

JONATHAN SHUCK

Proposal and Comment Information

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

Comment ID: FR-2026-0008-01-C153

Submitter Information

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Subject: Comment on Proposed Bank Capital Rules – Support Risk-Sensitive Treatment for Bitcoin

To the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation:

I am a Bitcoin investor and U.S. citizen residing in Springfield, Missouri. I have been investing in and holding Bitcoin for several years, and it represents a meaningful portion of my portfolio as a long-term store of value and hedge against traditional financial risks.

I am submitting this comment because the proposed implementation of Basel's cryptoasset framework, particularly the 1,250% risk weight for Bitcoin, would harm American investors, consumers, and financial competitiveness. While I understand the need for strong capital standards to ensure bank safety and soundness, a blanket penalty this severe does not accurately reflect Bitcoin's risk profile and would make it impractical for regulated U.S. banks to offer custody, treasury, lending, or other services to Bitcoin users.

Bitcoin is fundamentally different from other cryptoassets. It has no issuer, no counterparty credit risk from a borrower or management team, a fixed and transparent supply schedule, open-source code, and a deep, globally liquid market with continuous pricing. Its primary risks—price volatility, custody/operational challenges, and cybersecurity—can and should be addressed through targeted market-risk capital rules, robust operational standards, audited custody practices, hedging recognition, and supervisory oversight. Lumping it with speculative or issuer-dependent instruments ignores these distinctions and fails to promote better risk management.

Adopting the 1,250% risk weight would push Bitcoin-related activity away from supervised U.S. banks toward offshore providers or unregulated channels. This reduces consumer protections, makes oversight harder, and weakens U.S. leadership in digital assets and financial innovation. As an investor, I want access to secure, regulated options alongside self-custody—not barriers that limit choice and innovation in the United States.

I respectfully urge the agencies to reject or significantly modify Basel's one-size-fits-all 1,250% approach for Bitcoin. Instead, implement a risk-sensitive framework that:

- Applies appropriate market-risk rules to price exposure,
- Uses operational-risk capital for custody, key management, and cybersecurity,
- Recognizes effective hedging and risk mitigation, and
- Clearly distinguishes Bitcoin from stablecoins, DeFi products, and other higher-risk cryptoassets.

This balanced approach would better protect the financial system while enabling responsible participation by regulated institutions. Thank you for considering these views and for the opportunity to comment.

Sincerely,
Jonathan Shuck