Tokens insofar as, in doing so, Liquid Stakers retain legal and beneficial ownership of their staked crypto assets and any fees retained by the protocol or service provider are made in exchange for services rather than as an investment.³⁵

Although the analysis can rest with the determination that liquid staking does not involve an “investment of money,” the other elements of *Howey* are unsatisfied because:

(1) Liquid Stakers do not participate in a “common enterprise” with the protocol or service provider (either under a horizontal or vertical commonality theory), but instead engage in a bailor-bailee relationship with the protocol or service provider whereby the bailee safeguards and stakes the bailor's crypto assets for a fee;

³⁴ See, for example, *U.S. Federal Securities and Commodity Law Analysis of Liquid Staking Receipt Tokens*, (Feb. 21, 2023), available at <https://static1.squarespace.com/static/62f147feb8108a08e666aea5/t/63f41766f6095b07bec7d1e8/1676941158721/U.S.+Federal+Securities+and+Commodity+Law+Analysis+of+Liquid+Staking+Receipt+Tokens+%28Willkie+Drafit+02.14.23%29.pdf>.

³⁵ The protocol or service provider performs the role of a digital warehouseman. Just as a fire or flood to a physical warehouse could wipe out a bailor's physical commodities, a slashing event or cybersecurity event that impacts a digital warehouse could result in a loss of a Liquid Staker's digital commodities. However, the risk of loss present therein does not turn such a service provider relationship into an investment contract.

(2) In terms of “expectations of profit” the Liquid Staker’s profit motivation, if any, to obtain a Receipt Token is ancillary to the consumptive utility of a document of title to the staked crypto assets. If the Liquid Staker were interested solely in earning network rewards, the Liquid Staker could stake crypto assets by operating its own validator node or via a staking-as-a-service provider. Profits earned by a Liquid Staker in excess of those that the Liquid Staker would earn by staking directly or via a staking-as-a-service provider, if any, are “far too speculative and insubstantial to bring the entire transaction within the Securities Acts.”³⁶

(3) Liquid Stakers do not rely on the essential efforts of any “other” to realize economic benefits from liquid staking activities. They arguably have no reasonable basis to expect an increase in value or returns resulting solely, or even predominantly, from the managerial efforts of the protocol or service provider, as applicable, because the protocol or service provider does not make any managerial decisions with respect to the use or expenditure of the staked crypto assets. Instead, the protocol or service provider is merely responsible for issuing a Receipt Token and allocating the underlying crypto asset to a validator. The protocol or service provider may not spend or exchange for value in any manner the underlying staked crypto assets and thus is unable to make any significant management decisions that would expose the Liquid Staker to the investment risks of an enterprise under its management control.

A Receipt Token should accordingly not be deemed to be an investment contract, and therefore, a security under the *Howey* test. Our analysis under *Reves* also suggests Receipt Tokens should not be considered notes. Receipt Tokens, unlike the notes in *Reves*, are effectively one hundred percent collateralized with the underlying staked crypto assets, which is in stark contrast to a traditional “note” offering that may indeed be entirely unsecured. Nor is the recipient of the Receipt Token seeking the token as an investment. As a result, applying the securities regulatory framework to Receipt Tokens—depository instruments which make the transfer of ownership of a staked commodity more seamless, while affording holders some form of insurance—would arguably be unnecessary, contradictory to precedent, and likely to interfere with commerce.

We would also submit that the liquidity, or lack thereof of Receipt Tokens, without more, is largely irrelevant under the federal securities laws. A vast range of assets, both securities and non-securities, may be available for purchase or sale on a secondary market. Conversely, there may be many securities that lack a liquid market. As we discuss in our response to Question 2, the existence or absence of that market cannot be considered dispositive or even strongly indicative of whether the asset is a security — it is only an indicator of demand, rather than of an asset’s legal or regulatory character. Instead, we would suggest the Commission rely on the principles of control and centralization that we have identified in Question 1, and to which we have returned in every successive question.

Where a Receipt Token is issued by a decentralized protocol over which no clearly identifiable entity or entities exert financial, governance-based or technological control, it is unlikely that the

³⁶ *United Housing Foundation, Inc. v. Forman*, 421 U.S. 837 (1975).

Receipt Token issued is the type of asset that should be subject to regulation under the federal securities laws. Such Receipt Tokens typically do little beyond providing liquidity to their holders. They do not, for example, mitigate any risk of loss in the underlying staked token, enhance the features of the underlying staked token, add to the value of the underlying staked token, or provide any mechanism by which the value of the Receipt Token would be materially greater than that of the underlying staked token. Accordingly, instead of being viewed as an independent security or a derivative, such Receipt Tokens may be more akin to “hat check receipts” or “coat check receipts” of a kind that the Commission has traditionally not regulated.

