

Digital Assets Framework, Principles, and Opportunity for the United States

1. Taxonomy: Defining Digital Asset Classes

Establishing a clear, universally understood taxonomy of digital assets is critical to advancing policy and fostering innovation.

- **Digital Commodity** – An asset **without an issuer**, backed by **digital power** (e.g., Bitcoin).
 - **Digital Security** – An asset **with an issuer**, backed by a **security** (e.g., equity, debt, derivatives).
 - **Digital Currency** – An asset **with an issuer**, backed by **fiat currency**.
 - **Digital Token** – A **fungible** asset with an issuer, offering **digital utility**.
 - **Digital NFT** – A **non-fungible** asset with an issuer, offering **digital utility** (Non-Fungible Token).
 - **Digital ABT** – An asset with an issuer, backed by a **physical asset** (e.g., gold, oil, agricultural commodities).
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2. Legitimacy: Establishing Rights and Responsibilities

Creating a robust framework of rights and responsibilities is essential for issuers, exchanges, and owners to engage in digital asset markets with confidence.

- **Path to Legitimacy:** Establish a **global, real-time, and uninterrupted** process for issuing, trading, and owning digital assets by individuals, corporations, and machines.
- **Issuers:**
 - **Rights:** The right to create and issue digital assets.
 - **Responsibilities:** Ensure **fair disclosure** and **ethical behavior**.
- **Exchanges:**
 - **Rights:** The right to **custody, trade, and transfer** assets between clients and other exchanges.
 - **Responsibilities:** Publish asset disclosures, **protect client assets**, and avoid **conflicts of interest**.
- **Owners:**
 - **Rights:** Self-custody, trade, and transfer their assets.
 - **Responsibilities:** Comply with applicable local laws.

Foundational Principle: No one has the right to **lie, cheat, or steal**. All participants are **civilly and criminally responsible** for their actions.

3. Practicality: Rational Compliance to Empower Innovation

Digital asset regulation must prioritize **efficiency** and **innovation** over friction and bureaucracy.

- **Standardized Disclosures:** Define a **data structure** for each digital asset class to constitute fair public disclosure.
- **Industry-Led Compliance:** Allow exchanges to **collect** and **publish asset data** as a service to the industry and investors.
- **Cost Limits:**
 - **Issuance Compliance:** Limit costs to no more than **1% of AUM** to issue an asset.
 - **Maintenance Compliance:** Limit costs to no more than **10 basis points annually** to maintain an asset listing.
- **Streamlined Issuance:** Remove regulators from the **critical path** of digital asset issuance. Empower **exchanges** to deliver integrated services to issuers, owners, and other exchanges.

Goal: Enable exponential improvements in cost, speed, quality, and accessibility via **free-market competition** and innovation.

4. Vision: A Capital Markets Renaissance

The United States has an opportunity to catalyze a **21st-century capital markets renaissance**, unleashing trillions of dollars in value creation.

- **Rapid Issuance:** Allow issuers to create and issue digital assets in **hours or days** instead of months or years.
- **Cost Reduction:** Drive the cost of issuance from **\$10–100 million** to **\$10–100 thousand**.
- **Access Expansion:** Open capital markets to **40 million businesses** (up from the current 4,000 public companies).
- **Broader Participation:** Empower small businesses, artists, celebrities, and mid-sized enterprises to raise capital through **tokenized assets**.

Investor Opportunities: Enable access to **thousands** of digital assets, including:

- Tokenized **commodities, real estate, art, businesses, teams, collectibles, IP, and brands**.
 - Financial instruments like **equity, debt, derivatives, and currencies**.
 - Products, services, and projects that provide value to customers, investors, and fans.
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5. Opportunity: Establishing the United States as the Global Digital Leader

A strategic digital asset policy can strengthen the **US dollar**, neutralize the **national debt**, and position America as the global leader in the **21st-century digital economy**.

- **USD as the Global Reserve Digital Currency:** Grow digital currency markets from **\$25 billion** to **\$10 trillion**, creating massive demand for US Treasuries.
 - **Digital Capital Growth:** Expand global digital capital markets from **\$2 trillion** to **\$280 trillion**, with US investors capturing the majority of this wealth.
 - **Digital Assets Leadership:** Drive growth in digital assets (beyond Bitcoin) from **\$1 trillion** to **\$590 trillion**, with the United States **dominating this industry**.
 - **Strategic Bitcoin Reserve:** Establish a Bitcoin reserve capable of creating **\$16–81 trillion** in wealth for the US Treasury, providing a pathway to **offset national debt**.
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Conclusion: Seizing the Digital Assets Opportunity

By establishing a clear taxonomy, a legitimate rights-based framework, and practical compliance obligations, the United States can lead the global digital economy. A capital markets renaissance fueled by digital assets will unlock trillions in wealth, empower millions of businesses, and solidify the US dollar as the foundation of the 21st-century digital financial system.