

Emmer Urges SEC to Provide Clarity for Digital Securities

December 9, 2020

Washington, D.C. - Today, Congressman Tom Emmer [sent a letter](#) to the Securities and Exchange Commission (SEC) urging them to address the issue of broker-dealer custody of digital securities.

On July 22, the Office of the Comptroller of the Currency (OCC) issued an [interpretive letter](#) which clarified that national banks may provide custody services for crypto assets. Congressman Emmer's letter urges the SEC to develop similar clarifications necessary for financial entities under their jurisdiction to provide custody services of digital securities, and enable FINRA to approve broker-dealer applications that meet these requirements. Establishing this regulatory guidance would create a level playing field for financial institutions, and provide the financial technology industry with the confidence to develop innovations in America. Additionally, it would expand the market of financial services so Americans can have greater choice and control over their financial futures.

"I was heartened to see the OCC take a lead on this issue, and I encourage the SEC and FINRA to follow suit. We know that strong financial markets attract investment and facilitate capital formation. To foster the digital asset industry in the United States, we need action now," **said Emmer.**

Emmer continued, "Regulators under this Administration have been open and willing to support new technologies. However, it is still critical that they continue to keep up with the pace of innovation. With these important steps, we can cultivate a regulatory environment that supports financial innovations and will foster investment and competition in the United States."

Congressman Emmer's letter urges the SEC to take three important actions: First, issue a formal clarification that banks may act as good control locations for the custody of digital securities. Second, advise FINRA on the specific criteria that must be met for broker-dealers to custody digital securities for their customers and for their own account. Third, instruct FINRA to approve broker-dealer applications that meet those requirements.

In addition to five other Members, Congressman Emmer was joined on the letter by the full bipartisan leadership of the Blockchain Caucus, which he Co-Chairs.

Read the letter [here](#).

###