BLOCKCHAIN ASSOCIATION

May 2, 2025

By Electronic Submission

Commissioner Hester Peirce
Chair, Crypto Task Force
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: Written Input Regarding Trading-Related Topics

Dear Commissioner Peirce:

Blockchain Association ("BA") submits this letter in response to Questions 15-19 of your February 21, 2025 statement, "There Must Be Some Way Out of Here"[1] (the "RFI"). This letter addresses several topics concerning secondary market trading of crypto assets under consideration by the Crypto Task Force for the Securities and Exchange Commission (the "Commission" or "SEC").

BA is the leading nonprofit membership organization dedicated to promoting a pro-innovation policy environment for the digital asset industry. BA is composed of over 120 members, including leading software developers, infrastructure providers, investors, and others supporting the public blockchain ecosystem. BA works with its broad-based membership to achieve regulatory clarity and to educate policymakers, regulators, and the courts about how blockchain technology can pave the way for a more secure, competitive, and consumer-friendly digital marketplace.

We appreciate the Task Force's careful and deliberate consideration of how to address the challenges faced by firms seeking to innovate with crypto assets and blockchain technology while also working within the Commission's three-part mission of protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation.

We think it is important that the Commission take an incremental, flexible approach to regulating trading of crypto assets, recognizing that technology and market practices have and will continue to evolve. Where possible, the Commission should avoid adopting rules, policies, or guidance that limits who can use blockchain technology or the use cases for the technology. In particular, the Commission should not prevent use of blockchain technology in conjunction with traditional assets or markets. Likewise, the Commission should modify existing rules, policies, or guidance that presuppose use of centralized infrastructure or intermediaries.

This approach is supported by the Commission's statutory mandates. Also, the Commission has experience adapting its rules to allow for new technologies. Examples include when the Commission made changes to accommodate the dematerialization of securities or the

[1] *See* https://www.sec.gov/newsroom/speeches-statements/peirce-statement-rfi-022125.

spread of electronic trading. As it did in those instances, the Commission should adapt its rules incrementally to cover trading of crypto securities[2] without making wholesale changes.

In this letter, we describe key aspects of crypto asset trading, custody, and settlement practices. These crypto market practices can help achieve regulatory goals such as market efficiency, transparency, and oversight without further requiring market participants to trade through one or more intermediaries or satisfy other regulatory mandates for where or how to trade.

We also provide responses to specific trading-related questions (numbers 15 through 19) set forth in the RFI. Our responses focus on the rule changes or guidance the Commission should provide to enable trading of crypto securities through the same technologies and market practices that have evolved for trading in non-security crypto assets. These measures will help enable side-by-side and pairs trading of securities alongside non-securities.

I. The Federal Securities Laws Support an Incremental, Flexible Approach to Regulating Trading of Crypto Securities

The Securities Exchange Act of 1934 (the "Exchange Act") does not mandate a particular structure for securities trading, except in very limited instances (such as for security futures and certain security-based swaps). Rather, the Commission has flexible authority to foster a "national market system." Congress explicitly directed the Commission to account for "[n]ew data processing and communications techniques [that] create the opportunity for more efficient and effective market operations" and the "linking" of securities markets "through communication and data processing facilities."[3]

Consistent with this flexible mandate, the Commission has historically taken an incremental approach to trading rules. The Commission has worked with industry participants to facilitate market-driven approaches to promoting safety and efficiency. For example, the current national system for clearance and settlement of listed equity securities did not emerge until the 1980s—several decades after enactment of the federal securities laws—as part of over a decade of iterative market and regulatory developments following the "paperwork crisis" of the late 1960s.[4] Likewise, the Commission's approach to the transition from manual or floor-based trading to electronic trading has been incremental. That transition started principally in the late 1980s through relief and guidance that fostered the development of alternative trading systems ("ATSs")

---

[2] In this regard, we agree with the RFI that the Commission's authority in secondary markets generally is limited to assets that themselves are securities based on their intrinsic economic properties and rights.

[3] Section 11A(a) of the Exchange Act. Congress similarly authorized the Commission to facilitate the establishment of a "national system for the prompt and accurate settlement of transactions in securities" that takes into account "[n]ew data processing and communications techniques [that] create the opportunity for more efficient, effective, and safe procedures for clearance and settlement" and the "linking of all clearance and settlement facilities." *See* Section 17A(a) of the Exchange Act.

