



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503**

May 8, 2024
(House)

STATEMENT OF ADMINISTRATION POLICY

H.J. Res. 109 – Congressional Disapproval of "Staff Accounting Bulletin No. 121" Issued by the Securities and Exchange Commission

(Rep. Flood, R-NE, and four cosponsors)

The Administration strongly opposes passage of H.J. Res. 109, which would disrupt the Securities and Exchange Commission's (SEC) work to protect investors in crypto-asset markets and to safeguard the broader financial system. H.J. Res. 109 would invalidate SEC Staff Accounting Bulletin 121 (SAB 121), which reflects considered SEC staff views regarding the accounting obligations of certain firms that safeguard crypto-assets. Moreover, as explained in staff's accompanying release, SAB 121 was issued in response to demonstrated technological, legal, and regulatory risks that have caused substantial losses to consumers. By virtue of invoking the Congressional Review Act, it could also inappropriately constrain the SEC's ability to ensure appropriate guardrails and address future issues related to crypto-assets including financial stability. Limiting the SEC's ability to maintain a comprehensive and effective financial regulatory framework for crypto-assets would introduce substantial financial instability and market uncertainty.

If the President were presented with H.J. Res. 109, he would veto it.

* * * * *