



HEDERA WEB3 POLICY OVERVIEW

ABOUT HEDERA HASHGRAPH:

Hedera Hashgraph (Hedera) offers a secure, fast, and scalable platform, enabling enterprises to build and deploy a range of Web3 applications, including digital identity, healthcare, supply chain management, and payments.

Hedera is a U.S.-based company governed by a global council that includes leading organizations such as Google, IBM, Dell, Mondelez International, Boeing, and Deutsche Telekom (T-Mobile).

POLICY PRINCIPLES TO SUPPORT AMERICAN INNOVATION IN WEB3:

- **Enable Web3 innovation by regulating the applications and uses as opposed to the underlying technology.** This approach offers the flexibility needed to accommodate the rapid evolution of Web3 technologies, ensuring that regulation remains relevant and does not impede the development of new solutions and services.
- **Support a taxonomy and market structure that distinguishes between various types of digital assets.** The term “digital asset” is broad and can refer to many digital items, some of which are financial while many are not. For example, Distributed Ledger Technology (DLT) tokens exist to power DLT applications, and it would be inappropriate to regulate these tokens in the same way as tokens representing health information, components of digital identity, or investment contracts, such as equities or debt securities.
- **Incentivize Web3 companies to stay and operate in the United States.** Web3 is the next revolution in accessing and interacting with the Internet. This innovation should be promoted in the U.S., allowing Americans and the American economy to benefit from these developments while ensuring protection under U.S. laws.
- **Empower and encourage the U.S. Government to experiment with DLT.** Pilot projects leveraging DLT for artificial intelligence, data verification, digital identity solutions, food and drug safety, supply chain, and sustainability can allow government agencies to explore new ways to propel commerce similar to the way the development of the Internet in the mid-late 1990s revolutionized the buying and selling of goods.
- **Acknowledge and explore financial and non-financial DLT use cases.** Most of the discussion around DLT to date has focused on financial use cases and regulation, but there are many non-financial use cases of this technology that support commerce and innovation in other areas such as healthcare, identity and authentication, and supply chain management.

POLICY GOALS TO SUPPORT AMERICAN INNOVATION IN WEB3:

- **Partner with industry to stop illicit financing and fraud.** Industry is keen to stop bad actors who attack and exploit our customers, us, and our partners and vendors. We support pragmatic policy solutions to address illicit finance and fraud that include industry input.
- **Support American innovation.** The U.S. has the potential to be a leader in this technology, similar to how the U.S. spearheaded the development of the Internet. Offering tax incentives for research and development, along with funding research that explores DLT use cases, can significantly impact Americans’ everyday lives. In particular, encouraging DLT advancement could promote sustainability, enhance supply chain management, and improve the ability to fight misinformation.
- **Promote inclusion.** DLT enables digital identity that transcends paper-based documents and record keeping, allowing individuals who have lost these documents to prove their identity and access essential financial and non-financial services. It also allows people to send and receive funds in a matter of seconds at ultra-low costs, providing access to quicker and cheaper financial services. DLT also allows small businesses to certify the quality and authenticity of their products so that they can compete globally.

HEDERA GLOBAL GOVERNING COUNCIL MEMBERS:



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