[4] *See* Larry E. Bergman, Senior Associate Director, Division of Market Regulation, SEC, "The U.S. View of the Role of Regulation in Market Efficiency" (Feb, 10, 2004), *available at* https://www.sec.gov/news/speech/spch021004leb.htm.

in the equities markets.[5] It has continued through the present in connection with proposals to expand ATS regulation in the fixed income markets. Today's highly engineered equity market structure of interconnected exchanges and ATSs under Regulation NMS with central clearing and settlement at the National Securities Clearing Corporation ("NSCC") and Depository Trust Company is not the necessary result of some legal mandate. Instead, it is the outcome of many decades of agency actions responding to new market developments and technologies.

The Commission's flexibility is also evident in the distinctions it has drawn among different types of securities. Regulation NMS applies to listed equities and options, but different rules apply to corporate debt, municipal securities, Treasury securities, security futures, and security-based swaps. Here, the Commission should likewise distinguish crypto securities from other types of securities, where appropriate.

It is easy to contrast the Commission's traditional approach to market regulation with the approach it took to the crypto markets in the last Administration. In addition to proceeding through a harmful approach of regulation-by-enforcement, the Commission sought to mold crypto market structure along the lines of a stylized view of the equity markets. In particular, the Commission insisted on separate firms performing trading facility, brokerage, market-making, clearing, and custody functions, and it wanted to require investors to transact through registered intermediaries.[6] The securities laws do not dictate that structure. Nor does that structure account for how blockchain technology can enable new trading, clearing, settlement and custody methods that promote greater efficiency and safety. The Commission should leverage technological and market innovation instead of dictating the specific ways that trading takes place.

II. Blockchain Technology and Crypto Asset Trading Practices Align With Key Regulatory Goals

Crypto trading practices have evolved through a combination of technological and market innovations to provide diverse, safe, and efficient means for both institutional and retail users to transact. Those practices differ from how traditional securities markets operate because crypto market participants can leverage those innovations without needing to satisfy prescriptive rules that date back multiple decades. Instead of turning back the clock on those innovations, the Commission should modify its rulebook to account for them. The key innovations that the Commission should address are:

- Market participants can choose among on-chain methods of execution (such as decentralized finance ("DeFi") protocols), off-chain methods (such as centralized exchanges), as well as some hybrids between the two. This level of choice enables market participants to balance the benefits and risks of different levels of transparency, speed of execution, and types of custody practices (*i.e.,* whether or not to self-custody);

---

[5] *See* Exchange Act Release No. 38672 (May 23, 1997), 62 Fed. Reg. 30485, 30505, n. 122 (June 4, 1997).

[6] *See* Gary Gensler, Chair, SEC, Prepared Remarks on Crypto Markets at Penn Law Capital Markets Association Annual Conference (Apr. 4, 2022), *available at* https://www.sec.gov/newsroom/speeches-statements/gensler-remarks-crypto-markets-040422.

- Market participants also can choose among a variety of execution methods, including central limit order books, request-for-quote platforms and protocols, OTC market-making desks, and automated market maker ("AMM") protocols. That variety enables market participants to tailor the way they trade to what makes sense given the liquidity of the asset they are trading, the size of the trade they want to do, and whether and how they want to provide liquidity;

- Market participants have access to market data aggregators, application programming interfaces ("APIs"), smart contracts, and other methods to facilitate seamless access to data and execution across multiple sources of liquidity. These methods eliminate the need for rule-mandated connectivity infrastructure, like what Regulation NMS has required;

- Trading/execution processes are frequently integrated with settlement and custody processes, which enables real-time settlement and reduces costs, risks, and the number of intermediaries, including the ability through some DeFi protocols to execute and settle trades and custody assets without any intermediaries; and

- There are inherently higher degrees of public transparency relative to many pre-existing markets due to the public nature of many blockchains.

There are three main ways that the Commission should take these innovations into account. First, consistent with its statutory mandate to account for "new data processing and communication techniques" and "linking" of securities markets and clearance and settlement facilities, the Commission should leverage these innovations to achieve the goals of public and regulatory transparency. In particular, as discussed in more detail below, the Commission should adopt exceptions to order display, order protection, and Consolidated Audit Trail ("CAT") requirements that have mandated costly, complex, and unnecessary market infrastructure.

Second, consistent with the same statutory mandate, the Commission should leverage advances in real-time settlement processes that eliminate the need for multiple steps and intermediaries to clear and settle transactions. Below we identify some areas where the existing rulebook needs changes to leverage those advances.

