SOLANA POLICY INSTITUTE

November 20, 2025

The Honorable Donald J. Trump
President of the United States
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President,

We represent organizations advancing digital asset and blockchain technologies in America, committed to building the future of finance and technology. In just the first year of your presidency, the Trump Administration and Congress have unlocked unprecedented opportunity for crypto investors, users, and builders. From the nullification of the IRS Broker Rule[1] and passage of the landmark GENIUS Act[2] to executive actions like the rescission of 2022 Department of Labor guidance on digital assets in 401(k) plans,[3] a new era of U.S. innovation is emerging. Our industry is working closely with your Administration, the House of Representatives, and the United States Senate to get a market structure bill on your desk as soon as possible, and strongly support efforts to deliver another win for the American people.

As Congress continues its work, your Administration is engaged in significant efforts behind the scenes. As the President's Working Group on Digital Asset Markets identified, there are other steps that can be taken by the Administration that deliver quick wins to complement legislative efforts. We strongly support the Administration continuing to use a robust whole-of-government approach on crypto to achieve your objective of making America the crypto capital of the world. The following are immediate steps that agencies across the government can take to complement these legislative efforts and further ensure that the United States remains the best place in the world to build, invest, and innovate.[4]

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[1] 90 Fed. Reg. 30825; *see also* H.J. Res. 25, "Providing for congressional disapproval … of the rule submitted by the Internal Revenue Service relating to 'Gross Proceeds Reporting by Brokers That Regularly Provide Services Effectuating Digital Asset Sales'," 119th Cong. (2025), Became Pub. L. No. 119-5, Apr. 10, 2025.
[2] Guiding and Establishing National Innovation for U.S. Stablecoins Act ("GENIUS Act"), Pub. L. No. 119-27, 139 Stat. 420 (2025).
[3] U.S. Department of Labor Compliance Assistance Release No. 2025-01, https://www.dol.gov/agencies/ebsa/employers-and-advisers/plan-administration-and-compliance/compliance-assistance-releases/2025-01.
[4] These actions are aligned with the recommendations from the President's Working Group Report. *See* President's Working Group on Digital Asset Markets, *Strengthening American Leadership in Digital Financial Technology* at 127, 156 (2025), available at https://www.whitehouse.gov/wp-content/uploads/2025/07/digital-Assets-Report-EO14178.pdf.

1. Promote Tax Clarity for the Digital Asset Economy and American People

- Direct the U.S. Department of Treasury to revise or clarify tax guidance related to digital asset mining and staking rewards[5] and issue guidance that staking and mining rewards are self-created property taxed upon disposition and sourced to the residence of the taxpayer. The character of income realized at the time of disposition should be determined according to longstanding tax principles and rules governing the sale of assets.
- Through IRS guidance, confirm that bridging, wrapping/unwrapping, and cross-chain burn/mint are nonrecognition events that do not create economic gain or change in ownership.
- Through IRS guidance, clarify treatment of airdrops, forks, and rebase events to prevent phantom income and align taxation with economic reality.
- Through IRS guidance, clarify rules for collateral, liquidations, and forced sales confirming that pledging collateral is not a taxable event, and provide clear rules for liquidations.
- Through IRS guidance or related process, apply de minimis tax rules to digital currencies to exclude gains used to purchase goods and services up to a certain value per transaction (e.g., $600 USD).
- Through IRS guidance, update charitable giving rules for digital assets to streamline philanthropy and align treatment with traditional assets by treating donations as “readily valued property” exempt from costly appraisal requirements.
- Through IRS guidance, clarify that digital assets are commodities for the purpose of providing a similar safe harbor for foreign persons trading in digital assets in the United States.
- Through IRS guidance, clarify that blockchain infrastructure, cryptographic engineering, smart contract development, and related activities fall within the scope of qualified research for the purposes of the research and development tax credit.
- Direct Treasury to delay the promulgation of rules implementing IRC Section 6050I[6] until the tax treatment of payment stablecoins is clarified and Congress acts on legislation that impacts related digital asset transactions.

2. Promote Regulatory Clarity for Financial Innovation at the Federal Regulators.

- Through a joint statement from the National Economic Council, Treasury, and CFPB, reaffirm and defend the CFPB’s Personal Financial Data Rights (Section 1033) rule which upholds a broad definition of the term “consumer,” enables representatives of their choice to request data, and maintains the existing prohibition on consumer data access fees.

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[5] IRS Notice 2014-21 (FAQ #8); IRS Revenue Ruling 2023-14.
[6] IRS Announcement 2024-4, https://www.irs.gov/pub/irs-drop/a-24-04.pdf.

