

June 9, 2025

The Honorable French Hill (R-AR)
Chairman
House Financial Services Committee
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Glenn Thompson (R-PA)
Chairman
House Committee on Agriculture
1301 Longworth House Office Building
Washington, DC 20515

The Honorable Maxine Waters (D-CA)
Ranking Member
House Financial Services Committee
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Angie Craig (D-MN)
Ranking Member
House Committee on Agriculture
1010 Longworth House Office Building
Washington, DC 20515

RE: Support for Digital Asset Market Clarity (CLARITY) Act

Dear Chairmen Hill and Thompson and Ranking Members Craig and Waters,

On behalf of the Crypto Council for Innovation, we write to express support for the bipartisan *Digital Asset Market Clarity (CLARITY) Act* (H.R. 3633). Establishing a comprehensive, fit-for-purpose regulatory framework for the U.S. digital asset markets that protects consumers and provides certainty to industry is critical now more than ever.

It remains imperative that the United States has a comprehensive legislative framework that will provide clear rules of the road for digital asset issuers and intermediaries. The current uncertainty as to when a market participant or asset is subject to regulation under the Commodity Futures Trading Commission (CFTC) or the Securities and Exchange Commission (SEC) has been a serious impediment to both entrepreneurs and established companies in the digital asset industry. This regulatory clarity is critical for continuing the growth of blockchain technology, promoting financial inclusion, and further establishing U.S. leadership.

Critically, the CLARITY Act provides for such clear rules and also includes important consumer protections, such as segregating customer funds, bankruptcy procedures, addressing conflicts of interest, and requiring risk disclosures of operation, ownership, and structure. We strongly support these requirements that would protect consumers and their funds.

We have already seen significant progress in establishing policy for the proper regulation of digital assets this year. Regulators have issued critical guidance when it comes to the treatment of staking, utility tokens, and how banks can engage in crypto-asset custody activities. Congress has repealed rules that would have seriously impacted the ability for Americans to access

decentralized finance (DeFi) services, such as the IRS's December Broker Reporting rule. However, fully realizing the benefits of digital asset technology and ensuring long-term innovation in the U.S. requires Congress passing comprehensive legislation clearly establishing the respective roles of the SEC and CFTC.

Currently, the U.S. is falling behind other major jurisdictions who have advanced regulatory frameworks for digital assets. Major economies like the European Union, Singapore, and Japan have made significant progress in this area. Without Congressional action, we risk American innovators migrating offshore and consumers turning to unregulated offshore markets. Further delay in establishing market structure legislation would pose risks to both U.S. economic competitiveness and national security.

We stand ready to work with both Committees as this works its way through the legislative process and welcome the opportunity to further refine the bill where necessary. For example, we respectfully recommend, among other things, further clarifying that the bill preempts any conflicting state laws for DeFi participants to ensure a uniform federal framework and ensuring digital asset intermediaries can continue operating while regulators promulgate rules and guidance in accordance with the CLARITY Act's provisions.

Thank you for your leadership in this critical area. We look forward to continuing to be a resource as the CLARITY Act continues to progress through Congress. CCI greatly appreciates the Committees' leadership to secure the benefits of blockchain technology and digital assets, safeguard consumers, and ensure the U.S. position as the global leader in digital finance and innovation.

Respectfully,

A handwritten signature in black ink, appearing to read 'JH Kim', with a stylized flourish at the end.

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