



February 13, 2018

Commissioner Brian Quintenz
CFTC Technical Advisory Committee
1155 21st Street, NW
Washington, DC 20581

Technical Advisory Committee Statement submitted by the ABCA

Commissioner Brian Quintenz –

Thank you to the CFTC Technology Advisory Committee for holding this public meeting, and for inviting written statements from interested parties.

The American Blockchain & Cryptocurrency Association (ABCA) is a newly filed membership-driven 501(c)(6) not-for-profit trade association whose mission is to advance a vision for how distributed ledger technologies and cross-border innovations – such as cryptocurrencies and blockchain technologies – can lead to sounder markets.

Membership is open to a broad universe of stakeholders, from individuals and coin investors, to exchanges, miners, enthusiasts, entrepreneurs, and even financial services firms. ABCA provides a voice first and foremost for the individuals – miners, investors, academics, entrepreneurs, as well as corporations – who are driving the blockchain evolution. To that end, ABCA engages with its broad stakeholder community through outreach, engagement, education, research and advocacy work.

It was heartening to hear CFTC Chairman Giancarlo's testimony at the February 6, 2018, Senate Banking Committee Hearing entitled, *"Virtual Currencies: The Oversight Role of the U.S. Securities and Exchange Commission and the U.S. Commodity Futures Trading Commission."* The ABCA also supports sensible regulation to strengthen and smooth markets, and provide stability to this promising new economic environment.

Based on our engagement with stakeholders, it is our view that whatever rules and regulations the Commission enacts, they must be easily available for review by industry participants. They should also hew to the principle of "plain English," so they are easily understandable to all parties. We recognize the challenge this presents, given the continuously evolving state of these nascent technologies.

Additionally, based on informal engagement with our leadership, advisory members-at-large, and other stakeholders, ABCA believes that any future regulatory regime should focus on some fundamental questions and/or concerns:

- ABCA supports thoughtful public engagement with federal regulators to inform the ongoing work of the CFTC, the SEC, and others to resolve the question as to whether cryptocurrencies constitute actual currencies, or securities;
- ABCA supports the need for a consistent policy to the current landscape of state-by-state licensing of money transfer mechanisms;
- Opaque markets and uncertain exchanges discourage broader market participation, and the presence of exchanges creates vulnerabilities which sit atop blockchains, whose distributed nature aims to mitigate such threats (e.g. Silk Road, MtGox, Coincheck, etc.);
- Cryptocurrency markets lack the tools which traditional markets have (e.g. collars, halts, 7% rule, etc.) creating the potential to amplify volatility and market fragility;
- How can/will regulatory frameworks introduce greater transparency to reverse the association with illicit finance?
- When will the public have a final decision on whether Initial Coin-Offerings (ICOs) will be treated formally as Initial Public Offerings (IPOs)? What would be the implication for future filings?
- What will the global regulatory environment look like, and how will it align across jurisdictions (e.g. Basel Accords, etc.)?

ABCA believes sensible regulation can balance the needs for greater transparency and market stability while allowing these technologies to continue their evolution as investment opportunities and mechanisms to facilitate global exchange.

Thank you for the opportunity to participate in this Committee's conversation. The ABCA is eager to hear future recommendations of the Committee, and to continue to work with the Commission on solutions which work for everyone.

Respectfully Submitted,

Howard Greenberg, President,
and the Board of Directors

American Blockchain & Cryptocurrency Association
Washington, DC