



Submitted via e-mail to rule-comments@sec.gov

February 2, 2022

Ms. Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington DC 20549-1090

Re: 17 CFR Parts 232, 240, 242, 249 [Release No. 34-94062; File No. S7-02-22] RIN 3235-AM45 Amendments to Exchange Act Rule 3b-16 Regarding the Definition of “Exchange”; Regulation ATS for ATSS That Trade U.S. Government Securities, NMS Stocks, and Other Securities; Regulation SCI for ATSS That Trade U.S. Treasury Securities and Agency Securities

Dear Ms. Countryman:

The Association for Digital Asset Markets (“ADAM”)¹ respectfully requests that the U.S. Securities and Exchange Commission (“SEC”) extend the public comment period on the above-referenced rule amendment by a minimum of an additional 60 days beyond the currently scheduled public comment deadline (i.e., a minimum of a 90-day comment period).²

On January 26, 2022 the SEC proposed significant and broad reaching changes to Regulation ATS, Rule 3b-16, and Regulation SCI, all of which are adopted under the Securities Exchange Act of 1934 (“Exchange Act”).³ Although the Proposal reads at 654 pages and contains over 220 separate comment requests, the SEC only provided for a 30 day comment period commencing on publication of the Proposal in the Federal Register. On initial read, as proposed, the amendments have the potential to impact expand SEC authority over spot digital asset markets and peer-to-

¹ ADAM is a broad-based industry group that includes a wide variety of market participants, including trading platforms, custodians, investors, asset managers, traders, liquidity providers, and brokers. Our members are firms that are active in digital asset markets or seek to participate in those markets. ADAM members include: Anchorage Digital, N.A.; BitGo; BitOoda; BlockFi; BTIG; CMT Digital; CoinFund; Cumberland; Digital Asset Council of Financial Professionals; Dunamis Trading; Eventus Systems; Fireblocks; FTX.com; FTX.us; Galaxy Digital; Genesis; Grayscale; GSR; HRT; Multicoi Capital; Oasis Pro Markets; Parataxis; Paxos; Sarson Funds; Solidus Capital; Symbiont; Symphony; WisdomTree; and XBTO. ADAM law firm partners include: Anderson Kill; DLA Piper; DLx Law; Morgan Lewis & Bockius LLP; and Murphy & McGonigle.

² The core mission of ADAM is to promote integrity, fairness, and efficiency in digital asset markets and to define and promote ethical conduct by all digital asset market participants. Our members are committed to transparency and protecting market participants from fraud and manipulation, with every member required to adopt and adhere to our Code of Conduct which is available at <http://www.theadam.io/code/>.

³ Amendments to Exchange Act Rule 3b-16 Regarding the Definition of “Exchange”; Regulation ATS for ATSS That Trade U.S. Government Securities, NMS Stocks, and Other Securities; Regulation SCI for ATSS That Trade U.S. Treasury Securities and Agency Securities, Release No. 94062 (Jan. 22, 2022) (the “Proposal”).

peer decentralized networks in ways not publicly mentioned or discussed in the Proposal. As such, we sincerely believe that the Proposal requires more careful consideration and study by the public so that the SEC can be in the best position to adequately assess the Proposal's impact in a manner that is consistent with the SEC's administrative obligations under federal law. Under any circumstances, four calendar weeks to comment on a rule proposal that could have significant impacts on both SEC regulated and non-regulated industries would be extraordinary. ADAM does not believe such a consideration can be undertaken in such a condensed 30 day time frame.

As Commissioner Peirce noted in her public statement, there is no present emergency in the Treasury, the repo market, or other markets that would be impacted by the Proposal that necessitates a rushed comment period.⁴ Providing a meaningful timeframe by which to comment on the Proposal would not threaten our financial markets in any way. To the contrary, a final rule where the impacts are not adequately assessed could pose more of an issue for our financial markets due to unintended consequences that market participants and the SEC were not able to adequately consider because of the rushed nature of the Proposal.

ADAM is concerned that this abbreviated comment period circumvents the stakeholders most impacted by these regulations who may not be readily identified in the Proposal since there is no specific mention of digital asset or cryptocurrency markets. The Proposal appears to circumvent the Administrative Procedure Act's notice and public comment requirements by, for example, inadequately stating scope and intended asset classes that would be covered by the Proposal. We would like to have the opportunity to review and provide meaningful comment how the Proposal expands SEC authority over spot digital asset markets and peer-to-peer decentralized networks; however the truncated comment period makes that task difficult.

Given the profound impact this rulemaking could have on our industry and the fact that any premature and potentially uninformed issuance of a final rule could impede continued success of U.S. digital asset market growth, ADAM respectfully requests that the SEC extend the public comment period by at least an additional 60 days, or until no earlier than April 26, 2022.

ADAM greatly appreciates your consideration of our request for extension of the public comment period.

Respectfully,



Michelle Bond
Chief Executive Officer
Association for Digital Asset Markets (ADAM)

⁴ Commissioner Hester M. Peirce, Dissenting Statement on the Proposal to Amend Regulation ATS (Jan 26, 2022), available at <https://www.sec.gov/news/statement/peirce-ats-20220126>.