

## HEDERA HASHGRAPH LLC

Hedera is an open-source public distributed ledger/blockchain committed to building a trusted, secure, and empowered digital future for all.

The new paradigm for the internet involves the ownership of digital assets as recorded on a distributed ledger or blockchain: genuine ownership of real assets through enforceable digital scarcity and proof of provenance.

### Smart Policy for Distributed Ledger Technology (Blockchain)

Digital assets are regulated and need better regulations going forward that understand, natively, both their promise and its peril. Better regulation, through Congressional action, can improve protection, innovation, and inclusion:

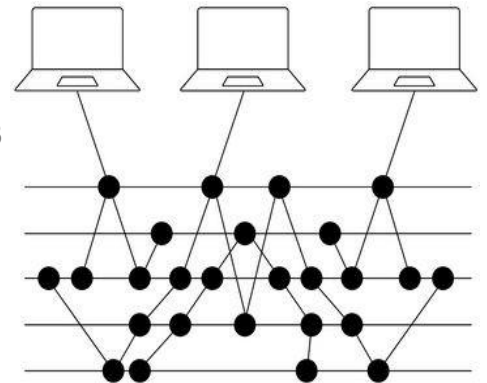
### Goals of Smart Regulation For Consumers And The Industry

- 1) **Protection.** Prevent illegal activities such as money laundering and fraud. The lack of regulation in the crypto market has led to a number of scams and Ponzi schemes, where investors have lost significant amounts of money.
- 2) **Innovation.** Address the fundamental differences in crypto assets from traditional securities. Crypto assets rarely provide ownership rights over a company, voting rights for that company, or rights to profits from a company. Rather, they represent ownership of tokens that can, among other things: pay for digital transactions to be processed by the ledger; provide proof of ownership of works of tangible resources such as art and real-estate; and provide access to digital services.
- 3) **Inclusion.** Provide regulatory clarity to increase the adoption and use of cryptocurrencies as a legitimate form of payment and investment. At its root, crypto is dramatically a pro-consumer, pro-competition, pro-individual idea, which can enable direct ownership of huge swaths of assets. Having regulations in place will attract institutional investors and traditional businesses to the crypto market but will also empower new small business initiatives that otherwise would have been impossible.

# Five Policy Principles To Support Distributed Ledger Technology (Blockchain)

Ultimately, good regulation of the crypto industry can support sustainable economic growth and financial inclusion around the world. Policy makers have the opportunity to shape the crypto industry so that it enables a better future for us all. We believe legislators should embrace the following five policy principles in determining the right legislation for the industry:

- **Permit the Base Layer (DLT) of Web3 To Grow.**
- **Ensure Tokens Can Be Easily Used As Crypto-Fuel for Web3**
- **Create Fair and Equal Access To The Economic Benefits of Web3**
- **Create Incentives To Grow Web3 Across All Economic Sectors**
- **Empower Regulators To Experiment with DLT**



Hedera believes these policy principles help ensure a U.S. regulatory framework for DLT/blockchain that will provide proper consumer protection, technological innovation, and financial inclusion.

## Hedera Makes Pledge At US-Hosted 2023 Summit for Democracy

Hedera Committed to Convening a Democracy Roundtable on How Blockchain Technologies Support Human Rights, Transparency, and Sustainability.

<https://www.state.gov/private-sector-commitments-to-advance-democracy/>



## Hedera Global Governing Council Members

The Hedera Governing Council is structured to provide fully decentralized, wise, stable governance in the long-term interests of the network. All governing council members have all taken partial ownership of Hedera LLC.

