

February 19, 2025

The Honorable John Thune
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Chuck Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mike Johnson
Speaker
United States House of Representatives
Washington, D.C. 20515

The Honorable Hakeem Jeffries
Minority Leader
United States House of Representatives
Washington, D.C. 20515

Dear Members of Congress,

We, the undersigned companies representing a broad coalition of United States digital asset companies, write to urge you to vote in favor of Senator Ted Cruz's Congressional Review Act resolution S.J.Res.3 to overturn the anti-crypto innovation, anti-privacy, decentralized finance (DeFi) broker rule. This misguided rulemaking threatens to extinguish American leadership in DeFi and undermine our nation's competitive edge in financial technology innovation.

The DeFi broker rule, finalized in the waning days of the Biden administration, represents regulatory overreach that fundamentally misunderstands the technology it attempts to regulate and ignores Congress's intent. By expanding the definition of the term "broker" to include software that allows users to access DeFi protocols, the rule inappropriately and unlawfully misclassifies technology infrastructure as intermediaries. Under the rule, software companies that never take custody or control of users' assets will be required to radically rebuild their services in order to unnecessarily collect and then report to the government the personal identifying information and transaction details of potentially tens of millions of American users. This obligation not only intrudes on Americans' privacy on an unprecedented scale, but also creates a compliance burden so large it will increase the paperwork burden of the entire U.S. government by one-third, according to the IRS's own calculations.¹

Even worse, this rule does not apply to all DeFi companies – it only imposes data collection and reporting obligations on American DeFi companies. Companies that offer the very same services to Americans from overseas will not have to comply with the rule at all. This unique burden on American companies alone could cripple DeFi innovation in this country altogether.

Policy decisions with such severe consequences should be made by Congress deliberately – not accidentally through ill-conceived midnight rulemaking. As you know, the Congressional Review Act provides a process for repealing recently finalized rules that exceed agency authority or contradict legislative intent. Senator Cruz's CRA offers a clear and definitive path to rolling back this damaging rule before it can take effect.

¹ [Complaint ¶ 14](#), Blockchain Ass'n v. Internal Revenue Serv., No. 3:24-cv-03259-X (N.D. Tex. Dec. 27, 2024) ("And the Final Rule imposes a crushing burden: It requires DeFi industry participants to collect and store users' sensitive personal identifying information and file reports with the Internal Revenue Service (IRS) documenting each and every transaction in which users of their technology engage, as well as including cost-basis information the participants entirely lack, even though it may be impossible for them to do so precisely because they are not brokers in the ordinary (and Congress's) sense of the term. And it is just as time consuming as it sounds—in the IRS's own estimation, the compliance time burden for the digital asset industry will be more than four billion hours annually with an expected compliance financial burden of more than \$260 billion annually. For perspective, the forms required by the Final Rule will increase the total paperwork burden created by the entire United States government by about one-third.").

We urge you to support this resolution and repeal the DeFi broker rule.

As industry leaders in the digital asset space, we have seen firsthand the promise and potential of DeFi technology to drive economic growth, create jobs, and improve financial inclusion. However, this potential will only be realized if we have a regulatory environment that supports innovation rather than stifling it.

Do we want the next generation of financial innovation to be built in America? Do we want the United States to be the epicenter of personal freedom and financial privacy? Do we want to create jobs and opportunities for America's next generation of entrepreneurs, innovators, and builders?

The answers to these questions are obvious. In that spirit, we encourage you to vote YES on the CRA resolution and keep America at the forefront of financial technology innovation. Support this resolution and ensure America remains the undisputed leader in digital assets and decentralized finance.

Respectfully signed,



 Fireblocks

FLOW ■ TRADERS

 FORTE

 foundry

 Frax Finance

 GEODNET

GRAYSCALE[®]

 GSR

 THE HBAR
FOUNDATION

 Hedera[®]



/-/iro

 HORIZEN
LABS

 IoTeX

Jito Labs

 kraken

 KRYPTON

 LEDGER

 LEGEND

Multicoincapital

 Mysten Labs

 North Island
Ventures

 ORCA

 Paradigm

 PARCL

 phantom

 Polymer

 proximity

 RISC
ZERO

 sei
LABS

Sentz

SKYBRIDGE 

 SLINGSHOT

 SOLANA
FOUNDATION

 STARK WARE

 Stellar
Development
Foundation

 STORJ

 Superstate

TALOS 

 TEPHRA
DIGITAL

TOKU

true Ventures

 u3hc

 UNISWAP
FOUNDATION

 UNISWAP Labs

 USV

 variant

 Zcash
Foundation