



Roberto Braceras
General Counsel
Fidelity Investments
245 Summer Street, Boston, MA 02210
roberto.braceras@fmr.com

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SEC Crypto Task Force
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: Request for Information Regarding National Securities Exchanges and Alternative Trading Systems Trading Crypto Assets

Dear Members of the SEC Crypto Task Force,

Fidelity Investments (“Fidelity”)¹ appreciates the opportunity to provide comments in response to Commissioner Hester Peirce’s recent statement: *And Then Some: Request for Information Regarding National Securities Exchanges and Alternative Trading Systems Trading Crypto Assets* (“RFI”).² We support the Securities and Exchange Commission (“SEC”) Crypto Task Force (“Task Force”) and its forward-thinking approach to understanding and integrating new asset classes and technologies into the existing regulatory framework in ways that can improve market efficiency, transparency, and investor access. We commend the Task Force’s proactive efforts with stakeholders and its commitment to fostering responsible innovation while safeguarding market integrity and investor protection.

Fidelity believes the U.S. financial markets are fundamentally strong and supported by a robust regulatory framework that has developed over decades. The interconnected National Market System enables thousands of participants to transact across 29 national securities exchanges and more than 113 alternative trading systems each day.³ Statutory provisions and SEC rules, including the Securities Exchange Act of 1934, Regulation NMS, and Regulation

¹ Fidelity is one of the world’s largest providers of financial services, including investment management, retirement planning, portfolio guidance, brokerage, benefits outsourcing, and many other financial products and services to more than 50 million individuals and institutions, as well as through 13,500 financial intermediary firms. Fidelity submits this letter on behalf of Fidelity companies that are registered broker-dealers and registered investment advisers or are otherwise impacted by the Proposal. Fidelity’s carrying broker-dealer, National Financial Services LLC, operates an NMS Stock ATS, CrossStream.

² See Statement by Commissioner Hester M. Peirce, *And Then Some: Request for Information Regarding National Securities Exchanges and Alternative Trading Systems Trading Crypto Assets* (Dec. 17, 2025), available at <https://www.sec.gov/newsroom/speeches-statements/peirce-12172025-then-some-request-information-regarding-national-securities-exchanges-alternative-trading-systems>.

³ Alternative Trading System (ATS) List (Dec. 31, 2025), available at <https://www.sec.gov/foia-services/frequently-requested-documents/alternative-trading-system-ats-list> (listing 80 systems registered under Form ATS as of Dec. 31, 2025); Form ATS-N Filings and Information (Oct. 1, 2024), available at <https://www.sec.gov/about/divisions-offices/division-trading-markets/alternative-trading-systems/form-ats-n-filings-information> (listing 33 systems registered under form ATS-N as of Oct. 1, 2024).

ATS, have provided market participants with the ability to innovate while maintaining market integrity and protecting investors.

Executive Summary

As the SEC considers how to integrate the trading of security and non-security crypto assets (together, “crypto assets”) into the existing regulatory structure, we urge the SEC to remain guided by the core principles of the Exchange Act: protect investors through meaningful and ongoing disclosure; ensure fair and transparent secondary-market trading; prevent manipulation and fraud; maintain a well-regulated system of intermediaries; and promote an efficient, competitive national market system.

With respect to trading crypto assets on alternative trading systems (“ATSS”), Fidelity recommends the SEC:

1. Continue to develop the regulatory framework for broker-dealers to offer, custody, and trade crypto assets.
2. Issue guidance to support the trading of tokenized securities on ATSS.
3. Consider how intermediated and disintermediated trading venues can evolve and co-exist.
4. Revisit existing requirements and provide clarity to facilitate the integration of on-chain systems into the securities markets.

1. The SEC should continue to develop the regulatory framework for broker-dealers to offer, custody, and trade crypto assets.

Given that ATSS are operated by broker-dealers, continued Staff guidance is critical to enable broker-dealers to offer, custody, and trade crypto assets. Fidelity appreciates Chairman Atkins’s clarification that a broker-dealer may act as a custodian for non-security digital assets or digital asset securities.⁴ Since Chairman Atkins’s statement, the Division of Trading and Markets issued welcome guidance on both the Custody of Crypto Asset Securities by Broker-Dealers⁵ and Frequently Asked Questions Relating to Crypto Asset Activities and Distributed Ledger Technology.⁶ We appreciate this guidance, and, as we said in our July 2, 2025 letter, we

⁴ Statement by SEC Chairman Paul S. Atkins, Keynote Address at the Crypto Task Force Roundtable on Tokenization (May 12, 2025), available at <https://www.sec.gov/newsroom/speeches-statements/atkins-remarks-crypto-roundtable-tokenization-051225-keynote-address-crypto-task-force-roundtable-tokenization> (“Broker-dealers are not and never were restricted from acting as a custodian for non-security crypto assets or crypto asset securities...”).