The same analysis should apply to Receipt Tokens issued by centralized entities. If the Receipt Token functions effectively only as a receipt and the centralized entity adds little to no further value or exercises no significant discretion in the issuance or management of the Receipt Token or the underlying staked token, it would be inappropriate to regulate the Receipt Token or its issuer under the federal securities laws. Where the centralized entity offers a significant addition of value, or seeks to provide managerial discretion through the Receipt Token, or guarantees or promises liquidity for the Receipt Token, or supports the price of the Receipt Token, the Receipt Token may function more as a derivative or independent financial instrument rather than a mere receipt, and should appropriately be so regulated.³⁷

We would add two further notes to the foregoing analysis. First, where the underlying staked token is not itself a security, it would not be appropriate to regulate the Receipt Token itself as a security unless the Receipt Token is materially different from the underlier. Second, even where the securities laws are not applicable, there may be regulation related to custodial activities that could or should apply, for example, at a state regulatory level, depending on the arrangements between the staker and the liquid staking service provider.

Question 5: Should the security status of certain categories of crypto assets be addressed, such as stablecoins, wrapped tokens, and NFTs?

We welcome the Commission staff’s recent statement on meme coins,³⁸ and we support, and appreciate the Commission’s ongoing efforts to provide regulatory clarity through statements, no-action letters and other media. With that said, we defer to the Commission on whether such guidance is best provided by addressing and clarifying the status of specific types of crypto

³⁷ For a non-crypto analogy, see, for example, *Glen-Arden Commodities, Inc. v. Costantino*, 493 F.2d 1027 (2d. Cir., 1974), where a scheme to sell whisky warehouse receipts was found to involve the offer and sale of investment contracts, and therefore securities under the Securities Act. As the Court noted in that decision, “Faced with the evidence in this case the defendants’ contention that they were merely selling gallons of raw unblended whisky that could be consumed, sold or dealt with as a purchaser saw fit is untenable. The sale of the warehouse receipts must be viewed in their totality; substance and not form is controlling. Unquestionably, the warehouse receipts were merely a means by which the defendants transacted their business. Their true product was an investment package.”

Ownership, right of possession or the right to consume were in reality of little import to the purchasers of the receipts. Defendants’ solicitation, its advertisements, its sales literature and, most importantly, the statements of its salesmen, emphasized that the purchasers were making an investment.”

³⁸ Division of Corporation Finance, Staff Statement on Meme Coins, (Feb. 27, 2025), available at <https://www.sec.gov/newsroom/speeches-statements/staff-statement-meme-coins>.

assets, or by identifying the principles for the determination of security status, or some combination of the two.

However, if the Commission determines to address the three categories of assets identified in Question 5, the principles for security status determination that we have identified in response to Question 1 would lead us to the following views:

Stablecoins — We welcome the Division of Corporation Finance’s thoughtful April 4, 2025 statement on stablecoins, which provides much-needed clarity on how federal securities laws apply to certain USD-backed stablecoins. By recognizing that the offer and sale of these “Covered Stablecoins” do not constitute securities transactions, the Commission has taken an important step toward fostering regulatory certainty and supporting responsible innovation in the digital asset ecosystem.³⁹ As the Commission is well aware, there is current legislation in both chambers of Congress to propose a regulatory pathway for “payment stablecoins” issued by “permitted payment stablecoin issuers,” which would exempt such stablecoins from securities laws.⁴⁰ Such stablecoins, involve tying the value of the token to fiat currency or currencies in a specific proportion (for example, 1:1 with the U.S. dollar). We agree that such stablecoins are not suitable for, and should not be subjected to regulation under the federal securities laws. As the Statement on Stablecoins explains, they do not constitute investment contracts under the *Howey* test because they give rise to no reasonable expectation of profit — and federal courts have concurred with that view.⁴¹ Nor are they securities under the *Reves* test, for the buyer’s aim is not profit, and the distribution of the stablecoins is not for investment purposes.

