



June 11, 2026

Chairman Paul S. Atkins  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, D.C. 20549

***Re: Comments on Draft Strategic Plan for Fiscal Years 2026–2030***

Dear Chairman Atkins:

The American Securities Association<sup>1</sup> (ASA) submits these comments on the Securities and Exchange Commission's (SEC or Commission) Draft Strategic Plan for Fiscal Years 2026 through 2030 (Plan). ASA commends Chairman Atkins and the Commission for returning the SEC to its core three-part mission — investor protection, fair and efficient markets, and capital formation. This approach reflects the kind of focused, congressionally grounded approach that markets and market participants need and deserve. We write as committed partners in the Commission's work and offer these observations to help strengthen the Plan's implementation.

**I. Recordkeeping Enforcement Reform: An Immediate Priority.**

Before addressing the Plan's goals, ASA calls the Commission's attention to an issue of immediate concern: the recordkeeping sweep enforcement program. Between December 2021 and February 2024, the Commission fined more than 55 broker-dealer firms a combined \$1.7 billion for failing to retain business communications sent on personal devices during the COVID-19 pandemic, a period when employees across the industry were required to work from home by government mandate.

The sweep was everything sound enforcement should not be: no individualized suspicion, a vague and ambiguous rule, no published penalty formula, and \$1.7 billion in fines with no identifiable investor harm. It must not happen again.

ASA urges the Commission to act now, as part of Goal 2's enforcement reform commitments, by taking three steps:

- Publish a transparent fine schedule governing recordkeeping violations, including what factors increase or decrease a penalty and what the ceiling is for violations causing no identifiable customer harm.

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<sup>1</sup> ASA is a trade association that represents the retail and institutional capital markets interests of regional financial services firms who provide Main Street businesses with access to capital and advise hardworking Americans how to create and preserve wealth. ASA's mission is to promote trust and confidence among investors, facilitate capital formation, and support efficient and competitively balanced capital markets. This mission advances financial independence, stimulates job creation, and increases prosperity. ASA has a geographically diverse membership base that spans the Heartland, Southwest, Southeast, Atlantic, and Pacific Northwest regions of the United States.





- Address through that rulemaking whether violations causing no customer harm should be subject to a maximum fine cap, and establish the factors that determine where within that range a penalty falls.
- Require individualized suspicion before launching any future industry-wide investigative sweep. Treating every broker-dealer as a suspect without predicate is incompatible with the rule-of-law principles this Plan espouses.

## **II. Comments on the Draft Strategic Plan.**

ASA strongly supports renewing the Commission's regulatory policy focus to support innovation, capital formation, market efficiency, and investor protection. The following comments address the Plan's three supporting objectives under this goal.

### **A. Digital Assets and Distributed Ledger Technologies.**

ASA supports the Commission's commitment to providing a rational, coherent, and principled regulatory foundation for digital assets and distributed ledger technologies. ASA urges the Commission to move expeditiously to codify its evolving guidance on which digital assets constitute securities, and to establish a meaningful safe harbor for good-faith compliance during any transition period.

Market participants cannot build compliant businesses on informal staff statements alone. Durable regulatory certainty requires formal rulemaking or, at minimum, authoritative interpretive guidance supported by a robust public comment process before any digital asset framework is finalized.

On jurisdictional coordination, ASA strongly supports the Plan's commitment to clarifying the respective roles of the Commission and the Commodity Futures Trading Commission. Overlapping and potentially conflicting jurisdiction across digital asset markets has been a persistent source of compliance complexity for our member firms. An interagency framework that provides clear, binding lines of authority, anchored in statute and developed through coordination with Congress where necessary, is essential.

ASA also encourages the Commission to address workable custody standards for blockchain-based holdings. The Plan specifically recognizes that custody, trading, and staking services should operate under appropriate oversight, and ASA urges the Commission to ensure that any custody framework is designed for the technical realities of distributed ledger environments rather than adapted from rules designed for traditional securities structures.

