FINANCIAL SERVICES INSTITUTE | VOICE OF INDEPENDENT FINANCIAL SERVICES FIRMS AND INDEPENDENT FINANCIAL ADVISORS

VIA ELECTRONIC MAIL

July 2, 2026

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street NE, Washington, DC
20549-1090

Re: File Number DSP-3 – SEC Draft Strategic Plan for Fiscal Years 2026-2030

Dear Ms. Countryman:

On June 2, 2026, the Securities and Exchange Commission published its Draft Strategic Plan for Fiscal Years 2026-2030 on its website.[1] The Financial Services Institute, Inc. (FSI) appreciates the opportunity to comment on the Commission's Draft Strategic Plan for Fiscal Years 2026-2030.

FSI supports the Commission's renewed focus on its core three-part mission – protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation – and appreciates the draft plan's emphasis on innovation, accountability, fairness, stakeholder engagement, and regulatory practices grounded in established law. We particularly appreciate the Commission's recognition that these objectives are complementary and that achieving each requires clear rules, effective oversight, and meaningful engagement with market participants.

Background on FSI Members

FSI was founded in 2004 and is the only organization advocating on behalf of independent financial services firms and their affiliated independent financial advisors. FSI represents 130,000 advisors, through its member firms, across all 50 states, serving Main Street Americans with affordable, competent, and unbiased financial advice. The independent financial services community has been an important and active part of the lives of American investors for more than 50 years. In the US, there are more than 175,000 independent financial advisors, which account for approximately 60 percent of all producing registered representatives.[2] These financial advisors are self-employed independent contractors, rather than employees of the Independent Broker-Dealers (IBD).[3]

FSI's IBD member firms provide business support to independent financial advisors in addition to supervising their business practices and arranging for the execution and clearing of

[1] Draft Strategic Plan Fiscal Years 2026-2030, available at https://www.sec.gov/files/draft-strategic-plan-fy26-fy30.pdf.
[2] Tiburon Strategic Advisors, Research on Independent Advisors (Dec. 18, 2024) (citing 152,200 in 2023).
[3] The use of the term "financial advisor" or "advisor" in this letter is a reference to an individual who is a registered representative of a broker-dealer, an investment adviser representative of a registered investment adviser, or a dual registrant.

customer transactions. Independent financial advisors are small-business owners and job creators with strong ties to their communities. These financial advisors provide comprehensive and affordable financial services that help millions of individuals, families, small businesses, associations, organizations, and retirement plans. Their services include financial education, planning, implementation, and investment monitoring. Due to their unique business model, FSI member firms and their affiliated financial advisors are especially well positioned to provide Main Street Americans with the affordable financial advice, products, and services necessary to achieve their investment goals.

FSI members make substantial contributions to our nation's economy. According to Oxford Economics, FSI members nationwide generate $35.7 billion in economic activity. This activity, in turn, supports 408,743 jobs including direct employees, those employed in the FSI supply chain, and those supported in the broader economy. In addition, FSI members contribute nearly $7.2 billion annually to federal, state, and local government taxes.[4]

Discussion

I. The Commission's Draft Strategic Plan Appropriately Focuses on Supporting Investor Protection, Market Efficiency, Innovation, and Capital Formation

FSI supports Goal 1's focus on innovation, capital formation, market efficiency, and investor protection, particularly Objective 1.3's recognition that regulations should balance costs and benefits and avoid needless friction in the marketplace. As part of this priority, FSI believes the Commission should implement an e-delivery rule, modernize its recordkeeping rules, preserve firms' ability to make responsible use of AI, modernize the accredited investor framework, appropriately implement digital asset and tokenization initiatives, and harmonize obligations for dual registrants.

The Commission should implement a rule that allows electronic delivery to serve as the default method for investor communications, while preserving the ability of investors who prefer paper to continue receiving paper documents. A modern e-delivery standard would reduce costs, improve the speed and accessibility of disclosures, and better reflect how investors increasingly expect to receive information. We understand, from recent reports as well as the Chairman's comments, that the Commission has worked on an e-delivery rule as part of an effort to modernize disclosure rules. FSI strongly supports allowing e-delivery to serve as the default and encourages the Commission to advance this targeted modernization effort promptly, while continuing to consider broader disclosure modernization issues through appropriate stakeholder engagement.

