BLUPRYNT

Written Testimony of

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United States House Agriculture Committee
Subcommittee on Commodity Markets, Digital Assets, and Rural Development
"American Innovation and the Future of Digital Assets:
On-Chain Tools for an Off-Chain World"

Wednesday, April 9, 2024
2:00 pm
2128 Rayburn House Office Building

A Bluprynt for Upgrading On and Off-Chain Transparency

Chairman Johnson, Ranking Member Davis, and Members of the Committee:

Thank you for inviting me to testify at this hearing. My name is Chris Brummer. I am the Agnes Williams Sesquicentennial Professor of Financial Technology at Georgetown University Law Center, where I teach courses on financial regulation, cryptoassets and the law, and international financial regulation, among other subjects. I am also the founder and CEO of Bluprynt, a startup that leverages AI and blockchain technology to reinvent and enable regulatory, market, and consumer disclosures and communications for companies around the world.

As both an academic and entrepreneur, I've come to appreciate that building a novel business—especially one rooted in emerging technologies—requires more than innovation for innovation's sake. It demands a merger of manufacturing and disclosure. Entrepreneurs today must not only develop compelling products and services, but also communicate clearly and accessibly about the complex infrastructures powering them. In essence, creation and explanation now go hand in hand.

Bluprynt was born of this idea—that making things and disclosing things need not be separate endeavors; they are two sides of the same (digital) coin. While novel in application, it's a timeless proposition that has, we believe, come of age. And today, a little more than a year after founding the company, Bluprynt is on track to count as customers issuers, central banks, and blockchain builders from around the world.

Why Regulators (and Consumers and Investors) Should Love Blockchains

Our company is founded on the belief that blockchains—as distributed, verifiable databases—offer new tools for enabling new categories of transparency fit for purpose in a digital marketplace. I'd like to share with you a bit about our journey, and what this intuition means even beyond financial markets, but I do think given the purview of this committee, some initial remarks about financial markets are a logical place to start.

When I started my career as a securities law professor, the logic of disclosure, and disclosure obligations, was built and premised on the prevailing regulatory technology of the time—pieces of paper, and the U.S. mail system.[1]

Fast forward, and new channels have arisen for communications; hyperlinks to webpages and even social media tweets have been recognized as the means through which builders can fulfill and create regulatory expectations. But when it comes to the latter, perhaps no other technology is more interesting, or creates more potential, than blockchains.

I've always taught my students that rules are only as effective as the world they operate in. And as the world goes digital, pieces of paper are not exactly fit for purpose. On the other hand, when you look at them objectively, blockchains have features that make them, or at least should make them, very attractive to regulators. The national security community was perhaps the first on the beat here. They recognized that blockchains provide tamper proof information about how transactions are consummated and how and where money is directed. And as tools for builders, they can be programmed with controls and smart contract configurations that require verification before assets can be held or transferred—ensuring that participants meet baseline regulatory standards. Smart contracts can enforce additional compliance rules—such as transaction limits, geographic restrictions, or blacklisting of sanctioned addresses—before allowing asset transfers.

But as I've told market participants and regulators, it's really the tip of the iceberg. Blockchains have a lot to offer companies and their stakeholders from the standpoint of both capital formation and consumer and investor protection, even at the protocol level.[2] Because smart contracts are deployed on blockchains, and not on a specific server, their code, execution logs and function are

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[1] For a sample of my work thinking about what technology means for disclosure see, Chris Brummer, *Disclosure, Dapps and DeFi*, Stanford Journal of Blockchain Law & Policy, Jun. 29, 2022, https://stanford-jblp.pubpub.org/pub/disclosure-dapps-defi/release/1; Chris Brummer, *A Developer Theory of Disclosure*, SSRN Electronic Journal (2025). See also my edited book,

[2] The Stellar blockchain, for example, which has integrated Bluprynt technology, natively incorporates investor protection mechanisms at the protocol level, notably through its Asset Clawback feature. Introduced with Protocol 17 in June 2021, this feature allows asset issuers to revoke tokens under specific conditions, facilitating compliance with regulatory requirements and enhancing investor safeguards.

distributed, fully transparent, and irreversible. Public blockchains by definition house information and data available to anyone, enabling third parties to verify and evaluate how underlying systems operate, and how participants behave.[3] When harnessed effectively, this kind of radical transparency can help investors, consumers and even third party developers better understand the risks and advantages of the technology they are engaging with.[4] Indeed, virtually anyone can view and audit the code powering a protocol or smart contract, and begin to evaluate its robustness against varying cybersecurity threats including market attacks, front running and reentrancy, and whether it is secure for handling and transacting large sums of crypto assets.