Third, the Commission has a statutory mandate to give investors the opportunity to execute their orders without participation of a dealer.[7] Consistent with that mandate, the Commission should not impose requirements for investors to transact through one or more intermediaries. The Commission should not impose an intermediation requirement directly—such as through an exchange-trading requirement—but it also should not do so indirectly by impermissibly expanding registration requirements to pick up DeFi protocols or other blockchain technology. Just because a technology replaces the need for intermediaries, the Commission should not assume that the parties interacting with that technology must register as one or more intermediaries. For example, just because an immutable smart contract allows individuals to transact on a peer-to-peer basis, without intermediaries, the Commission should not subject all or some subset of the persons interacting with that smart contract (*e.g.*, application or user interface

[7] *See* Section 11A(a)(1)(C)(v) of the Exchange Act.

providers, developers of software code, decentralized autonomous organizations, validators or miners, or issuers or holders of governance or other tokens) to registration as an exchange.[8]

III. RFI Responses

Below we provide responses to specific trading-related questions (numbers 15 through 19) set forth in the RFI.

15. Should the Commission create a new entity registration status with tailored registration requirements for any platform that trades crypto assets that are securities? Should the Commission use or adapt the existing requirements for national securities exchange registration or the alternative trading system exemption from such registration, and if so, how?

Requiring separation of crypto asset activities into a different entity with a separate registration would lead to inefficiencies and fragmentation. These issues are evident in the failure of the special purpose broker-dealer ("SPBD") statement.[9] That statement prevents full-service broker-dealers ("BDs") from transacting in crypto assets. It also prevents crypto asset firms from transacting in crypto securities within the same entity as crypto assets that are not securities. The resulting need to register and capitalize multiple entities and impediments to offering side-by-side trading or custody services (with associated efficiencies from onboarding, settlement, and margining perspectives) have prevented SPBDs from gaining any meaningful traction in the market.

A new entity registration status, like an SPBD, should not be necessary. Today, it is relatively common for the same registrant (whether a national securities exchange ("NSE"), ATS, or BD) to trade multiple types of securities, each with different trading, clearing, and settlement conventions and subject to different and tailored regulatory requirements. For example, a firm may trade both public and private equities, together with the full range of domestic and foreign fixed income securities (corporate, municipal, and government), in the same registered BD entity. That BD could also operate one or more ATSs, alongside acting as a retail broker, a market-maker, a custodian, and a prime broker. In addition, that BD could be dually registered with other regulators, such as the Commodity Futures Trading Commission ("CFTC"), to offer non-securities products. Each of these types of securities and other products can give rise to different risks and issues, all of which the BD and ATS regulatory frameworks can take into account. Those frameworks similarly can account for any risks or issues posed by a BD or ATS transacting in crypto assets.

---

[8] In this regard, we strongly disagree with the Commission's prior position regarding the "exchange" definition as set forth in its 2023 request for comment on that topic. *See* Exchange Act Release No. 97309 (Apr. 14, 2023), 88 Fed. Reg. 29448, 29453-58 (May 5, 2023) (the "3b-16 Request for Comment"). The Blockchain Association's comments on the 3b-16 Request for Comment are available at https://theblockchainassociation.org/wp-content/uploads/2023/06/SEC-Comment-Letter-Reopening-Rule-3b-16-Proposal.pdf.

[9] Custody of Digital Asset Securities by Special Purpose Broker-Dealers, Exchange Act Release No. 90788, 86 Fed. Reg. 11,627 (effective Apr. 27, 2021).

A BD or ATS transacting in traditional securities alongside crypto securities should not need to follow identical rules for both types of securities. Just as the rules for equity and debt securities differ, the rules for crypto securities should not always be the same as for other securities. Below is a brief list of the key areas where the Commission or the Financial Industry Regulatory Authority ("FINRA") should make changes:[10]

- Rule 10b-10: This rule requires a BD to deliver a trade confirmation at or before settlement of a securities transaction. The Commission should provide relief from this timing requirement to address real-time settlement of crypto securities by allowing a BD to provide its confirmation within a reasonable timeframe (*e.g.*, one day) after execution and settlement takes place;

- Rule 15c2-11: This rule prohibits a BD from disseminating quotations for a security unless specified information is publicly available. The specified information is specific to issuers of corporate equity securities, such as financial statement information. The rule should not apply to crypto assets that are not corporate equity securities;

- Rules 15c3-1: For BD net capital purposes, crypto securities should be treated no differently from traditional securities, other crypto assets (other than stablecoins) should be treated like other commodities, and covered stablecoins[11] should be treated like cash;[12]

