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Proposal and Comment Information

Title: Regulatory Capital Rules: Regulatory Capital and Standardized Approach for Risk-weighted Assets, R-1888

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Submitter Information

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I appreciate the opportunity to comment on this proposal. I write specifically regarding the risk-weight treatment of cryptoassets, and respectfully urge the agencies to reconsider the blanket 1,250% capital charge applied to Bitcoin exposures.

A uniform 1,250% risk weight — equivalent to full dollar-for-dollar capital backing — fails to distinguish between materially different risk profiles across the cryptoasset spectrum. Bitcoin is a decentralized asset with no issuer credit risk, a decade-plus of liquid, observable market pricing, and well-established custodial infrastructure. Treating it identically to speculative DeFi instruments, algorithmic stablecoins, or issuer-backed tokens is not risk-sensitive; it is risk-indifferent.

I urge the agencies to instead adopt a framework that:

Applies standard market-risk capital rules to Bitcoin price exposure, calibrated to actual observed volatility and liquidity.

Addresses custody, cybersecurity, key management, and governance risks through operational-risk standards rather than inflating market-risk weights.

Recognizes documented hedging and risk-mitigation arrangements that demonstrably reduce net exposure.

Assigns risk weights based on the specific characteristics of each cryptoasset class — distinguishing Bitcoin from stablecoins, governance tokens, and DeFi instruments with fundamentally different risk drivers.

A risk-sensitive approach would better serve the statutory objectives of safety and soundness while enabling Bitcoin-related activity to flow through regulated, supervised U.S. institutions — rather than pushing it into less-supervised channels. The current blanket treatment achieves neither goal effectively.

Thank you for considering this comment.