

MEMORANDUM

To: Crypto Task Force Meeting Log
From: Crypto Task Force Staff
Re: Meeting with Michael Saylor

On February 21, 2025, Crypto Task Force Staff met with Michael Saylor.

The topic discussed was approaches to addressing issues related to regulation of crypto assets. Michael Saylor provided the attached documents, which were discussed during the meeting.

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).

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.