We understand the Statement on Stablecoins only reflects the Division’s view as to Covered Stablecoins described in this statement. For other types of stablecoins, such as algorithmic stablecoins, we would once again emphasize the element of control we have identified in earlier questions. Where an algorithmic stablecoin is issued by a decentralized protocol, it is not suitable to be regulated under the federal securities laws in itself, and should only be regulated by the Commission to the extent it is handled or used in the securities business of an SEC-regulated entity. Where an algorithmic stablecoin is issued by a clearly identifiable entity or group of entities, it must be evaluated on its merits, and the services offered by the issuer in relation to the stablecoin must be evaluated in relation to the federal securities laws.

³⁹ Division of Corporation Finance, Staff Statement on Stablecoins, (Apr. 4, 2025), available at <https://www.sec.gov/newsroom/speeches-statements/statement-stablecoins-040425>.

⁴⁰ See, for example, the proposed “Guiding and Establishing National Innovation for U.S. Stablecoins of 2025” or the “GENIUS Act of 2025”, available at <https://www.congress.gov/119/bills/s1582/BILLS-119s1582pcs.pdf>; and the “Stablecoin Transparency and Accountability for a Better Ledger Economy Act of 2025”, or the “STABLE Act”, available at <https://www.congress.gov/119/bills/hr2392/BILLS-119hr2392rh.pdf>.

⁴¹ See, for example, *SEC v. Terraform Labs Pte. Ltd.*, No. 23-01346 (S.D.N.Y. July 31, 2023), (noting that “And where a stablecoin is designed exclusively to maintain a one-to-one peg with another asset, there is no reasonable basis for expecting that the tokens -- if used as stable stores of value or mirrored shares traded on public stock exchanges -- would generate profits through a common enterprise. So, in theory, the tokens, if taken by themselves, might not qualify as investment contracts.”)

Finally, we would note the likely evolution of a competing regulatory regime for stablecoin, in the form of prudential regulation. As mentioned, there are currently bills on stablecoin regulation before Congress,⁴² and any comprehensive attempt to regulate stablecoins by the Commission must likely be mindful of the potential for conflict with any developing prudential regime.

Wrapped Tokens — Our analysis for wrapped tokens proceeds on similar lines to our analysis for liquid staking tokens in response to Question 4. Where a token is wrapped by a decentralized protocol, in many cases, the wrapping may solely be to facilitate the logistical ease of being able to move between blockchains. If the wrapping and issuance are not undertaken by a centralized entity and the wrapping does not materially enhance the financial prospects of the token, we would suggest that the application of the federal securities laws is inappropriate.

Where the wrapping entity is a centralized entity, we would suggest that, as with LSTs, the Commission examines precisely what the wrapping achieves or seeks to achieve – if the wrapping seeks to materially enhance the financial potential or features of the underlying token, the application of the federal securities laws may be appropriate. We would note, however, as we do with LSTs, that where the underlying token is not itself a security, it may not be appropriate to regulate the wrapped token as a security unless the wrapping materially and substantially enhances or improves the financial prospects or performance of the wrapped token.

Non-Fungible Tokens — The Commission’s enforcement actions around NFTs — such as the *Impact Theory*,⁴³ *Stoner Cats*⁴⁴ and *Flyfish Club*⁴⁵ actions — have had the unfortunate effect of blurring the distinction between securities and collectibles for millions of collectors and enthusiasts. As Commissioners Peirce and Uyeda noted at the time of the Commission’s issuance of its *Impact Theory* order, the Commission does not “...routinely bring enforcement actions against people that sell watches, paintings, or collectibles along with vague promises to build the brand and thus increase the resale value of those tangible items.”⁴⁶

We agree with this statement that “NFT creators, along with other artists, do not get a free pass from the securities laws,”⁴⁷ and we also agree that “[r]ather than arbitrarily bringing enforcement actions against NFT projects, we ought to lay out some clear guidelines for artists and other

⁴² See, for example, Scott Advances Stablecoin, Debanking Legislation Out of Banking Committee, (March 13, 2025), available at <https://www.banking.senate.gov/newsroom/majority/scott-advances-stablecoin-debanking-legislation-out-of-banking-committee>.

⁴³ In the Matter of Impact Theory, LLC, (August 28, 2023), available at <https://www.sec.gov/files/litigation/admin/2023/33-11226.pdf>.

⁴⁴ In the Matter of Stoner Cats 2, LLC, (September 13, 2023), available at <https://www.sec.gov/files/litigation/admin/2023/33-11233.pdf>.

⁴⁵ In the Matter of Flyfish Club, LLC, (September 16, 2024), available at <https://www.sec.gov/files/litigation/admin/2024/33-11305.pdf>.

