



September 15, 2026

The Honorable Jason Smith
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Smith and Ranking Member Neal,

The Securities Industry and Financial Markets Association (SIFMA)¹ and its member firms commend your efforts toward developing legislation to provide clear and consistent taxation of digital assets. SIFMA shares your goal of creating much-needed tax rules for investments in digital assets and governing the taxation of digital asset transactions that largely mirror, with the addition of critical definitions and other rules, the tax treatment that has applied to trading of stocks, securities, and commodities. Importantly, digital asset tax legislation should ensure a level playing field for digital assets compared to more traditional investment vehicles and we believe H.R. 10357 as currently constructed largely achieves that goal—a core principle for SIFMA members is that digital assets not be treated in any way preferentially under the Tax Code compared to stocks, securities, and commodities.

Legislation addressing wash sales, securities lending, mark-to-market of certain digital assets, a trading safe harbor for digital assets, as well as clear rules for assessing when tax withholding is necessary on certain payments to foreign investors are important SIFMA priorities, and so we are pleased that the legislation before the Committee addresses those priorities. Also of vital importance is that legislation before the Committee addresses more unique aspects of digital assets for which the tax law is unclear, particularly relating to the tax treatment of staking rewards in various contexts, including exchange traded products. Clarity is of the greatest importance now as the market for various forms of digital assets, including those held in exchange traded products and retirement accounts, is developing rapidly.

Finally, as financial intermediaries our members are central to effective tax administration through broker reporting and withholding requirements. Administrability for taxpayers, financial intermediaries, and the IRS is key. Accordingly, clear and workable definitions and

¹ SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry's nearly 1 million employees, we advocate for legislation, regulation and business policy, affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA).



tax reporting and compliance rules are essential, as is legislating effective dates that provide our members with the time to develop and implement entirely new systems. We appreciate that the Committee is working towards these objectives and we look forward to working with the Committee going forward to further perfect these requirements.

Regarding retirement accounts, we are disappointed that the legislation before the Committee does not address the application of the Unrelated Business Taxable Income (UBTI) rules as they apply to retirement accounts such as IRAs. Such accounts may hold digital assets (either directly or through ETPs) that are eligible for staking or invest in digital asset ETPs that may engage in staking and flow through staking income to their investors. We look forward to working with the Committee as this legislation moves forward in order to clarify that staking reward income earned passively from an IRA in a custodial staking arrangement not be subject to the UBTI rules.

SIFMA commends the Committee's commitment to creating tax rules and tax clarity relating to this rapidly developing area of the financial markets and applauds the Committee for taking seriously the principles stated above. We look forward to working with the Committee throughout the legislative process. The legislation before the Committee largely incorporates our goals and we therefore urge the Committee to approve the legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Bentsen", written over a light gray rectangular background.

Kenneth E. Bentsen, Jr.
President and CEO