



**Statement for the Record by Chamber of Progress
December 8, 2021 Hearing:
“Digital Assets and the Future of Finance”**

December 8, 2021

The Honorable Maxine Waters
Chairwoman
House Committee on
Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Patrick McHenry
Ranking Member
House Committee on
Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

Dear Chairwoman Waters and Ranking Member McHenry:

Chamber of Progress appreciates the opportunity to submit a statement for the record for the hearing entitled, “Digital Assets and the Future of Finance: Understanding the Challenges and Benefits of Financial Innovation in the United States,” held by the House Committee on Financial Services on November 8, 2021. Chamber of Progress is a new progressive tech industry group fighting for public policies that will build a fairer, more inclusive country in which all people benefit from technological leaps.

Over the past decade, innovators in the U.S. have played a leading role in developing and deploying cryptocurrency and blockchain technologies in new ways that are changing the global economy. Today, the United States ranks second¹ in the world for citizens holding cryptocurrency, and last year, the U.S. led the world in Bitcoin trading volume.² Two of the top five crypto exchanges in the world are currently run by U.S. companies,³ and experts rank the U.S. as the most crypto-friendly country in the world.⁴

However, the U.S. risks losing its position at the forefront of the cryptocurrency industry without the creation of a regulatory framework that supports innovation.

Despite the rising number of Americans employed by the crypto industry,⁵ the embrace of cryptocurrency by traditional American financial institutions⁶, and the many examples of

¹ <https://triple-a.io/crypto-ownership/>

² <https://www.statista.com/statistics/1196036/bitcoin-market-size-usa/>

³ <https://coinmarketcap.com/rankings/exchanges/>

⁴ <https://coincub.com/2021/09/01/globalranking/>

⁵ <https://www.bloomberg.com/news/articles/2021-11-04/crypto-jobs-span-u-s-as-hubs-spring-up-from-miami-to-denver>

⁶ <https://www.nytimes.com/2021/11/01/business/banks-crypto-bitcoin.html>

cryptocurrency creating opportunity for those neglected by traditional finance,⁷ there is still no comprehensive framework for the regulation of digital assets and no regulatory framework for protecting everyday crypto holders.

Instead, the Securities and Exchange Commission (SEC), the Commodity Futures Trading Commission (CFTC), the Internal Revenue Service (IRS), the Financial Crimes Enforcement Network (FinCEN), and lawmakers in Congress have all proposed separate regulatory regimes, leaving the industry and investors in confusion⁸.

Other nations, including the United Kingdom and France, have moved quickly to enact regulatory frameworks that encourage innovation while protecting consumers.⁹ Countries including Singapore¹⁰ and Ukraine¹¹ have worked to become global centers for the cryptocurrency industry.

The U.S. is in danger of losing the global race to become the hub for a technology that could define the next century of our financial system as well as changes in other industries. Already, crypto companies have left the United States, citing a legal grey area that has dampened their ability to grow and serve customers.¹²

As you hear from top leaders in the cryptocurrency and blockchain industry at today's hearing, I encourage you to ask the entrepreneurs who are testifying how to best secure America's position as a leader in this growing sector. With industries from health care to defense to finance depending on the future of blockchain, the importance of staking out our nation's role in developing this emerging technology could not be more important.

Thank you for your leadership on this important issue and for holding this hearing. As cryptocurrency investors and companies seek regulatory clarity, it is vital for lawmakers to hear directly from leaders in digital assets about the future of this industry.

Sincerely,



Koustubh "K.J." Bagchi
Senior Director, Federal Public Policy

⁷https://www.washingtonpost.com/national/locked-out-of-traditional-financial-industry-more-people-of-color-are-turning-to-cryptocurrency/2021/12/01/a21df3fa-37fe-11ec-9bc4-86107e7b0ab1_story.html

⁸ <https://www.protocol.com/fintech/bitcoin-cryptocurrency-regulations>

⁹ <https://blockchainassoc.medium.com/why-the-us-is-in-danger-of-losing-the-global-blockchain-race-3772fe5b5211>

¹⁰ <https://www.bloomberg.com/opinion/articles/2021-12-06/singapore-no-longer-allows-bitget-to-issue-crypto-tokens-pending-a-license>

¹¹ <https://www.nytimes.com/2021/11/14/business/crypto-ukraine.html>

¹² <https://www.coindesk.com/markets/2019/07/22/circle-moves-exchange-operations-offshore-with-new-bermuda-office/>