### **B. Capital Formation and Access to Markets.**

Earlier this year, ASA submitted several recommendations for the annual SEC small business form that would help high growth companies raise capital and create more opportunities for





investors to participate in the success of American businesses.<sup>2</sup> We appreciate that, under Chairman Atkins, the SEC is re-focusing on its statutory obligation to facilitate capital formation. ASA's key recommendations include:

1. Tailor Regulations for Emerging Growth Companies and Small Public Companies. Extend the EGC on-ramp from five years to 10 years and increase the revenue threshold to a minimum of \$2 billion. Allow EGCs to file short-form 10Qs with full negative assurance comfort from auditors on all (from SAS 72 standpoint) financial statements with limited MD&A. Allow all issuers to use Form S-3 shelf registration forms.
  2. Improve Research Coverage for Pre-IPO and Small Public Companies. Broker-dealers should be permitted to receive hard-dollar payments for research from clients without having to register as investment advisers. The ASA supports the ongoing SEC reconsideration of the Global Research Settlement.
  3. Protecting Shareholders Against Political Activism. Close the Rule 14a-4 loophole. Prohibit the inclusion of immaterial and frivolous shareholder proposals with a company's proxy materials. Establish strong oversight of proxy advisory firms.
- C. Cost-Benefit Analysis and Regulatory Burden Reduction.

ASA strongly supports the Plan's commitment to grounding every rule in rigorous, unbiased, and risk-based economic analysis. Regulations must be fit-for-purpose without imposing unnecessary burdens is precisely the standard the Commission should apply, and ASA is prepared to engage substantively in the Commission's review process to help identify rules that do not meet it.

ASA supports the Commission conducting fresh cost-benefit analyses on all significant rules adopted after January 1, 2021 for which the economic justification was inadequate or where market conditions have materially changed. ASA urges the Commission to reassess the costs associated with hiring legal counsel, auditors, and outside consultants to assist with the implementation process. These dollar amounts were significantly understated, as pointed out by Commissioner Uyeda and echoed by ASA, and that understatement has left the public without an accurate picture of the true regulatory burden imposed by the prior Commission's agenda.<sup>3</sup>

The SEC's commitment to reassessing legacy rules provides the appropriate vehicle for this work, and ASA stands ready to provide detailed analytical support to the Commission's review efforts.

<sup>2</sup> <https://www.americansecurities.org/post/asa-releases-comments-on-sec-s-45th-annual-small-business-forum>

<sup>3</sup> <https://www.washingtontimes.com/news/2023/mar/23/true-cost-secs-regulatory-overreach/>





### **III. Regulatory Practices, Stakeholder Engagement, and Enforcement Reform.**

ASA strongly supports the SEC's commitment to shifting the Commission's regulatory practices toward greater stakeholder engagement, compliance facilitation, and an enforcement approach grounded in Congress' original intent. The following comments address the Plan's four primary objectives.

A. Stakeholder Engagement. The Commission's commitment to increased staff engagement with business and industry groups is both welcome and necessary. Effective regulation depends on regulators staying informed about how markets actually function and how rules are working in practice. A more collaborative regulatory posture — one that fosters trust, promotes compliance, and ensures that rules are responsive to real-world conditions — is what the Plan promises, and what ASA and its member firms are committed to supporting.

B. Enforcement Reform. ASA strongly supports restoring an enforcement approach grounded in clear violations of established law, focused on fraud, deception, and market manipulation. The correct measure of success is deterrent effect and marketplace clarity, not case volume or headline fine amounts.

The recordkeeping sweep addressed in Section I is the defining example of what this commitment must prevent. To give these reforms operational force, ASA urges the Commission to develop and publish a transparent fine schedule applicable to all enforcement actions, not recordkeeping alone. A public schedule gives regulated entities notice, promotes consistency across similarly situated respondents, and provides staff with objective benchmarks for penalty recommendations. Proportionality is not a concession to wrongdoers. It is a requirement of due process and a foundation of legitimate regulatory authority.

C. Retrospective Review of Regulatory Policies and Practices. ASA strongly supports the Commission's commitment to conducting retrospective reviews of existing rules to ensure they remain effective and relevant. Markets evolve, and regulations that were fit-for-purpose at adoption can become misaligned with market realities over time. The SEC's recognition that periodic reviews should assess whether rules continue to achieve their intended goals, identify unintended consequences, and consider whether alternative approaches could better serve investors is the right framework.