⁴⁶ SEC Commissioners Hester M. Peirce and Mark T. Uyeda, NFTs & the SEC: Statement on Impact Theory, LLC (Aug. 28, 2023), available at <https://www.sec.gov/news/statement/peirce-uyeda-statement-nft-082823>, (dissenting statement regarding the *Impact Theory* order).

⁴⁷ *Id.*

creators who want to experiment with NFTs as a way to support their creative efforts and build their fan communities.”⁴⁸

Towards the creation of clear guidelines on NFTs and other collectible crypto assets, we would respectfully submit the following suggestions. First, the principal feature of an NFT or a collectible asset is that its value is inherent, rather than derived from the activities or organization or management of its issuer. This does not mean that there can be no tie between the issuer and the asset (for example, an NFT of Michael Jordan’s sneaker is valuable precisely because it is Jordan’s sneaker and not that of some lesser athlete),⁴⁹ but rather that the issuer neither needs, nor promises to engage in any further efforts around the asset in order for the asset to increase or maintain its value.⁵⁰

Second, the ability of the asset to appreciate in value is essentially irrelevant to whether NFTs are securities. A variety of assets, both securities and non-securities, appreciate or decline in value and such appreciation or decline is no evidence of anything other than changing aesthetic tastes, consumption patterns, or variation in demand. Relatedly, the touting of the financial potential of the asset is, for the same reasons, irrelevant to its security status — the far corners of the internet are awash with declarations that fine art, fine wines or Beanie Babies will all appreciate in value. It does not follow that they are all therefore securities.

Third, royalty payments or payments akin to royalty payments that are intended to reward the creativity of the creator of the NFT should not be construed as evidence of security status — indeed, they are the reverse of the usual financial flows over the lifetime of a security, which typically, after purchase, flow from the issuer to the purchaser. And finally, the ability to assert copyright, or other intellectual property rights in respect of any crypto asset should count towards evidence of the non-security status of such asset.

Question 6: How can the Commission establish a workable taxonomy while remaining merit- and technology-neutral?

We would begin by noting that a technology-neutral approach does not require the Commission to adopt an approach that ignores the opportunities or financial and other possibilities afforded by technology. The dematerialization and centralized data systems that followed the Paperwork Crisis of the late 1960s and 1970s, for example, drastically reduced settlement complexities freeing up economic and human resources for more productive activities. Today, equally important opportunities are offered by decentralization and the use of blockchain technologies.

⁴⁸ *Id.*

⁴⁹ Alex Williams, “Nike Sold an NFT Sneaker for \$134,000”, *New York Times*, May 26, 2022, available at <https://www.nytimes.com/2022/05/26/style/nike-nft-sneaker.html>.

⁵⁰ For example, this serves to distinguish such NFTs from those in *Impact Theory* and *Stoner Cats* where there were extensive marketing efforts around the founding team’s activities around building out the network associated with the asset.

The challenge for the Commission, and for the crypto industry is the development of a taxonomy that is predictable, unambiguous, and easy to apply. To that end, maintaining the Commission’s focus on centralization and asymmetries of information and control is not a radical break with the past, it is consistent with what has gone before. The Commission need not, and should not couch its understanding of control in purely technological terms — it should focus, as it always has, equally on the ideas of economic, operational and technological control, and on the functions and outcomes of the technology deployed. These twin foci on control and function are both completely agnostic to the merits of the technology or the merits of the investments it underpins.

Since its establishment in the midst of the Great Depression, the Commission has wrestled with applying tests for control in economic terms across a variety of contexts. Viewed with that wide historical lens, the development of control and function-based tests for blockchain-technology based products is one more step, albeit an important one, in the Commission’s journey.

Conclusion

CCI greatly appreciates this opportunity to respond to the first six questions posed by the SEC’s Crypto Task Force. CCI is deeply appreciative of the Task Force’s stated intent to help create a regulatory framework that achieves the Commission’s regulatory objectives while preserving industry’s ability to offer products and services. We seek to work with the SEC towards attaining these vital objectives for the U.S. crypto industry and investors, and will continue to work towards continued collaboration to enhance U.S. financial competitiveness and security while promoting economic growth.

CCI has consistently supported comprehensive legislation around digital assets and blockchain technology as a necessary first step towards more holistic regulation of these innovations. Until such legislation is put in place, however, the Commission’s Crypto Task Force is a vital initiative. CCI commends the Task Force’s efforts and stands ready to support those efforts in every way.



Ji Hun Kim
President and Acting Chief Executive Officer
Crypto Council for Innovation



Patrick Kirby
Policy Counsel
Crypto Council for Innovation