⁵ SEC Division of Trading and Markets, Statement on the Custody of Crypto Asset Securities by Broker-Dealers (Dec. 17, 2025), available at <https://www.sec.gov/newsroom/speeches-statements/trading-markets-121725-statement-custody-crypto-asset-securities-broker-dealers>.

⁶ See Division of Trading and Markets: Frequently Asked Questions Relating to Crypto Asset Activities and Distributed Ledger Technology (Feb. 19, 2026), available at <https://www.sec.gov/rules-regulations/staff-guidance/trading-markets-frequently-asked-questions/frequently-asked-questions-relating-crypto-asset-activities-distributed-ledger-technology>.

look forward to additional guidance on a number of other areas critical for broker-dealers to offer, custody, and trade crypto assets and facilitate crypto-security trading pairs.⁷

2. The SEC should issue guidance to support the trading of tokenized securities on an ATS.

The SEC should provide brightline standards that permit ATSS to facilitate secondary market trading in tokenized securities created by third parties. This clarity is critical because the regulatory status of a tokenized instrument depends on its economic realities, key facts that may not be fully knowable to a broker-dealer.

As described in the Statement on Tokenized Securities issued by the Divisions of Corporation Finance, Investment Management, and Trading and Markets, tokenization models vary significantly in structure and in the rights afforded to holders.⁸ In some models, the crypto asset represents a holder's indirect interest in the underlying security through a securities entitlement, while in others the crypto asset may constitute a securities-based swap, which may be offered only to eligible contract participants.⁹ Whether an instrument is a securities-based swap is a complicated analysis given the breadth of the definition of "swap," and is an analysis grounded in the instrument's economic realities rather than its label. Accordingly, to facilitate secondary market trading in tokenized securities, ATSS must be able to rely on the status ascribed to the asset so they can support trading without the risk of impermissibly offering a securities-based swap to a non-eligible contract participant.¹⁰ Similarly, an ATS must be able to trade a tokenized security based on the status ascribed to it to avoid the risk of impermissibly offering an unregistered security in violation of Section 5 of the Securities Act of 1933.¹¹

The SEC also should confirm when the status of a tokenized security issued to represent an underlying security¹² has the same status as the underlying security. For example, a tokenized security issued to represent an NMS security¹³ should be treated as an NMS security. If a

⁷ Fidelity Investments Comment on Request for Information on *There Must Be Some Way Out of Here* (July 2, 2025), available at <https://www.sec.gov/files/ctf-written-input-fidelity-investments-070225.pdf>.

⁸ SEC Division of Corporation Finance, Investment Management & Trading and Markets, Statement on Tokenized Securities (Jan. 28, 2026), available at <https://www.sec.gov/newsroom/speeches-statements/corp-fin-statement-tokenized-securities-012826-statement-tokenized-securities>.

⁹ *Id.* at n. 14. With respect to this model, the Divisions noted that "this statement assumes that the crypto asset created to represent the security is itself not a separate security."

¹⁰ While our comments are focused on whether the third-party sponsored tokenized security is a security-based swap, more broadly, it is critical for an ATS to rely on all the statements made by the third-party or otherwise ascribed to the asset.

¹¹ The need to be able to rely on the status ascribed to the asset is equally important for other market participants, including asset managers.

¹² See SEC Tokenization Statement, *supra* note 8, at n.9 and accompanying text (describing how if a tokenized security is of substantially similar character as the security issued in traditional format and holders of the tokenized security enjoy substantially similar rights and privileges, the tokenized security may be considered of the same class of the security issued in traditional format for certain purposes under the federal securities law).

¹³ 17 C.F.R. § 242.600(b)(64).

tokenized security and an NMS security are seen by market makers as equivalents, market efficiencies could mitigate potential market fragmentation between the traditional and on-chain markets.

