

April 17, 2026

Submitted via SEC Website

Commissioner Hester M. Peirce
Chair of the SEC Crypto Task Force
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U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549-1090

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

Dear Commissioner Peirce and Members of the SEC Crypto Task Force:

On behalf of The Digital Chamber (“TDC”), we respectfully provide this submission in response to Commissioner Hester M. Peirce’s December 17, 2025 statement soliciting public input on regulatory issues applicable to national securities exchanges (“NSEs”) and alternative trading systems (“ATs”) related to blockchain technology and crypto assets (the “Statement”).¹ In particular, this letter addresses Questions 8, 10 and 14 of the Statement related to the types of records platforms that trade crypto asset securities should make and preserve; considerations related to protection of confidential trading information regarding crypto asset securities or trading pairs; and if and how Rule 15c3-5 under the Securities Exchange Act of 1934 (the “Exchange Act”), which addresses, among other things, risk management controls and supervisory procedures applicable to broker-dealer that provide “market access,” should apply to broker-dealers accessing crypto ATs and broker-dealer operators of crypto ATs, as that term is defined in the Statement. TDC will also provide responses to the other questions posed by the Statement in separate submissions.

Overview and Scope of this Letter

This response provides TDC’s views on guidance and rule amendments that the U.S. Securities and Exchange Commission (“SEC” or “Commission”) could issue and adopt clarifying how registered NSEs and ATs can leverage blockchain technology and innovations

¹ Comm’r Hester M. Peirce, *And Then Some: Request for Information Regarding National Securities Exchanges and Alternative Trading Systems Trading Crypto Assets*, U.S. Sec. & Exch. Comm’n (Dec. 17, 2025), available [here](#).

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in digital financial technology. Applications using such innovations are broad and variable. Accordingly, it is helpful to define to the scope of our response.

The Statement refers to “crypto ATSS,” defined as ATSS that trade crypto asset securities or trade securities against crypto assets that are not securities. TDC believes that related technologies, such as decentralized trading systems, including those using automated market maker technology (“AMMs”), are outside the scope of the Statement. Decentralized trading models operate on a fundamentally different architecture than the national market system envisioned by Congress and reflected in the 1975 amendments to the Securities Exchange Act. TDC welcomes the opportunity to discuss further with the Commission and staff at their convenience.

TDC also wishes to flag that regulatory frameworks beyond Regulation NMS and Regulation ATS bear directly on the operation of crypto ATSS—including Regulation SHO, Rule 15c2-11, and applicable FINRA rules. While this response focuses on the questions posed in the Statement, TDC believes a contemporaneous, holistic review of a broad range of adjacent regulatory requirements is also needed, and welcomes the opportunity to address them as the opportunity arises.

Further, as the SEC knows, the definition of a “security” under the federal securities laws is broad and encompasses various instruments with different characteristics and regulatory treatments. The Divisions of Corporation Finance, Investment Management, and Trading and Markets recently issued a statement providing guidance on the staff’s interpretation of the term “tokenized security.”² Consistent with that guidance, a tokenized security may be an “equity security.” However, a “tokenized equity security” may be further categorized as a tokenized NMS stock or non-NMS stock. TDC is aware that meaningful differences exist among these subcategories, and that some of its recommendations may apply with greater or lesser force depending on the specific type of asset at issue.

Question 8

How can blockchain-based records help provide insight to the Commission about crypto asset securities transactions? What, if any, types of records should platforms that trade crypto asset securities be required to make and preserve? Are there any records required to be preserved by Rule 302 of Regulation ATS that would not be feasible or practicable to maintain for a crypto ATS?

² Statement on Tokenized Securities (Jan. 28, 2026), available [here](#). (“A tokenized security is a financial instrument enumerated in the definition of “security” under the federal securities laws that is formatted as or represented by a crypto asset, where the record of ownership is maintained in whole or in part on or through one or more crypto networks.”)

