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Proposal and Comment Information

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Submitter Information

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My name is Jay D'Aprile. I hold a meaningful personal Bitcoin position that I began accumulating in 2021 as part of a deliberate, long-term wealth strategy, not speculation.

I am submitting this comment because the Basel Committee's proposed 1,250% risk weight for Bitcoin is a regulatory overreach that will cause real harm without meaningfully reducing systemic risk.

The 1,250% figure - requiring banks to hold \$1.25 in capital for every \$1.00 of Bitcoin exposure - was not derived from historical loss analysis. It is a punitive ceiling designed for assets with essentially zero recovery value. Bitcoin does not belong in that category. It has a decade-plus track record, deep global liquidity, a fixed supply schedule, and transparent on-chain settlement. Treating it identically to an asset that can go to zero with no market bid is analytically indefensible. The practical effect is to push Bitcoin activity outside the regulated banking system, not to eliminate it, but to move it somewhere supervisors cannot see it. That is the opposite of sound prudential policy.

There is also a competitiveness argument regulators cannot afford to ignore. Bitcoin is not going away. Global demand for Bitcoin financial services, custody, lending, settlement, ETF infrastructure, is growing regardless of what U.S. regulators decide. The only question is where that infrastructure gets built. If U.S. banks are effectively prohibited from participating, that business moves to London, Singapore, Dubai, or Zurich, jurisdictions actively courting it with proportionate frameworks. The United States would be ceding one of the most significant emerging areas of financial services to foreign competitors, while American consumers continue using those foreign-domiciled platforms. We would get all of the exposure and none of the infrastructure, none of the jobs, and none of the regulatory visibility. That is not prudent. It is a self-inflicted wound.

I am asking the relevant agencies to engage in genuine risk calibration. Apply a risk weight that reflects measured exposure, not political caution. Consider tiered treatment distinguishing between direct spot holdings, regulated ETF structures, and derivatives. Provide a clear, rules-based path for banks to custody and hold Bitcoin in a way that is supervised, transparent, and proportionate - rather than effectively banned.

Regulation that ignores evidence in favor of precaution-by-prohibition does not protect the system. It relocates the risk, exports the opportunity, and leaves American institutions watching from the sideline.