

**Subject: File No. S7-04-23**

**From: Pieter Van Geet**

Subject: Public Comment on Proposed Rule - Safeguarding Advisory Client Assets Dear Securities and Exchange Commission, I am writing to express my concerns regarding the proposed rule on safeguarding advisory client assets, specifically in relation to cryptocurrency and digital assets. While I understand the need for investor protection and regulatory oversight, I believe that the SEC's approach in this proposal exhibits overreach and fails to consider the unique characteristics of these emerging technologies. Firstly, it is important to note that existing laws already provide a framework for the regulation of digital assets. The Securities Act of 1933 and the Securities Exchange Act of 1934, among others, have been successfully applied to various forms of securities, including cryptocurrencies. These laws ensure transparency, disclosure, and accountability without the need for additional burdens. The SEC may inadvertently drive businesses offshore to jurisdictions with more favorable regulatory environments. This could result in a loss of economic activity and job opportunities within the United States. It is important for regulators to strike a balance between protecting investors and fostering innovation, and the proposed legislation by the SEC seems to lean heavily towards the former without considering the potential negative impacts on the industry. Additionally, the SEC's overreach in regulating cryptocurrency and digital assets could stifle competition and hinder market development. The cryptocurrency industry is still in its early stages and is constantly evolving. Imposing strict regulations at this stage could limit the ability of smaller players to enter the market and compete with established firms. This could result in a less diverse and less competitive market, ultimately harming investors and consumers. Moreover, the proposed legislation fails to address the underlying issues of cybersecurity and fraud that exist within the cryptocurrency industry. While it is important to protect investors, it is equally important to address these issues through targeted measures rather than blanket regulations. The SEC should focus on enhancing cybersecurity standards and promoting education and awareness among investors, rather than burdening advisors with excessive regulatory requirements. In conclusion, while I acknowledge the importance of investor protection and market integrity, I believe that it is essential for regulatory bodies to consider a more nuanced and targeted approach that promotes both security and industry development while avoiding unintended negative outcomes. Kind Regards, Pieter Van Geet