3. The SEC should consider how intermediated and disintermediated trading venues can evolve and co-exist.

As SEC-regulated intermediaries begin to support security crypto assets alongside traditional securities, it is important to recognize the potential challenges associated with supporting assets that may trade across both intermediated and disintermediated venues.¹⁴ Disintermediated trading venues may offer increased transparency, liquidity, lower transaction costs, faster settlement, and operational efficiencies for trading crypto securities. They may also, however, pose challenges to the extent that they are not subject to the same controls applicable to regulated intermediaries.¹⁵

Recognizing the nascency of securities trading on disintermediated platforms, and the potential benefits and risks, we recommend the SEC focus its efforts on how the intermediated and disintermediated markets may evolve and co-exist both to preserve investor protection and to expand investor choice. The SEC should consider the appropriate structure for disintermediated platforms trading Regulation NMS securities given the risk of price differentials (intentional or unintentional) between disintermediated and intermediated platforms trading those securities, although market efficiencies may reduce such risks.

In addition, the SEC should consider whether disclosures regarding the risks of trading through disintermediated platforms could be imposed on regulated market participants that engage with the platform and/or the providers of user interfaces pursuant to which many investors access disintermediated protocols.

4. The SEC should revisit existing requirements and provide clarity to facilitate the integration of on-chain systems into the securities markets.

Fidelity agrees with Chairman Atkins's acknowledgement that unlocking the potential of on-chain systems in the securities markets will require the SEC to consider targeted updates to its existing rules.¹⁶ This assessment is particularly important to avoid imposing undue burdens on ATSS that facilitate trading in tokenized securities that may also be available in disintermediated

¹⁴ In this context, "disintermediated" refers to blockchain-based platforms or protocols that provide financial market functions, such as trading, lending, or borrowing, through automated execution of predefined programmatic rules, typically implemented as smart contracts, without control by a person or group of persons.

¹⁵ As Chairman Atkins has stated, "federal securities laws have always assumed the involvement of intermediaries that require regulation." Intermediaries such as broker-dealers are subject to critical obligations, including quote dissemination, transaction reporting, and participation in plans to address extraordinary market volatility. Under the current regulatory framework, those obligations would not be imposed on any party where no intermediary is involved in a transaction.

¹⁶ Statement by SEC Chairman Paul S. Atkins, American Leadership in the Digital Finance Revolution (July 31, 2025), available at <https://www.sec.gov/newsroom/speeches-statements/atkins-digital-finance-revolution-073125>.

markets. For example, ATs are required to maintain records in compliance with existing SEC recordkeeping standards,¹⁷ which do not currently contemplate the maintenance of records on a blockchain. The SEC should therefore issue guidance permitting broker-dealers to use distributed ledger technology for ATs and other recordkeeping purposes, similar to the guidance the Staff has issued allowing transfer agents to use this technology to maintain records.¹⁸

Finally, the SEC should clarify that a broker-dealer may facilitate the settlement of on-chain transactions without triggering the definition of a “clearing agency,”¹⁹ because such activity falls within the statutory exemption for customary brokerage activities. The definition of “clearing agency” is broad, and broker-dealers may need to intermedate the settlement of on-chain transactions—particularly where non-security digital assets, such as digital commodities or payment stablecoins, are used to purchase a tokenized security. Confirmation on this point is critical to enable broker-dealers to support on-chain settlement activity without regulatory uncertainty and to facilitate the orderly development of these markets.

* * *

Fidelity would be pleased to provide further information, participate in any direct outreach efforts that the SEC undertakes, or respond to questions the SEC may have about our comments.

Sincerely,



cc:

The Honorable Paul S. Atkins, Chairman, Securities and Exchange Commission
The Honorable Hester M. Peirce, Commissioner, Securities and Exchange Commission
The Honorable Mark T. Uyeda, Commissioner, Securities and Exchange Commission

The Honorable Michael S. Selig, Chairman, Commodity Futures Trading Commission

¹⁷ 17 C.F.R. § 229.303 (requiring the preservation of records in paper form or in any other forms permitted under Rule 17a-4(f)).

¹⁸ See Division of Trading and Markets: Frequently Asked Questions Relating to Crypto Asset Activities and Distributed Ledger Technology at A10 (Dec. 17, 2025), available at <https://www.sec.gov/rules-regulations/staff-guidance/trading-markets-frequently-asked-questions/frequently-asked-questions-relating-crypto-asset-activities-distributed-ledger-technology>.

¹⁹ See 15 U.S.C. § 78c(a)(23)(A).