

May 24, 2024

President Joseph R. Biden Jr.
The White House
1600 Pennsylvania Ave. NW
Washington, D.C. 20500

Dear President Biden:

I write today to express Blockchain Association's support for H.J.Res. 109, a bipartisan bill that repeals under the Congressional Review Act the Securities and Exchange Commission's (the "SEC") SAB 121. SAB 121 is an accounting bulletin unlawfully issued by the SEC in 2022 that causes harm to consumers and pushes innovation overseas. With an overwhelmingly bipartisan vote, both chambers of Congress voted to pass the resolution to repeal this harmful rule.

Blockchain Association is the leading nonprofit membership organization dedicated to promoting a pro-innovation policy environment for the digital asset economy and the development of blockchain technology. We represent nearly 100 member companies operating in the United States that reflect a wide range of the dynamic blockchain industry.

Our industry has long expressed concerns that SAB 121 fails to align with GAAP standards, and would harm consumers and other market participants by limiting the availability of safe custody options. SAB 121 also adds confusion during bankruptcy proceedings because multiple entities would include the same assets on their balance sheets. The SEC published SAB 121 without the opportunity for such stakeholders to express their views via notice and comment, despite SAB 121's mandatory effect that could lead to enforcement.

Given these severe issues, Democrat Rep. Wiley Nickel (NC-13) recently wrote to Chairman Gary Gensler, expressing his view that "the SEC's open hostility toward the digital assets industry isn't serving President Biden's best interests."¹ This sentiment is shared by an increasing number of Democrats in both the House and Senate.

Following this week's bipartisan passage of the Financial Innovation and Technology for the 21st Century Act in the House of Representatives, it is clear that the desire to keep digital asset innovation in the United States is shared across party lines.

On behalf of Blockchain Association, our members, and the digital asset industry, we encourage you to sign H.J.Res. 109, strike down this harmful rule, and keep the United States positioned as the global leader in technological innovation.

Sincerely,



Kristin Smith
CEO, Blockchain Association

¹ Letter from Rep. Wiley Nickel to Securities and Exchange Commission Chair Gary Gensler (May 15, 2024), https://nickel.house.gov/uploadedfiles/nickel_sab121_letter_to_sec.pdf