

## MEMORANDUM

**To:** Crypto Task Force Meeting Log  
**From:** Crypto Task Force Staff  
**Re:** Meeting with Representatives of Fireblocks, Inc.

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On February 20, 2025, Crypto Task Force Staff met with the representatives from Fireblocks, Inc.

The topic discussed was approaches to addressing issues related to regulation of crypto assets. Fireblocks, Inc. representatives provided the attached documents, which were discussed during the meeting.

February 18, 2025

**Via E-Mail**

Crypto Task Force  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

**To:** SEC Crypto Task Force

**Re:** Crypto Task Force Input

Fireblocks Inc. (“Fireblocks” or “we”) appreciate the opportunity to engage with the staff of the U.S. Securities and Exchange Commission (“SEC”) Crypto Task Force as it relates to approaches on critical infrastructure issues, such as digital asset custody and safekeeping. We support the SEC’s overall mission to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. As discussed herein, we strongly believe a robust and resilient infrastructure layer is a critical component to all of the SEC’s goals in this space.

Fireblocks is a technology company that licenses a proprietary software-as-a-service (“SaaS”) platform to institutions seeking to develop and manage virtual currency and digital assets operations. Fireblocks’ customer base is comprised of some of the most sophisticated traditional financial institutions globally, including BNY Mellon and BNP Paribas, as well as "crypto-native" start-ups, market makers, exchanges, and digital asset service providers. We are widely considered one of the most secure institutional SaaS solutions available on the market.

As digital assets become an increasingly accepted mainstream asset class, we applaud the SEC’s recent commitments to create a regulatory environment more responsive to issues posed by the deployment of novel technologies. Recent measures, including the Staff Accounting Bulletin No. 122<sup>1</sup> the announcement by Commissioner Peirce of the Crypto Task Force,<sup>2</sup> and its recent initial agenda setting,<sup>3</sup> mark a pivotal turn in the oversight and regulation of the digital asset ecosystem within the United States. These developments herald a new age of leadership for the United States – and underscore the need for the development of a broad-based understanding on critical infrastructure issues in this rapidly evolving sector.

The basic fact is: banking and capital markets standards around custodial services and safekeeping of assets (e.g., segregation of duties, dual controls, and accounting treatment) have not kept pace with the rise of new forms of digital asset custody (and their corresponding controls).<sup>4</sup> Accordingly,

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<sup>1</sup> SEC. [Staff Accounting Bulletin No. 122](#). Jan 23, 2025.

<sup>2</sup> SEC. [SEC Crypto 2.0: Acting Chairman Uyeda Announces Formation of New Crypto Task Force](#). Jan. 21, 2025.

<sup>3</sup> SEC. [The Journey Begins](#). February 4, 2025.

<sup>4</sup> Consider, by way of background, the Office of the Comptroller of the Currency’s Custody Services Comptroller’s Handbook as a general example versus the SEC’s April 2021 Custody of Digital Asset Securities by Special Purpose Broker Dealers statement and the New York Department of Financial Services’ January 2023 Guidance on Custodial Structures for Customer Protection in the Event of Insolvency related to virtual currency.

it is critical to identify and integrate new risk mitigants, and where possible, leverage applicable best practices for digital assets operators. Existing guidance related to the risk management of third party providers to regulated entities is a suitable starting point. Similarly, the SEC itself has advanced certain rule-making and guidance including around cybersecurity and data privacy that may warrant further tailoring against digital asset-specific considerations.<sup>5</sup> However, new technologies – which will underpin digital asset securities, real world asset tokenization, and other emergent use cases – warrant new supervisory approaches as well.

As such, our aim for this discussion is to provide an overview of policy principles and technical standards related to custody technology solutions in a manner that harmonizes best practices from our customers' deployments globally.<sup>6</sup> For example, we consider frameworks around cybersecurity; privileges and access management; detection, response, and investigation management; business continuity, disaster recovery, and resolvability; and key management.

We are grateful for the opportunity to contribute to this discussion. If there are any further measures we can take to support the Task Forces' work in this area, from Commissioner Peirce's recent announcement related to market structure and innovation to other technical assistance, we remain available to support in any way that is helpful.

Best,

DocuSigned by:  
  
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<sup>5</sup> For example, note Regulation S-P: Privacy of Consumer Financial Information and Safeguarding Customer Information (2024), Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure (2024), Identity Theft Red Flags Rules (2023), and Business Continuity Planning for Registered Investment Companies (2016), among others, in the contexts of digital asset market participants.

<sup>6</sup> Consider as an example, Dubai's Virtual Assets Regulatory Authority's Rulebooks, including its [Custody Services Rulebook](#).