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Proposal and Comment Information

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I support revisiting the Basel treatment of Bitcoin because the current framework is disproportionately punitive relative to the actual risk profile of modern Bitcoin infrastructure and creates incentives that push activity outside regulated institutions rather than inside them.

As a healthcare worker and long-term retail investor, I do not want less oversight, less transparency, or less safety. I want regulated American banks and financial institutions to be able to responsibly participate in Bitcoin custody, settlement, treasury management, and collateralized financial services under clear rules.

The current Basel framework effectively treats direct Bitcoin exposure as requiring a near-total capital deduction. In practice, this discourages regulated banks from engaging with Bitcoin at all, even when they could do so in a transparent, supervised, risk-managed manner. That does not eliminate Bitcoin activity — it simply pushes it toward less regulated offshore entities and shadow infrastructure.

Bitcoin is now a global macro asset with ETFs, public company treasury adoption, institutional custody systems, and deep liquidity. The regulatory framework should evolve to reflect operational reality rather than assuming all Bitcoin exposure resembles speculative, opaque crypto activity from prior cycles.

Reasonable reform could:

* Differentiate Bitcoin from higher-risk digital assets with centralized issuer risk.
* Recognize the improving liquidity, transparency, and auditability of Bitcoin markets.
* Allow prudently managed exposure and custody within regulated banking systems.
* Encourage development of secure domestic financial infrastructure instead of driving innovation overseas.
* Improve consumer protection by keeping activity within institutions subject to supervision, capital standards, compliance, and examination.

The United States should not create a framework where regulated institutions are effectively prohibited from participating in an asset that millions of Americans already own and that many public companies now hold on their balance sheets.

If policymakers care about safety, competitiveness, and financial stability, the answer is not to force Bitcoin infrastructure outside the regulated banking system. The answer is to create rational, risk-sensitive capital treatment that allows regulated institutions to engage carefully, transparently, and responsibly.