ASA also urges the Commission to use the retrospective review process to formally eliminate the practice of delegating policy-making authority to unconfirmed career staff. The prior administration's use of this mechanism circumvented the public transparency and accountability that Congress requires of agency rulemaking under the Administrative Procedure Act.

D. Administrative Law Framework. ASA supports the Commission's commitment to evaluating its administrative law framework in light of recent judicial decisions. A regulatory framework that is constitutionally grounded, procedurally fair, and aligned with evolving legal





standards is not only legally required, but also essential to the Commission's credibility and the regulated community's confidence in its processes.

ASA also encourages the Commission to seriously consider the implications of Skidmore deference as the operative standard for agency interpretive guidance following the Supreme Court's elimination of Chevron deference in *Loper Bright Enterprises v. Raimondo*. Under Skidmore, the persuasive authority of the Commission's guidance will depend on its thoroughness, consistency, and reasoning. This places a premium on well-developed, publicly transparent guidance documents over informal staff statements, which is a shift ASA welcomes and encourages the Commission to embrace.

#### **IV. Operational Efficiency, Technology Modernization, and Organizational Accountability.**

ASA supports optimizing the Commission's operational efficiency through organizational improvement, technology modernization, and a results-driven performance culture. ASA strongly supports the Commission's commitment to a comprehensive review and modernization of the EDGAR system and to the responsible use of artificial intelligence across the Commission's operations. EDGAR is the Commission's primary public disclosure infrastructure, and its limitations impose real costs on issuers, investors, and market participants who rely on it daily.

#### **V. Additional Matters the Commission Should Undertake.**

The Plan is appropriately focused at a strategic level, but ASA believes the Commission should use this planning period to address several additional matters that fall squarely within its statutory mandate and that have a direct bearing on investor protection, market integrity, and the equitable treatment of regulated entities.

These issues are not reflected in the current Plan, and we respectfully urge the Commission to incorporate them into its work program for FY2026–2030.

- Electronic Delivery of Investor Communications. ASA urges the Commission to adopt a rule establishing electronic delivery as the default for retail investor communications, with opt-out rights for those preferring paper. This modernization reduces costs for firms and investors alike without compromising access to required disclosures.
- Consolidated Audit Trail. ASA urges the Commission to immediately suspend collection of personally identifiable information by the CAT national registry and the use of any identifier, including the CCID, pending resolution of litigation challenging its legality and constitutionality. The continued collection and use of investor PII poses cybersecurity risks that outweigh any regulatory benefit, and FBI Director Wray's public





warnings regarding CCP cyber threats targeting U.S. financial infrastructure make this an active national security concern requiring urgent action.

- Chinese Company Disclosure and Audit Compliance. ASA urges the Commission to remove all companies from U.S. exchanges listed on mainland Chinese stock exchanges that do not comply with U.S. disclosure and audit requirements, and to close the passive index ETF loophole that allows non-compliant, and in some cases sanctioned, Chinese companies to access U.S. capital markets through index-based funds. Investor protection for American investors must take precedence over the interests of CCP-backed companies.
- Materiality in Shareholder Proposals and Proxy Advisory Firm Accountability. ASA urges the Commission to codify the materiality standard for shareholder proposals through formal rulemaking, making it durable against future reversal by staff bulletin. ASA also urges restoration of the 2020 proxy advisor accountability measures requiring fiduciary regulation, conflict disclosure, company response rights, and anti-fraud obligations.
- Cyber Disclosure Rule. ASA urges the Commission to amend the cyber disclosure rule to permit firms facing active nation-state cyberattacks to seek government assistance without triggering an immediate public disclosure obligation, allowing a reasonable period to coordinate with government authorities before disclosure is required.

## VI. Conclusion.

ASA commends the Commission for articulating a strategic vision that returns the agency to its core congressional mandate and that is grounded in the principles of investor protection, market integrity, and economic analysis that effective regulation requires. The Plan represents a meaningful shift from the approach of recent years, and ASA is committed to being a constructive partner in its implementation.

We stand ready to provide any additional information, data, or analysis that would be helpful as the Commission moves from strategic planning to implementation.

Respectfully submitted,

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