Blockchain-Based Records Considerations

Blockchain-based records can show the movement of crypto asset securities from the seller to the buyer, and the movement of a payment stablecoin or other non-securities crypto asset as a form of payment from the buyer to the seller by wallet addresses, including the amount of each such asset moved and the time of the movement. If an ATS uses an on-chain matching engine, the blockchain-based records should identify the crypto-asset security traded and the time of execution. As discussed in response to Question 14, however, the ability to track the movement of investors' assets on a blockchain raises issues with respect to protecting the confidential information of the ATS' subscribers.

The broker-dealer operator of an ATS may be able to extract on-chain trade information for reporting transactions in NMS securities to a trade reporting facility under FINRA's 6300 series rules, or transactions securities trading over the counter to the over-the-counter reporting facility under FINRA's 6600 series rules.³ We note, though, that the extraction process could impact the ability of the broker-dealer operator to timely report within the timeframes required under FINRA rules. Additional feedback from industry participants is needed with respect to extracting on-chain information for purposes of meeting FINRA transaction reporting requirements.

Regulation ATS Rule 302 Considerations

Rule 302 of Regulation ATS sets out the records that an ATS must make and maintain with respect to, among other things, the identities of the subscribers to the ATS, ATS transaction volume, time-sequenced records of specified order information.⁴ Whether certain records required under Rule 302 are practical for a "crypto ATS" to maintain depends at least in part on how that ATS matches trades and the types of assets for which it matches orders. The ATS could, for example, maintain an off-chain matching engine with respect to facilitating trades in crypto asset securities. The ATS would function like a traditional ATS, but the subscribers would settle with each other directly (or the subscribers' third-party custodians would settle with each other). In this scenario, the ATS may be able to retain the records required under Rule 302. This might be true even if the parties are trading securities subject to DTC settlement under its tokenized securities pilot regime.⁵

Alternatively, the ATS could maintain an on-chain matching engine where the subscribers utilize atomic settlement. Matching/execution and settlement likely would occur simultaneously. Whether "time-sequenced records" can be maintained in the manner set out in paragraph (c) of Rule 302 is a significant question that requires industry input. We note that as a general matter, however, an ATS with an on-chain matching engine potentially could record the date and time of

³ See FINRA 6300 series rules [here](#) and 6600 series rules [here](#).

⁴ 17 CFR §242.302.

⁵ The Depository Trust Company, SEC No-Action Letter (Dec. 11, 2025), available [here](#).

order receipt; the identity of the security; the order type and side; execution date, time price and size; and the identity of the parties to the transaction.

We believe that Rule 302 would need to be updated with respect to pairs trading. Rule 302(b) requires daily trading summaries expressed in U.S. dollar settlement value. Trading pairs, however, typically do not involve U.S. dollar value. For example, a trading pair might be XYZ Stock/BTC, where shares of XYZ are priced in, and trade against, bitcoin. The staff of the Commission's Division of Trading and Markets notes in its Frequently Asked Questions Relating to Crypto Asset Activities and Distributed Ledger Technology (the "T&M FAQs") that "for orders based on the value of non-USD assets, such as non-security crypto assets, the NMS Stock ATS could convert the value of the non-USD asset to USD using the same consistent, impartial, and reasonable methods describe above before providing the orders" to a national stock exchange or FINRA.⁶ While ATSs may be able to perform non-securities crypto to U.S. dollars conversion, doing so would mean adding systems functionality that other ATSs would not be required to implement, potentially putting ATSs that facilitate transactions in trading pairs at a disadvantage relative to other ATSs. Moreover, it would also require the ATS to maintain two sets of records, one showing trades and orders valued in non-securities crypto assets and one showing the same valued in U.S. dollars. Again, ATSs that do not facilitate trading in pairs would not have the same records maintenance burden.

Question 10

Rule 301(b)(10) of Regulation ATS requires an ATS to establish adequate written safeguards and written procedures to protect confidential subscriber trading information. Should the Commission propose amending Rule 301(b)(10) or provide guidance regarding protection of confidential trading information regarding crypto asset securities or trading pairs? If so, what should the amendments or guidance address?