In short, digitalization—currently taking shape in the form of tokenization and on-chain finance—enables and creates the conditions whereby transparency, accountability, and integrity are not merely regulatory add-ons, but can be leveraged as essential, built-in components of the marketplace. While regulatory uncertainty has limited the exploration of such use cases, mission driven reforms could unlock "transformative cost-saving and operational efficiency benefits… and innovation-led growth, broader market access… when operating at scale."[5]

The Bluprynt Journey

I founded Bluprynt after more than half a decade of research focused on what kind of information investors or holders of crypto assets need before making investment decisions. Crypto markets had problems with fraud, poorly understood technology, and misleading claims. And yet there was enormous potential in the technology. Figuring out how to direct capital to its best uses in the ecosystem seemed like a no-brainer. So during this period, I led a global survey in collaboration with Broadridge, asking investors what they considered crucial to know before

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[3] See Lily Francus, Block by Block: Assessing Risk in Decentralized Finance, Moody's Analytics: Credit Where Due Blog Series (Jan. 2022), https://www.moodysanalytics.com/articles/2021/block_by_block_assessing_risk_in_decentralized_finance.

[4] See Chris Brummer, A Developer Theory of Disclosure (noting that thinking about disclosure from the standpoint of the "reasonable developer" not only improves upon standards exclusively fixated on the "reasonable investor," but it also recognizes other long-term stakeholders of value).

[5] Global Financial Markets Association, Impact of Distributed Ledger Technology in Global Capital Markets (May 2023), https://www.gfma.org/wp-content/uploads/2023/05/impact-of-dlt-on-global-capital-markets-full-report.pdf

holding a crypto asset. [6] This survey was part of a broader series of studies examining the current disclosure requirements for regulated assets and comparing them with the technological opportunities and risks that on-chain finance presents. In a nutshell, my conclusions from these various projects were rather simple:

- The existing backdrop on rules relating to disclosure were outdated;
- The very definition of "disclosure" needed an upgrade; and
- The existing disclosure system had evolved into one where information was meant to be filed, but not read—and useful for investment banking lawyers and litigators, but not end users.

In the course of my research, I asked the SEC on many occasions to rethink and modernize its approach, like many of you today. And I hoped and waited for the CFTC to be empowered legislatively to do what it does best—to innovate. But the SEC's leadership had no interest, and the CFTC was left wanting for basic powers over spot markets to be able to deliver on its end.

So I did what entrepreneurs have done for over two centuries in this country. I started up a company to solve the problem myself.

Startups have to be snipers and identify friction points and build from there. So our first product—and the only one I will talk about today because we have a lot coming out soon—was found in Europe. Europe's new regulations, MiCA, took the step of doing what the SEC at that point would not, and tailoring a disclosure regime for crypto assets based upon the production of "white papers" by issuers of crypto assets[7]. Still, there were plenty of questions. The legislation is littered with undefined terms left open to interpretation (some as basic as "conflict of interest") And the compliance isn't cheap; hiring lawyers to draft a white paper, even in the EU, can cost tens of thousands of euros, and take weeks to complete.

So my team of lawyers, engineers and lawyer-engineers (yes they exist) created a solution enabling companies to effectively turbotax white papers based on a range of customer data and inputs. Part of the process involved collaborating with L1s, L2s, the European Community, national central banks and more, navigating the first MiCA pilot. We then worked on bespoke legal wrappers for new data sources and providers. And we put together a unique solution that was not only fit for the market, but also delivered software solutions for the European regulators to consider and build upon.

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[6] Broadridge Financial Solutions, *Crypto Asset Disclosure Study: Insights on Holders and How They Analyze Their Holdings* (2023), https://www.broadridge.com/_assets/pdf/broadridge-crypto-asset-disclosure-study-report.pdf.

[7] Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on Markets in Crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937, 2023 O.J. (L 150) 40, art. 6–8.

But we didn't stop there. Recognizing the programmable nature of blockchains, we also built tools for developers—enabling them to embed metadata on-chain. We started with Avalanche, one of the fastest layer one blockchains, to introduce regulatory metadata and compliance on-chain.[8] We then shifted our sights back to the United States, working with Aptos, a leading blockchain specializing in enterprise solutions, to enable doing the same with our first Reg D document, a compliance feature for issuers of real world assets.[9] And we have more announcements to come.

We're only a little more than a year old, but we already have our first cohorts of customers based in the United States and Europe. We're integrating into networks and block explorers. And we're being approached by regulators, officials at central banks and others.

