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Proposal and Comment Information

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Submitter Information

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I am writing to urge the Federal Reserve not to adopt Basel's blanket 1,250% risk weight for Bitcoin in U.S. bank capital rules. Bitcoin is fundamentally different from other cryptoassets: it has no issuer, no counterparty, no management team, and no redemption promise. It is a decentralized, issuerless capital asset with a transparent, fixed supply schedule, public blockchain settlement, open-source code, and deep, continuous global market liquidity. While Bitcoin carries market, custody, operational, and cybersecurity risks, these can and should be addressed through targeted market-risk capital rules, strong operational and custody standards, audited controls, hedging recognition, and prudent concentration limits — not a punitive one-size-fits-all penalty harsher than any other asset class. A 1,250% risk weight effectively bars regulated U.S. banks from offering custody, treasury, payments, lending, and other essential services to Bitcoin users and businesses. This would push activity offshore or into less-supervised venues, harming consumers, reducing transparency, weakening U.S. competitiveness in financial innovation, and undermining safety and soundness. I respectfully request that the agencies develop a risk-sensitive framework that accurately reflects Bitcoin's unique characteristics while maintaining rigorous supervision.