

ONE HUNDRED SEVENTEENTH CONGRESS

Congress of the United States
House of Representatives

August 16, 2021

The Hon. Gary Gensler
Chairman
U.S. Securities and Exchange Commission
100 F St NE
Washington, D.C., 20549

The Hon. Rostin Behnam
Acting Chairman
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, D.C., 20581

Chairman Gensler and Acting Chairman Behnam:

We are at a pivotal point with respect to shaping policies that will significantly impact the digital asset ecosystem. Recent comments made by Chairman Gensler and his recent exchange with Senator Elizabeth Warren provide a concerning roadmap for regulatory actions that will have long-term implications. Rather than regulate innovation and job creation out of this country, we should promote an active dialogue between regulators and market participants. This is the goal of H.R. 1602, the *Eliminate Barriers to Innovation Act of 2021*, which passed the U.S. House of Representatives in April.

This bipartisan legislation requires the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) to establish a joint Working Group on Digital Assets with market participants, organizations involved in academic research, and investor protection organizations, among others. While H.R. 1602 would require the creation of a working group, nothing prevents the SEC and CFTC from undertaking similar activities under existing law.

An open and collaborative dialogue with all relevant agencies, stakeholders, and market participants is critical. A working group on digital assets would enable both the SEC and CFTC to explore how to effectively use their current jurisdiction cooperatively. Such a working group can foster transparent engagement with innovators in the digital asset ecosystem. As Congress contemplates additional legislation to address regulatory gaps, this work could provide us with additional information and clarity as we make these important policy decisions.

Lawmakers and regulators must work together to properly balance protecting innovation with any new regulations to ensure the digital asset marketplace flourishes in the United States. To that end, we request a response from you and your fellow Commissioners describing the ways the SEC and CFTC plan to work together on these critical issues. Before advancing new regulations, the SEC and CFTC should prioritize robust discussions on the current domestic regulatory regime as it relates to digital assets and our regulatory framework's impact on American economic competitiveness.

We look forward to your responses and continuing our discussion on these critical issues in the coming months and working with you both to build an effective regulatory regime for digital assets which protects investors and innovation.

Sincerely,



PATRICK McHENRY
Ranking Member
Committee on Financial Services



GLENN 'GT' THOMPSON
Ranking Member
Committee on Agriculture

cc: The Honorable Hester M. Peirce
 The Honorable Elad L. Roisman
 The Honorable Allison Herren Lee
 The Honorable Caroline A. Crenshaw
 The Honorable Brian D. Quintenz
 The Honorable Dawn DeBerry Stump
 The Honorable Dan M. Berkovitz