- Rule 15c3-3: The Commission should provide permanent guidance allowing a BD to custody crypto securities on-chain with appropriate operational security safeguards, but without limiting the range of activities in which the BD may engage (*i.e.*, eliminate the activity restrictions contained in the SPBD statement). A BD also should be permitted to sub-custody crypto securities at a bank or trust company;

- Rule 17a-4: BDs should be permitted to rely on blockchain-based books and records for regulatory recordkeeping purposes;

- Regulation ATS Rule 301(b)(3) (order display and access rule) and Regulation NMS: Regulation NMS's order protection rule (Rule 611) and Regulation ATS's

[10] The list below is in addition to changes that would be relevant in connection with Securities Act registration requirements.

[11] By "covered stablecoins," we mean those stablecoins covered by recent Commission Staff guidance on that topic. *See* Division of Corporation Finance, Statement on Stablecoins (Apr. 4, 2025), *available at* https://www.sec.gov/newsroom/speeches-statements/statement-stablecoins-040425.

[12] We understand that, in the past Administration, the Commission took the view that crypto assets that are not securities would be subject to a 100% net capital deduction. *See* Exchange Act Release No. 99477 (Feb. 6, 2024), 89 Fed. Reg. 14938, 14988. That view appears to have been based on the perception that those crypto assets are not liquid and marketable. However, many crypto assets trade in highly liquid markets and should be considered readily marketable spot commodities for net capital purposes. *See* 17 C.F.R. 240.15c3-1b.

and NMS's order display and transaction reporting rules require use of industry utilities (such as securities information processors) and prescriptive intermarket linkages. Even in traditional markets, compliance with these rules has proven to be costly and impede innovation. The Commission should not extend these rules to crypto securities because doing so would inappropriately impede on-chain execution and 24/7 trading activity. In our response to Question 17 below, we suggest additional transparency-related reforms that could better allow market forces to dictate how market participants access pricing information and interact with liquidity sources;

- Regulation SHO Rules 201 and 204: These rules are not appropriate for crypto securities because they are predicated on application of Regulation NMS (see above) and clearing through NSCC;

- FINRA Rule 6000, 7000, and 11000 Series: These rules are not appropriate for crypto securities because they require centrally organized transparency infrastructure, such as TRACE, and intermediated settlement processes. At a minimum, further guidance concerning the classification of crypto securities would be necessary (*e.g.*, as OTC equity securities or TRACE-eligible securities for tokenized equity or debt securities, respectively, but not as depository eligible securities). FINRA would also likely need to make changes to its trade reporting facilities to facilitate reporting of crypto securities covered by its trade reporting rules.

Relative to ATSs, NSEs are less likely to list crypto securities because NSEs are subject to additional rules that are not consistent with crypto asset trading practices. To enable NSEs to list crypto securities, the Commission needs to make additional changes to enable greater integration of trading, clearing and settlement activities. For example:

- Section 6(c)(1) of the Exchange Act generally limits NSE members to BDs and their associated persons. The Commission should allow market participants to access NSEs directly, given that direct access can reduce costs, risks, and conflicts of interest. For instance, customers can self-direct their trading across different venues without relying on a broker to do so on their behalf. To replicate this model for trading securities on NSEs, relief from Section 6(c)(1) would be necessary.

- To permit registration as an NSE, the Commission has historically required the NSE to have rules and/or provisions in its or its parent company's organizational documents that place limits on concentrated equity ownership or governance rights for the NSE or its parent company and limits on the ability for a member of the NSE (*i.e.,* a BD) to be affiliated with the NSE (except in the case of affiliated BDs whose activities are generally limited to routing orders from the NSE). These limitations can impede smaller or newer companies from registering NSEs.[13] The Commission should explore similar measures for

[13] Notably, the CFTC has not imposed similar restrictions on commodity futures or options exchanges, but rather has addressed conflicts of interest considerations through other means, such as public, independent representatives on exchange boards and committees.

NSEs to ensure the ability for crypto market participants to stand up NSEs in addition to BDs and ATSs.

16. What updates to the Commission rulebook are needed for side-by-side pairs trading of securities and non-security crypto assets to allow for enhanced interoperability and composability in finance?