We recommend that the Commission seek industry input on whether an ATS's facilitation of on-chain movement of both crypto asset securities and non-securities crypto assets could result in the disclosure of subscribers' confidential trading information for purposes of Rule 301(b)(10).⁷ There may be concerns as to whether, and under what circumstances, on-chain movements of assets could allow reverse engineering of trading strategies. In settling transactions involving crypto asset securities, the securities leg of the settlement would involve crypto asset securities moving from the seller's wallet to the buyer's wallet. Settlement of the cash leg of the transaction would involve a stablecoin or, in the case of trading pairs, a non-securities crypto asset, moving from the buyer's wallet to the seller's wallet. A given investor's wallet(s) could be tracked on-chain and, potentially, the trading strategies of that investor could be discerned, even if the investor ultimately could not be identified. We believe that the

⁶ Frequently Asked Questions Relating to Crypto Asset Activities and Distributed Ledger Technology, available [here](#).

⁷ 17 CFR §242.302(b)(10).

Commission should seek input on whether the ATS could take steps to help subscribers mask the visibility of their securities trading activities through the settlement process.

Question 14

Rule 15c3-5 under the Exchange Act requires that broker-dealers with access to trading directly on an exchange or ATS, including those providing sponsored or direct market access to customers or other persons, implement a system of risk management controls and supervisory procedures reasonably designed to manage the financial, regulatory, and other risks of this business activity. Is this rule duplicative of other requirements imposed on ATSs? Should the Commission propose repealing or amending Rule 15c3-5 or provide any guidance regarding the applicability of the rule to a crypto ATS?

As a threshold matter, it is important to note that Rule 15c3-5⁸ primarily applies to the broker-dealer subscribers to an ATS, and, in defined circumstances, the broker-dealer operator of the ATS, not to the ATS itself. The broker-dealer operator of an ATS is required to comply with Rule 15c3-5 only when it provides access to the ATS to non-broker-dealers.

Whether the financial and regulatory risk control requirements make sense to apply to broker-dealers accessing an ATS depends at least in part on how that ATS matches trades. If the ATS maintains a traditional off-chain matching engine, the system of risk management controls and supervisory procedures reasonably designed to manage the financial, regulatory, and other risks of this business activity that the ATS maintains reasonably should mirror the type of system maintained by an ATS that facilitates trading in traditional securities.

If the ATS maintains an on-chain matching engine, the Commission may want to consider narrowing the scope of the pre-trade risk controls that the ATS needs to apply. Such an ATS may use atomic settlement, which we understand involves the simultaneous execution and settlement of a transaction. Crypto asset securities transactions would settle against payment of stablecoins or other non-securities crypto assets. Atomic settlement would seem to prevent duplicative trades from being executed because the seller's wallet presumably would not repeatedly deliver shares of the same security, particularly where the buyer does not simultaneously deliver stablecoins or other non-securities crypto assets as payment. On the other hand, atomic settlement would not seem to prevent order-entry errors, such as the wrong number of securities to be bought or sold.

We also believe that credit limits could be more finely calibrated with respect to transactions effected on an ATS that uses atomic settlement. Credit limits could be set either to the number of, or notional value of, crypto asset securities held in the seller's wallet and the

⁸ 17 CFR §240.15c3-5.

Commissioner Hester M. Peirce
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April 17, 2026

value of assets being used for payment in the buyer's wallet at the time of trade execution, or some lesser value of the preceding.⁹

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TDC thanks the many members that contributed their time and expertise toward the development of this letter.

If you have any comments or questions relating to this letter or would like to arrange a meeting to discuss further, please do not hesitate to contact the undersigned.

Sincerely,

Matthew B. Comstock

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cc: Cody Carbone, Chief Executive Officer, The Digital Chamber
Zunera Mazhar, Head of Policy and Government Affairs, The Digital Chamber
Annemarie Tierney, Senior Strategic Advisor, The Digital Chamber

⁹ See Responses to Frequently Asked Questions Concerning Risk Management Controls for Brokers or Dealers with Market Access (Apr. 15, 2014), available [here](#).