

# Crypto Council for Innovation

April 19, 2023

Patrick McHenry  
Chairman  
House Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, DC 20515

Maxine Waters  
Ranking Member  
House Committee on Financial Services  
4340 O'Neill House Office Building  
Washington, DC 20515

French Hill  
Chairman  
Subcommittee on Digital Assets,  
Financial Technology and Inclusion  
1533 Longworth House Office Building  
Washington, DC 20515

Stephen Lynch  
Ranking Member  
Subcommittee on Digital Assets,  
Financial Technology and Inclusion  
2109 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman McHenry, Ranking Member Waters, Chairman Hill, and Ranking Member Lynch:

The Crypto Council for Innovation (CCI) appreciates the opportunity to contribute to the important discussion taking place during today's hearing, and applauds efforts by the Committee to advance bipartisan legislation that provides a clear regulatory framework for stablecoins that fosters innovation while protecting consumers. CCI is a global alliance of industry leaders with a mission to communicate the benefits of crypto/Web3 and demonstrate its transformational promise. CCI members include some of the leading global companies and investors operating in the industry. They span the crypto ecosystem and share the goal of encouraging the responsible global regulation of crypto to unlock economic potential, improve lives, foster financial inclusion, protect national security, and disrupt illicit activity. CCI and its members stand ready and willing to work with the House Financial Services Committee and its members to support efforts to establish a clear legal framework for stablecoins here in the United States.

Stablecoins are digital assets with an added economic structure that aims to stabilize their price and purchasing power.<sup>1</sup> In other words, stablecoins seek to maintain a stable value to a reference asset, such as a sovereign currency like the USD. Importantly, there are a variety of models for stablecoins that involve different decisions around underlying collateral, governance, and more. Given the variance in

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<sup>1</sup> [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3633542](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3633542)

designs, policy-making and regulation of stablecoins requires a nuanced approach. Moreover, it is important to understand the potential use cases, benefits, and risks provided by price-stable digital assets.

As the Financial Stability Board has highlighted, “stablecoins have the potential to bring efficiencies to payments, and to promote financial inclusion.”<sup>2</sup> An emerging area of digital assets, they hold promise for a range of use cases including financial infrastructure improvements, new business models, humanitarian aid, and cross-border payments. Stablecoins are being used to solve many of the challenges associated with moving value across borders by enabling new peer-to-peer payment models and reducing burdensome costs and significant lag in the transfer of small amounts, as in the case of low-wage earners. As one example of the promise of this innovation, last December, the United Nations High Commission for Refugees announced a program through which it has coordinated with the Stellar Development Foundation, Circle Internet Financial, and MoneyGram to use Circle's stablecoin, USD Coin (USDC), to securely distribute humanitarian assistance payments to support refugees from the war in Ukraine.<sup>3</sup>

The Crypto Council welcomes the efforts of the House Financial Services Committee to explore avenues to establish clear rules of the road that foster innovation, provide critical protections for consumers and our financial system, and preserve the technological cutting edge of the United States.

Sincerely,



Sheila Warren  
Chief Executive Officer  
Crypto Council for Innovation

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<https://www.fsb.org/work-of-the-fsb/financial-innovation-and-structural-change/crypto-assets-and-global-stablecoins/>

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<https://ukraine.un.org/en/211593-unhcr-launches-pilot-cash-based-intervention-using-blockchain-technology-humanitarian>