It is frequently the case that the same customer will wish to trade both securities and non-securities assets. Permitting a BD or other Commission registrant to engage in side-by-side trading of those assets is important to enable capital, margin, settlement, and onboarding efficiencies. Pairs trading is also important, particularly given that it is likely that the "cash" leg of a transaction in a crypto security is likely to be settled by a transfer of stablecoins, which is necessary to enable real-time settlement on a blockchain. Absent the ability for a BD to settle these transactions via stablecoins, and unless its customer or counterparty held cash at the BD, the cash leg would need to settle through normal banking processes that exhibit greater costs and delays.

The federal securities laws already permit Commission registrants, such as NSEs, ATSs, and BDs, to trade in non-securities such as commodity futures, swaps, and foreign exchange, often via dual registration with the CFTC. In these instances, side-by-side trading is commonplace. Pairs trading is common as well, such as in connection with "package" or "basis" transactions (*e.g.*, the trading of Treasuries securities against Treasury futures or Treasury securities against interest rate swaps).

During the prior Administration, the Commission suggested that such side-by-side or pairs trading somehow violates the federal securities laws.[14] The Commission should set aside the prior Administration's statements on this topic and treat non-security crypto assets in a manner consistent with its historical approach to permitting Commission registrants to trade in non-securities. In particular, the Commission should permit side-by-side and pairs trading of securities and non-security crypto assets in a similar fashion to these other instances of registrants supporting trading in securities and non-securities (*e.g.*, with appropriate disclosures so that investors understand the different regulatory statuses of the different assets they are trading). The Commission should also clarify the net capital treatment for crypto assets (including those that are not securities), as described above.

17. Does execution in offchain order books or on blockchain networks pose complexities for broker-dealers in satisfying any applicable best execution obligations? Does onchain execution pose complexities for broker-dealers in satisfying their best execution obligations, given onchain complexities such as transaction ordering and block construction? Should any rules, guidelines, or disclosures be modified to address broker-dealer execution reasonably available under the circumstances in offchain and onchain trading environments?

---

[14] *See* 3b-16 Request for Comment, 88 Fed. Reg. at 29482.

Crypto liquidity can be more fragmented compared to most traditional markets, with a variety of both off-chain and on-chain liquidity sources as well as a more diverse range of execution methods. In some cases, the liquidity source displaying the best price might be a lightly regulated or offshore venue that a U.S. BD may not be able to access for legal, counterparty-risk, or anti-money laundering reasons. Current best execution guidance allows BDs to consider qualitative factors, but it does not expressly state that bypassing an inaccessible or higher-risk venue can still satisfy best execution obligations when better-priced liquidity is "not reasonably available."

To address these considerations, we suggest that the Commission work with FINRA to provide additional guidance or rules concerning best execution as follows:

- **Safe-Harbor for "Reasonable Diligence."** To facilitate continued development of best practices as the Commission and FINRA gain experience regulating crypto securities, the Commission should work with FINRA to provide guidance defining a safe harbor conditioned on a BD employing routing logic that consults a documented set of leading venues, considers venue risk, and uses automated tools to aggregate quotes.

- **Crypto-Specific Execution Factors.** Updated guidance should confirm that brokers may balance price against venue integrity, settlement reliability, and total all-in cost (including network or withdrawal fees) when evaluating execution quality. Explicit recognition of these factors would reduce uncertainty and deter "price-only" metrics that could push order flow toward riskier markets.

- **Enhanced Transparency, Not Hard Rules.** As discussed in our response to Question 15 above, the Commission should not impose prescriptive order-protection obligations, which would be impractical in a 24/7, globally fragmented market. Instead, the Commission should require crypto order-routing disclosures akin to Rule 606, with quarterly reports showing venue mix, price-improvement statistics, and average slippage. These reports would let customers and regulators evaluate whether BDs' execution practices achieve competitive outcomes.

- **Incremental Data Consolidation.** To ease BD surveillance and post-trade review, the Commission could facilitate an industry-led consolidated reference feed (or "crypto tape") by encouraging major venues to publish uniform, machine-readable trade and quote data. A voluntary—but widely adopted—tape would strengthen execution-quality analytics without mandating a national market-system architecture.

By clarifying that best execution in crypto hinges on reasonable multi-venue diligence, balanced risk assessments, and transparent reporting—not on accessing every possible order book—the Commission can uphold investor protection while giving BDs a workable roadmap for compliance in these rapidly evolving markets.

