

## MEMORANDUM

**To:** Crypto Task Force Meeting Log  
**From:** Crypto Task Force Staff  
**Re:** Meeting with Representatives of Octet, Variant Fund, and Arktouros PLLC

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On April 21, 2026, Crypto Task Force Staff met with representatives from Octet, Variant Fund, and Arktouros PLLC.

The topic discussed was approaches to addressing issues related to regulation of crypto assets. Octet, Variant Fund, and Arktouros PLLC representatives provided the attached document, which was discussed during the meeting.

# Meeting Request: SEC Crypto Task Force

Octet

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## PROPOSED ATTENDEES

**Benjamin Fels** — CEO, Octet

**Daniel Barabander** — Investment Partner & Chief Legal Officer, Variant Fund

## SUMMARY

Octet is cryptographic proof of physical presence. We request a meeting with the Crypto Task Force to discuss how location guarantees fit into compliance for onchain securities.

Securities law already treats location as dispositive. Under Reg S and *Morrison v. National Australia Bank*, what matters is the place of the transaction, not the citizenship of the purchaser. The Commission's March 2026 Joint Interpretation confirmed that these obligations apply equally to onchain instruments. Yet no tool in the current compliance stack verifies where a party is at the moment a transaction occurs.

KYC fills a different role. It verifies identity once, at account creation, and the system treats that check as permanent. A user who passed KYC in New York can operate from a sanctioned jurisdiction the next day using the same credentials. Onchain settlement compounds this: transactions are faster, often irreversible, and many protocols allow permissionless access. Jurisdictional compliance must be continuous and must occur before commitment.

We have built technology that produces a cryptographic proof of physical presence at the device level without exposing raw coordinates. We want to understand how this capability fits into the Commission's thinking about sanctions screening, Reg S safe harbor verification, and obligations for tokenized securities issuers, intermediaries, and trading platforms. We want to explore whether privacy-preserving location proofs can satisfy these requirements without the data liability of collecting and storing precise geolocation.

Benjamin Fels (CEO) began his career trading derivatives in Chicago before building a first-of-its-kind AI-driven electronic trading business, and later developing and deploying geolocation technology for special operations forces. Suvrit Sra (CTO) is a professor at MIT and the Technical University of Munich, and a recipient of the Alexander von Humboldt Prize for AI. Daniel Barabander is Investment Partner and Chief Legal Officer at Variant Fund, which led Octet's seed round.

## DETAILED AGENDA

**1. Location as a legal requirement.** Reg S and *Morrison* condition regulatory treatment on the place of the transaction. KYC verifies identity at onboarding. It does not verify where a party is when a transaction occurs. Credentials checked once can be used from sanctioned jurisdictions

indefinitely. For onchain securities, this gap has no existing remedy.

**2. Continuous compliance before settlement.** Onchain settlement is fast and often irreversible. Jurisdictional verification must happen before commitment. The March 2026 Joint Interpretation confirms that tokenization does not relieve sanctions screening obligations. How should continuous location verification be reflected in the compliance framework?

**3. Cryptographic proof of physical presence.** How a device-level proof produces a verifiable yes/no on jurisdictional compliance at the moment of transaction, without exposing raw coordinates. How this differs from IP geolocation and GPS-based approaches, both of which are trivially spoofed.

**4. Privacy.** Proving a jurisdictional condition is different from collecting location data. How proof-based verification can meet regulatory requirements without creating surveillance infrastructure or liability under GDPR and state privacy laws.

**5. Open questions.** Whether location verification has a role in guidance for tokenized securities issuers, trading platform registration, or disclosure frameworks.

#### **SUPPLEMENTARY MATERIALS**

Background on jurisdictional geofencing: <https://geofencing.octetproof.com/>