

Dear Mr/Mrs. XYZ,

I am writing as a passionate user of cryptocurrency, decentralised finance systems and non-custodial wallets. I would like to express my grave concerns with the recently proposed regulatory developments in the EU.

The EU is attempting to carve out a niche for itself by focussing on 'building regulation' instead of building innovative products; a strategy that already has put its citizens at a structural disadvantage compared to the rest of the world. As one of the persons that will be negatively impacted by recent regulatory proposals, I want to voice my concerns directly to you.

Background

Please add your personal background here. We have included some examples below (borrowed from our SEC action) that could be useful to consider here.

- *What role you play in the DeFi ecosystem and how you came to assume that role (build credibility to the EU as to why your voice matters)*
- *How DeFi has improved your life or why you're interested in the regulation*
- *Discuss how this impacts you and those in your community*
- *What do you believe these expansions will mean for work you do and the industry*
- *How this targets builders and what the likely outcome would be*
- *Concern for competitiveness of the EU*
- *Do not attack or accuse the EU*

We encourage you to take time to share your perspective, especially how you feel this may impact your willingness to develop crypto-projects in the EU.

The TFR anti-money laundering amendment vote that passed on the 31st of March 2022 poses unprecedented risks to the future of finance, innovation and privacy in Europe. Ultimately, the proposal deprives European businesses and European citizens of the opportunity to participate in and benefit from, arguably, one of the most game-changing technologies of the century

If the TFR amendments would be adopted as currently proposed, that would:

- Critically limit the innovation potential and competitiveness of the European Union while forcing talent to relocate elsewhere.
- Put the cryptocurrency industry at a structural disadvantage compared to TradFi entities by expanding reporting obligations to all transactions regardless of size.
- Increase the risk of personal data exposure while at the same time introducing significant technical challenges in creating a secure data platform, this as a result of the technical difficulties in enforcing uniform standards to decentralised and permissionless technologies.

- Increase risk of cyber-security attacks on actors other than regulated exchanges, who may not have the resources to build state-of-the-art infrastructure, ultimately leaving EU consumers with an increased exposure.
- Reduce financial freedom and inclusivity for all European citizens, one of the core tenets of the European Union, a regional disadvantage that other countries will take note of (such as the United Kingdom).
- Reduce consumer protection, as the regulation will not prevent Europeans from accessing decentralized technologies, but only deny them the right to access them through trusted channels.

I urge all MEPs to take a stance for a European Union that executes on its stated values of freedom, right to privacy and promoting innovation.

Thank you for taking the time reading this letter.

Signature/Name