18. The crypto markets are inherently transparent because they use open-source data, from public blockchains to open application programming interfaces ("APIs"). Are there programmatic/technological

ways that crypto market participants, intermediaries, potential self-regulatory organizations, or regulators can monitor crypto markets using open-source data? How would this take into consideration nested accounts on centralized exchanges, given that this activity may not appear in public ledgers? Is open-source data sufficient for the market to monitor trading and therefore what non-public information might warrant mandatory disclosure? What sort of open-source tools can be used for enhanced transparency, such as proof of reserves, or proof of holdings? What are the limitations of such tools and such data?

The Commission and FINRA should leverage natively existing data sources to the greatest extent feasible and avoid any large-scale collection and storage of personally identifiable information ("PII") or other blockchain-based user information. Open-source blockchain and exchange API data provides a strong starting point for regulatory surveillance, particularly relative to the private ledger technology that underpins the traditional securities markets. For example, on-chain, publicly available data (such as smart contract code and on-chain transfers viewable in a block explorer) can provide some indications of potential suspicious behavior. Similarly, off-chain, publicly available trade and order book data available through exchange APIs can provide signals of anomalous activity at an overall market level—for instance, sudden swings in prices, volumes or orders.

This data is especially powerful when enriched with information from exchanges, custodians, and other intermediaries that control many blockchain addresses. With regard to nested accounts in particular, centralized exchanges can be a source of information that regulators can pair with open-source data to generate analytical insights. Once enriched with this contextual information, open-source data can offer a valuable, high frequency, ecosystem-wide view of activity in the crypto market. This data can enable monitoring for a range of different objectives, such as periodic monitoring to identify key counterparties of an exchange, real-time monitoring of unusual fund flows from smart contract wallets, and proactive analysis of on-chain trading activity to detect potentially suspicious trading.

Open-source blockchain data can also be useful to market participants, whether for purposes of performing their own transaction surveillance or know-your-customer ("KYC") processes (in the case of a BD or other intermediary) or for a customer or client to verify the safekeeping of their assets. Here as well, there is an opportunity to pair on-chain and off-chain data to enrich the depth and quality of analysis.

To achieve these opportunities, the Commission and FINRA should work with industry participants to understand the range of available data, its formatting and means of consumption and analysis, with a view to developing fit-for-purpose surveillance tools. One mode of operation could be to identify patterns of suspicious activity on a blockchain or exchange and trace them to regulated service providers through which KYC information can be obtained. Automation and artificial intelligence could allow for this process to unfold in an efficient manner that minimizes the resource burden for regulated entities as well as the Commission and FINRA.

In this regard, the Commission and FINRA should look to learn from the issues they and the industry have experienced with CAT (such as costs, delays, and handling of PII). In particular, the public nature of blockchain transaction history means that any database connecting PII with

wallet addresses would pose a unique threat to constitutionally protected privacy. Anyone with access to such a database —potentially including hackers and other bad actors—could trace an individual's entire history of blockchain activity without a warrant or probable cause.[15]

19. With the understanding that both APIs and public ledgers can provide order books, what would be a good strategy for regulators to efficiently ingest and analyze order book data? How can the regulators leverage publicly available data to become more efficient and alleviate regulatory burdens?

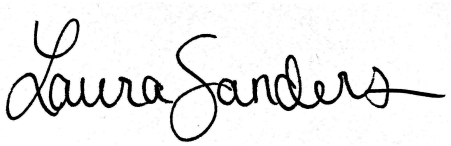
Two possible strategies could be used by regulators to ingest and analyze off-chain (centralized trading venue) order books efficiently. First, regulators could ingest publicly available data through external APIs of trading venues (NSEs and ATSs), which regulators could analyze for suspicious patterns. That data could then provide a starting point to identify venues on which to focus supervisory examinations and other, targeted requests for information. Second, regulators could work with venues to provide specialized data feeds that pair order data with account ID information; in this regard, the Commission should seek to work with the venues to leverage the databases they already compile for their internal surveillance purposes. We understand that the CFTC employs similar methods to perform surveillance of the commodity futures markets.

* * *

We appreciate the opportunity to provide feedback to the Crypto Task Force and the Commission more broadly on these important topics. The staff of the Blockchain Association and our counsel are available to meet and discuss these matters with the Commission and to respond to any questions.

Respectfully submitted,

Marisa T. Coppel
Head of Legal



Laura Sanders
Senior Counsel

cc: Colin D. Lloyd, Sullivan & Cromwell LLP

[15] We provided more detail regarding these concerns in our amicus brief opposing the inclusion of this data in the CAT, which is available at https://theblockchainassociation.org/wp-content/uploads/2024/08/2024.08.22-Doc-58-1-Brief-of-Amici-Curiae.pdf.