



Dear President Biden and Vice President Harris –

The [Crypto Market Integrity Coalition](#) (CMIC), an association of digital asset firms that pledge a commitment to market integrity and enabling a safe and regulated financial services sector,¹ writes to urge you to protect consumers, promote the U.S. dollar, and support American business and competitiveness by taking meaningful steps to support a regulated U.S. market for digital assets. We commend your recent affirmation that creating a comprehensive and balanced regulatory framework for digital assets is necessary to protect consumers and investors.² We agree with your statement that it “will promote the responsible development of digital assets and payment innovation and help reinforce United States leadership in the global financial system.”³ CMIC members wish to work with your Administration to develop such regulation and support these statements being matched in action.

Over the past year, bipartisan efforts in Congress have yielded several strong proposed frameworks that reflect meaningful compromise to achieve your vision. In some cases, proposed legislation has answered your Administration’s longstanding calls for action, such as your request nearly three years ago for Congress to create a national framework for payment stablecoins.⁴ As you noted in May, creating a safe and sound regulatory framework for the digital asset space is essential to harness the benefits and opportunities of digital asset innovation. The effort is also a matter of national security and critical to U.S. economic competitiveness, as your Administration has repeatedly emphasized publicly and in your Executive Order on Ensuring Responsible Development of Digital Assets.⁵ It is also imperative to protect consumers, who deserve strong, safe, and dependable payments systems.

Modernizing the Financial System Supports American Competitiveness

Nearly 9 out of 10 merchants expect digital currency payments to be ubiquitous in the coming years, and already more than one in six Americans have used digital assets.⁶ Major companies are using distributed ledger technology for retail and wholesale transactions because of the

¹ CMIC member list and public pledge can be found on the CMIC [website](#).

² A Message to the House of Representatives on the President’s Veto of H.J.Res. 109, [May 31, 2024](#).

³ A Message to the House of Representatives on the President’s Veto of H.J.Res. 109, [May 31, 2024](#).

⁴ President’s Working Group on Financial Markets, Report on Stablecoins, November 2021, accessed at: https://home.treasury.gov/system/files/136/StableCoinReport_Nov1_508.pdf

⁵ The White House, March 9, 2022. *Executive Order on Ensuring Responsible Development of Digital Assets*, accessed at: <https://www.whitehouse.gov/briefing-room/presidential-actions/2022/03/09/executive-order-on-ensuring-responsible-development-of-digital-assets/>

⁶ Deloitte, 2022, accessed at: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/technology/us-cons-merchant-getting-ready-for-crypto.pdf>

concrete value in speed and programmability they offer over other existing forms of private money. Indeed, many of the signatories to this letter offer services and payments infrastructure that address legacy weaknesses in existing financial services, offering American consumers, small businesses, and global enterprises cheaper, more accessible, and secure payment and settlement options. As a national export, our payment system plays a critical role in the global economy, and digital assets utilizing open, public blockchains present an important opportunity to further cement American values and norms into the global financial system. Further, as the majority of stablecoin innovations globally are tied to U.S. dollars, it behooves the United States to reinforce the role of democratic principles, financial inclusion, and respect for rule of law in the global digital economy.

This will have enormous economic and national security benefits for the United States. Currency competition is growing and is increasingly defined by technological competition. Already, clear legal and regulatory frameworks are in effect or proposed in the European Union, the United Kingdom, Japan, Singapore, the UAE, and Hong Kong that would regulate digital assets. In some cases, nations are even enacting laws to regulate the use of the U.S. dollar in the digital economy. Notably, the EU recently implemented its comprehensive Markets in Crypto Asset (MiCA) regulations which provides a large degree of regulatory clarity that gives EU-based firms a head-start in incorporating regulated blockchain-based services. The United States stands alone in lacking both a federal payments and digital asset regulatory framework.

Promoting Compliance with U.S. Financial Norms

The lack of regulatory clarity in the U.S. has harmed domestic innovation and left consumers exposed to bad actors. Many of the losses of the last few years could have been avoided with basic consumer protections. This is of particular concern to CMIC members given our public pledge to market integrity and efforts to set strong industry standards for monitoring for and eliminating market misconduct. In the absence of a comprehensive U.S. regulatory framework, responsible businesses have taken concrete steps to address market manipulation, anti-money laundering, and other important concerns, and ensure greater transparency and investor protection through development of efficient technology and best practices. However, this is only part of the equation and must be supported by a strong regulatory framework that reinforces these core tenets and applicable laws, coupled with strong supervision, investigation, and enforcement.

We note that the enforcement-first posture of the U.S. government has sent a powerful signal to market manipulators and particularly the offshore, unregulated crypto market. However, without accompanying regulatory clarity, the end result is that compliant American firms will continue to lose customers and market share to actors that do not adhere to anti-money laundering or money transmission regulations, or to the core tenets of a reliable, safe, and secure financial system. Indeed, the most egregious failures (e.g. FTX, Binance, etc.) were not the result of failures of the technology but instead of poor controls and fraud. Bad actors are stepping into the vacuum caused by America's inaction, and they are benefiting while U.S. consumers – who have no greater protection against the FTXs of the world than two years ago – hold the bag.

Call to Action

We encourage your Administration to take meaningful steps to outline clear rules of the road, rather than relying solely on enforcement, to foster a “compliance-mindset” in the wider use of digital assets, particularly among non-U.S. actors. This approach mirrors how the U.S. established international norms with illicit finance and sanctions policy, which are respected by foreign banks and companies worldwide. Similarly, clear regulations around digital assets will protect American consumers while promoting regulated dollar services and the development and adherence to U.S. norms and democratic principles in the digital economy. As long as dollar-denominated assets are the currency of the internet, a lack of legislation providing a path to compliance will only spur further and more creative non-compliance.

We urge you and your Administration to heed your call, and the call of millions of Americans, and act now. The collective body of digital assets market proposals put forward in the House and Senate reflects the necessary compromises to establish an appropriate balance of responsibility among regulatory agencies while adhering to our unique federalist system. Payment stablecoin legislation would create economic value, cement the U.S. dollar as the main currency for digital transactions globally, and reduce costs for people and businesses everywhere; while bipartisan markets regulation proposals – such as the Financial Innovation and Technology for the 21st Century Act (FIT21 Act), the Digital Commodities Act, or Responsible Financial Innovation Act – are aiming to establish broad safeguards and market conduct rules that can showcase the norms and foundational security and regulatory compliance protocols expected by the industry.

We hope to see your Administration work with Congress to enact such foundational legislation this year. Missing the opportunity to make law would be a mistake that will be noticed at home and abroad. CMIC and its members stand ready to serve as a resource on behalf of regulated and responsible American industry.

Respectfully,

Members of the Crypto Market Integrity Coalition

About the Crypto Market Integrity Coalition (CMIC): [CMIC](#) is an association of responsible digital assets companies that have committed to continually improve market integrity, combat market abuse and manipulation, and engage with regulators. Co-founded by Solidus Labs and 17 industry leaders in 2022, CMIC has grown to [53 members](#) who have each pledged to advance market integrity standards and address gaps in current regulation. CMIC has developed and adopted a [comprehensive market integrity code of conduct](#), launched [CMIC Academy](#) and [resource library](#), and has built out a policy agenda focused on things like shared market surveillance, AML modernization, countering fraud, and other priorities.