- Prioritize interagency coordination to ensure the Securities and Exchange Commission (SEC) expedites review and timely implementation of the Spring 2025 Unified Agenda of Regulatory and Deregulatory Actions.
- Encourage the SEC's Crypto Task Force to coordinate with the Divisions of Corporation Finance, Investment Management, and Trading and Markets to issue interim guidance, no action, and exemptive relief clarifying that developers of source-available, permissionless protocols and front-ends are not subject to enforcement while related rulemaking proceeds. The Divisions should also provide no-action relief where possible to address areas of regulatory uncertainty.
- Encourage the SEC and the Commodity Futures Trading Commission (CFTC) to embrace self-custody as a matter of Administration policy in line with President Trump's Executive Order[7] and issue guidance where necessary to protect all Americans' right to self-custody.
- Unleash U.S. software development by adopting safe harbors and sandboxes under existing legal frameworks for Decentralized Finance (DeFi) projects and developers to launch tokens and protocols and to allow for digital asset innovation, including through web interfaces. For example, advance a proposal similar to SEC Commissioner Hester Peirce's Token Safe Harbor Framework.[8]

3. Protect and Promote American DeFi Innovation.

- Emphasize the need for the SEC and CFTC to utilize their existing authority to provide exemptive relief for digital assets and DeFi technology in line with recommendations from the President's Working Group Report on Digital Assets.[9]
- Instruct Treasury to coordinate with the National Institute of Standards and Technology, other federal agency partners, and industry participants to coordinate on enhancing cybersecurity and countering illicit finance in digital assets, blockchain networks, and DeFi.
- Direct the Department of Treasury Financial Crimes Enforcement Network (FinCEN) to issue updated guidance clarifying that the Bank Secrecy Act does not apply to noncustodial

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[7] Exec. Order No. 14178, Strengthening American Leadership in Digital Financial Technology, 90 Fed. Reg. 8647 (Jan. 31 2025).
[8] Hester M. Peirce, *Token Safe Harbor Proposal 2.0* (Apr. 13, 2021), available at https://www.sec.gov/newsroom/speeches-statements/peirce-statement-token-safe-harbor-proposal-20.
[9] DeFi Education Fund, DeFi Education Fund Submits Guiding Principles for Token Safe Harbor to SEC Crypto Task Force (Apr. 18, 2025), available at https://www.defieducationfund.org/defi-education-fund-submits-guiding-principles-for-token-safe-harbor-to-sec-crypto-task-force.

blockchain software, consistent with FinCEN's 2019 Guidance on Convertible Virtual Currencies.[10]

- Instruct the Department of Treasury to expressly discontinue and disavow FinCEN's "Proposal of Special Measure Regarding Convertible Virtual Currency Mixing, as a Class of Transactions of Primary Money Laundering Concern."[11]

4. Strengthen the Trump Administration's policy[12] to protect digital assets and software innovation by ending regulation by prosecution at the Department of Justice.

- Urge the U.S. Department of Justice to mirror 47 U.S. Code § 230 – i.e., Section 230 of the Communications Decency Act of 1960 – for developers of DeFi technology, including open-source software protocols that are decentralized and permissionless on matters of civil liability.
- Urge the Department of Justice to dismiss all open charges against Roman Storm and express support for Storm's efforts to overturn his conviction under 18 U.S.C. 1960 on appeal. Recognizing that Storm's work on Tornado Cash represents the publication of open-source software – not a financial crime. Dropping the case would reaffirm the Administration's commitment to protecting developers. Doing so will further support that code is speech under the First Amendment and signals that the U.S. will protect innovation.[13]

Respectfully Signed,

[10] FinCEN, Application of FinCEN's Regulations to Certain Business Models Involving Convertible Virtual Currencies, FIN-2019-G001 (May 9, 2019).

[11] FinCEN, FinCEN Proposes New Regulation to Enhance Transparency in Convertible Virtual Currency Mixing and Combat Terrorist Financing (Oct. 19, 2023), available at https://www.fincen.gov/news/news-releases/fincen-proposes-new-regulation-enhance-transparency-convertible-virtual-currency.

[12] *See* Exec. Order No. 14178, Strengthening American Leadership in Digital Financial Technology, 90 Fed. Reg. 8647, § 1(a)(i) (Jan. 31 2025) (listing as a policy of the Administration "(i) protecting and promoting the ability of individual citizens and private-sector entities alike to access and use for lawful purposes open public blockchain networks without persecution, including the ability to develop and deploy software, to participate in mining and validating, to transact with other persons without unlawful censorship, and to maintain self-custody of digital assets.").

[13] U.S. Dep't of Justice, Office of the Deputy Attorney General, Memorandum for All Department Employees: "Ending Regulation by Prosecution" (Apr. 7, 2025), available at https://www.justice.gov/dag/media/1395781/dl?inline; Matthew R. Galeotti, Acting Assistant Attorney General, Remarks at the American Innovation Project Summit in Jackson, Wyoming (Aug. 21, 2025), available at https://www.justice.gov/opa/speech/acting-assistant-attorney-general-matthew-r-galeotti-delivers-remarks-american.

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