Enabling Real World Use Cases

Beyond just positive use cases, this panel has a particular interest in real world ones. Not gimmicks. But the kind that enable building businesses. And here I think it's worth highlighting what it means, in my opinion, to be a modern disclosure company.

Bluprynt's use cases were born in financial markets, but we're thinking big about the digital economy as the disclosure economy, *whatever it's guise*. So we're not just building a business, we're building *systems* applicable beyond financial markets. So just for the purpose of this testimony, I'll reference today this Committee's other wonderful witnesses as to what a company like ours means.

As we see today, Cattleproof tracks real-world data about cattle—who owns them, their health, and where they've been—using blockchain to make that data trustworthy. But in the real world, cattle aren't just tagged, they're bought and sold. And given fluctuations in the global economy, commerce needs tools to hedge and protect farmers and ranchers. And here we can help; if someone wants to turn cattle into a financial product, like a futures contract (an agreement to buy or sell cattle at a future date), regulators need more than just proof of ownership or health. They need clear, legally structured information about how the contract works.

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[8] Bluprynt Partners with Avalanche Foundation to Revolutionize MiCA White Paper Requirement Through On-Chain Regulatory Metadata Integration, https://www.cfodive.com/press-release/20250117-bluprynt-partners-with-avalanche-foundation-to-revolutionize-mica-white-pap.

[9] Bluprynt Partners with Aptos Foundation to Bring U.S. Securities Law Documents On-Chain and Advance Tokenized Real-World Asset Solutions, https://www.bluprynt.com/post/bluprynt-partners-with-aptos-foundation

Bluprynt has the infrastructure in place to help make that happen on and off chain. So while Cattleproof proves the cattle are real, we help those same end users grow their businesses.

Similarly, Bluprynt can help companies like Geonet explain and publish who is validating the data, what the system rules are, and how changes happen—in a way that regulators, customers, and users can understand and trust. Geonet can stay focused on building the world's best geospatial network. Bluprynt can help make sure it's understood, trusted, and compliant—so it can work with governments, big companies, or financial markets that require clear, reliable information about how the network operates.

Looking Forward

Building high quality digital infrastructure is not easy. The technology is there. But it is as much a regulatory build as it is a technological one. And this means that in order for us to work optimally to embed and promote transparency we need help from Congress in two critical ways.

First, we need clear rules. People building products don't know where the underlying tokens fit in the regulatory dashboard, if at all. And even if they do, there's no clear way to identify compliance in ways native to their businesses.

Second, the rulebook itself needs updating. As I have said before, if technology moves, and the rules remain the same, something is going to go wrong. Either weaknesses arise, creating risks, or innovators can't build. Or both.

I think we will get there. I was pleased to see my friend Brian Quintenz nominated as CFTC Chair, and the CFTC has been lucky to have over its tenure a succession of leaders, including Chairs Tim Massad, Chris Giancarlo, and Rostin Behnam, deeply interested in technology and how to leverage it for our markets.

But make no mistake, merging technologies present a unique opportunity to rethink our policy frameworks—not through the lens of scarcity and protectionism, but instead, to coin a popular phrase, to pursue outcomes of "abundance" and openness.

This means focusing on capacity-building rather than mere constraint-setting. Instead of defaulting to enforcing old rules designed for markets of the past out of a false sense of security, we should focus on enabling modern rules that *work*—and vigorously ensuring compliance with them. Rules that expand opportunities for builders while advancing our core regulatory goals and protections. The best policy outcomes will require regular review and vigilance designed to rethink outdated rules and update them for new risks, technologies, and markets.

Failing to act comes at a cost—and not just for frontier-pushing startups. It punishes the companies trying to do things right, like ours, by making it harder to deliver better, more trustworthy information to the market. Just as technical debt builds up when engineers delay

essential fixes, *regulatory debt* accumulates when policymakers sidestep the hard conversations. Over time, that inaction weighs down the system. Risks multiply. Innovation slows. And when the inevitable reckoning comes, the cleanup is far more disruptive than thoughtful, incremental reform would have been.

We've seen that debt balloon in recent years—especially in crypto, where sometimes the absence of a single new rule or proposal has left an entire sector navigating in the dark. That silence hasn't yielded certainty or stronger protections. It's created a vacuum.

And the reality is that innovation doesn't wait. Whether it's on-chain—where protocols are automating trust and transforming markets—or off-chain, where infrastructure is being rebuilt from the ground up, builders are moving forward. The question is whether our regulatory frameworks will move with them.

Because in the end, it's not innovation that creates risk—it's the refusal to meet it with clarity, creativity, and courage.

I look forward to this Congress helping to close the gap before the future gets too far ahead.