



May 20, 2024

Re: Support for the Financial Innovation and Technology (FIT) for the 21st Century Act and CBDC Anti-Surveillance State Act

Dear Members of Congress:

We, the undersigned organizations, are writing in support of the Financial Innovation and Technology (FIT) for the 21st Century Act ([H.R. 4763](#)). We also support complementary legislation ([H.R. 5403](#)) that prohibits the establishment of a central bank digital currency (CBDC) both directly to individuals and through the intermediated banking system.

The bipartisan FIT for the 21st Century Act codifies a regulatory framework that directs the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) on how to distinguish between “restricted digital assets” under the SEC’s purview and “digital commodities” under the CFTC’s. The bill also establishes procedures for broker-dealers, trading systems, exchanges, clearing agencies, and custodians to register with one, or both, of these agencies. Further, this proposed framework explicitly acknowledges that decentralized protocols are fundamentally different and thus need separate regulatory treatment. **This legislation is necessary to prevent unelected bureaucrats at the SEC and CFTC from unilaterally and arbitrarily reprimanding individuals and institutions that may be directly or indirectly operating within the cryptocurrency ecosystem.**

Cryptocurrencies have been unlawfully vilified by the SEC. The securities enforcement agency has attempted to create false narratives to justify a political agenda. Earlier this year, a federal judge [determined](#) that the SEC’s lawsuit against a cryptocurrency firm was “a gross abuse of the power entrusted to it by Congress.” In fact, the judge stated that:

If one affirmatively states something is true when there are no facts to support it, that cannot be characterized as an inference. That is a falsehood. The decision to communicate this assertion to the court as fact, when it lacked any factual basis, demonstrates subjective bad faith.

By enacting the FIT for the 21st Century Act, elected officials in Congress are using their legislative authority to preempt future abuses of executive power. Checks and balances as a method for separating powers among the three branches of government is a fundamental tenet of the U.S. Constitution. **The FIT for the 21st Century Act is a check to preexisting and future executive abuse.**

The CBDC Anti-Surveillance State Act is also necessary legislation. CBDCs not only crowd out private cryptocurrencies, but they are also an existential threat to



consumer privacy protections. Some academics have also posited that CBDCs could be weaponized to [collect taxes](#) and enable the IRS to harass small businesses and individuals. **CBDCs have no place in American society.**

The cryptocurrency ecosystem is thriving with innovative investment opportunities and technological advancements. The creation of spot bitcoin exchange-traded funds (ETFs) is the epitome of a free market economy—where supply meets demand. Additionally, embracing distributed ledger technology, which is the decentralized bedrock unto which many cryptocurrencies are embedded, could revolutionize not just finance but also [supply chain management](#), [healthcare](#), and [real estate](#).

Lawmakers should embrace change by using their legislative powers to cogently establish rules of the road for the future of the American financial sector. This will ensure legislative authority stays with elected officials in Congress and is not ceded to the executive branch.

Members of Congress should vote in support of the FIT for the 21st Century Act and the CBDC Anti-Surveillance State Act.

Sincerely,

Americans for Tax Reform
Americans for Prosperity
American Commitment
Center for a Free Economy
Center for Freedom and Prosperity
Club for Growth
Consumer Choice Center
The Heartland Institute
Heartland Impact
Small Business & Entrepreneurship Council