As part of the Commission's modernization priority, FSI believes it is important to update books-and-records and recordkeeping requirements, including requirements implicated by off-channel communications. Updated rules should reflect current communications technology, give firms clear expectations, provide a safe harbor for good faith efforts to comply with the rules, and provide reasonable implementation periods so that firms can update systems, policies, training, and supervision in an orderly way. We understand from the Chair's previous statements that this work is underway, and we appreciate the Commission's attention to this important modernization effort.

---

[4] Oxford Economics for the Financial Services Institute, The Economic Impact of FSI's Members (2020).

FSI supports practical, technology-neutral approaches to artificial intelligence, advanced analytics, and other emerging technologies. Independent firms should be able to adopt responsible tools that improve supervision, compliance, operations, and investor service, provided those tools are governed by appropriate policies, controls, and accountability. A flexible approach will allow innovation to develop while maintaining investor protection.

FSI encourages the Commission to support the modernization of supervision rules that continue to rely heavily on location-based concepts developed for a paper-based environment, including supporting making permanent the Remote Inspection Pilot Program. A modern supervision framework should recognize centralized supervision, digital tools, and hybrid or remote work arrangements, while preserving firms' ability to supervise effectively and protect investors.

FSI also encourages the Commission to continue evaluating ways to expand appropriate access to private markets and alternative investments, including thoughtful updates to the accredited investor framework. The Commission can protect investors while also recognizing that access restrictions may prevent capable investors from participating in opportunities that could help them pursue long-term financial goals.

FSI further supports the Commission's commitment to a clear regulatory foundation for digital assets and distributed ledger technologies. As the Commission develops rules for digital assets and tokenization, it should ensure that regulated financial professionals can assist clients in understanding these products without facing unnecessary regulatory friction. Investors are better served when they can access emerging products through regulated firms and financial professionals subject to established standards of conduct, supervision, and recordkeeping. Clear rules should promote responsible innovation while preserving a level playing field between regulated intermediaries and unregistered or less-regulated technologies.

Modernization should also include harmonization for dual registrants. FSI member firms and their affiliated financial advisors increasingly provide both brokerage and investment advisory services to retail investors. As the Commission implements its regulatory policy renewal initiatives, FSI believes it is important to harmonize broker-dealer and investment adviser regulations for dually registered firms and advisors. Harmonization is especially important where firms maintain enterprise-wide compliance, supervision, privacy, cybersecurity, and AML/CFT programs.

II. FSI Strongly Supports the Commission's Goal to Increase Stakeholder Engagement, Facilitate Compliance Efforts of Market Participants, and Avoid Regulation by Enforcement

FSI strongly supports Goal 2's commitment to stakeholder engagement, compliance facilitation, retrospective review, and an enforcement approach that avoids regulation by enforcement. Enforcement is essential to investor protection and market integrity when it is fair, predictable, grounded in statutory and regulatory authority, and paired with transparent policymaking.

As part of this priority, FSI believes it is important for the Commission to implement procedural safeguards to combat regulation by enforcement. Enforcement actions should not be used to establish new regulatory requirements, impose obligations based solely on staff guidance or informal interpretations, or substitute for notice-and-comment rulemaking. When the Commission identifies an area where a rule is outdated or unclear, modernization through public comment is generally the better path. FSI appreciates the Commission's efforts on this point since January 2025. FSI also appreciates the recently announced review of enforcement processes and encourages the Commission to continue strengthening procedural fairness, as discussed at greater length in FSI's white paper on regulation by enforcement.[5]

III. The Draft Strategic Plan Appropriately Focuses on Enhancing the Commission's Operations

FSI supports Goal 3's focus on operational efficiency, organizational effectiveness, technology modernization, and accountability. The Commission's internal operations affect the quality, timeliness, and predictability of regulation. Modernizing systems such as EDGAR, improving data quality, adopting secure and scalable technology, and responsibly using artificial intelligence can help the Commission better identify risk, improve examinations, reduce manual burdens, and deploy resources where they are most likely to protect investors.

Conclusion

FSI appreciates the Commission's work to develop a Strategic Plan that reaffirms the Commission's core mission and recognizes the importance of innovation, stakeholder engagement, regulatory clarity, due process, and operational accountability. FSI supports those goals and looks forward to continued engagement as the Commission implements the priorities reflected in the draft plan.

FSI is committed to constructive engagement in the regulatory process and welcomes the opportunity to work with the Commission on this and other important regulatory efforts. Thank you for considering FSI's comments. Should you have any questions, please contact me at 202-803-6061.

Respectfully submitted,

David T. Bellaire
Executive Vice President & General Counsel