

**TO:** Vanessa Countryman, Secretary  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-1090

**FROM:** Jason Meyers, Auditchain Labs AG

**DATE:** February 20, 2026

**RE:** File Number CLL-15 – Comprehensive Reform of Regulation S-K: Structured

Data Modernization and Digital Asset Disclosure Framework

## I. INTRODUCTION AND SUMMARY

Auditchain Labs AG (“Auditchain”), acting on its own behalf, respectfully submits this comment letter in response to Chairman Paul S. Atkins’ January 13, 2026 Statement on Reforming Regulation S-K, which invites public comment on how the Commission can amend Regulation S-K to focus on eliciting disclosure of material information and avoid compelling the disclosure of immaterial information.

Auditchain is a provider of on-chain operating system infrastructure for regulatory disclosure automation through its Pacioli.ai platform. We are a member of XBRL US, Inc. and recently initiated the formation of the XBRL US Digital Asset Working Group (“DAWG”).<sup>(1)</sup> We are actively designing and developing proposed XBRL-based disclosure taxonomies for the Guiding and Establishing National Innovation for U.S. Stablecoins Act (“GENIUS Act”) and the Digital Asset Market Clarity Act of 2025 (“CLARITY Act”). We also implemented and deployed disclosure automation infrastructure under the European Union’s Markets in Crypto-Assets Regulation (“MiCA”) through our platform MiCA Pacioli.ai.

On June 2, 2025, representatives of Auditchain and Rutgers Business School met with the SEC’s Crypto Task Force to discuss approaches to developing standardized disclosure frameworks for digital assets.<sup>(2)</sup> On February 9, 2026, we submitted a comprehensive comment letter to the Federal Deposit Insurance Corporation (“FDIC”) regarding application requirements for issuance of payment stablecoins (RIN 3064-AG20), which included a 136-question disclosure questionnaire, a 107-element XBRL taxonomy, and type extensions specifications for blockchain network participation (“BNP”) activities.<sup>(3)</sup> On February 11, 2026, we submitted a comment to the Office of the Comptroller of the Currency (“OCC”) regarding national bank chartering amendments (Docket ID OCC-2025-0768), proposing extension of the FDIC framework to Schedule RC-T for national trust bank digital asset custody operations.<sup>(4)</sup>

We write now to recommend that the Commission’s comprehensive reform of Regulation S-K address three interrelated imperatives:

1. **Structured Data Modernization of Non-Financial Disclosures.** Extending machine-readable XBRL requirements from Regulation S-X financial statements to Regulation S-K non-financial disclosures is the most effective mechanism for addressing the “avalanche of immaterial information” that Chairman Atkins has identified. Structured

data enables investors to programmatically filter, compare, and analyze disclosures—directly addressing the concern articulated in *TSC Industries, Inc. v. Northway, Inc.*, 426 U.S. 438 (1976), that burying shareholders in immaterial information frustrates rather than serves the disclosure regime’s purposes.

2. **Digital Asset Disclosure Framework for Emerging Registrant Classes.** The GENIUS Act, enacted on July 18, 2025, and the pending CLARITY Act (H.R. 3633), which passed the House on July 17, 2025 and is under consideration by multiple Senate committees, will create new classes of SEC registrants whose material disclosures—blockchain infrastructure dependencies, smart contract risks, network participation activities, and validator concentration—have no adequate home in the current Regulation S-K framework. The Commission’s reform should build these disclosure categories now rather than retrofitting them after enactment.
3. **Interagency Disclosure Consistency.** As the FDIC, OCC, and Federal Reserve Board develop parallel disclosure frameworks for digital asset activities under the GENIUS Act, the SEC’s Regulation S-K reform should ensure interoperability with banking regulator reporting requirements. Entities that are both SEC registrants and subject to FDIC or OCC supervision should not face duplicative, inconsistent disclosure regimes. The XBRL taxonomy infrastructure elements we have proposed to the FDIC provides an example for cross-agency consistency.

## II. STRUCTURED DATA IS THE SOLUTION TO THE MATERIALITY PROBLEM

### A. The Information Overload Problem is a Format Problem

Chairman Atkins correctly diagnoses the central pathology of Regulation S-K: that it “currently elicits both material and a plethora of undisputably immaterial information.” We respectfully submit that this problem is not solely a function of *what* the Commission requires registrants to disclose, but also *how* that information is disclosed and consumed.

Since 2009, the Commission has required financial statements under Regulation S-X to be filed in XBRL format, and since 2018 in Inline XBRL (iXBRL).<sup>(5)</sup> This structured data mandate has transformed how investors, analysts, and regulators consume financial information—enabling automated comparison across issuers, real-time aggregation of industry trends, and efficient screening of thousands of filings. The FFIEC’s parallel implementation of XBRL for bank Call Reports since 2005 has achieved 95% data validation rates, eliminated manual re-entry errors, and substantially reduced processing costs for both filers and regulators.<sup>(6)</sup>

Yet the non-financial disclosures in Regulation S-K—the description of business (Item 101), risk factors (Item 105), MD&A (Item 303), and other items that collectively constitute the narrative backbone of periodic reports—remain largely unstructured text filed in EDGAR as HTML or ASCII. This asymmetry means that even as the Commission reduces prescriptive requirements and refocuses on materiality, investors will continue to face the *TSC Industries* “avalanche” problem because unstructured text cannot be efficiently filtered, compared, or analyzed at scale.

Notably, when the Commission modernized Items 101, 103, and 105 in 2020, it declined to require structured format for these disclosures despite recommendations from XBRL US and other commenters, stating that structured data was not included in the original proposal.<sup>(7)</sup> The comprehensive reform now underway presents the ideal opportunity to revisit this decision.

## **B. Recommendation: Extend iXBRL Requirements to Key S-K Items**

We recommend the Commission require that the following Regulation S-K items be filed in Inline XBRL format, using taxonomy extensions to the existing SEC reporting taxonomy:

- **Item 101 (Description of Business):** Structured tagging of business segments, revenue sources, geographic operations, material dependencies on technology infrastructure (including blockchain networks), and competitive position
- **Item 105 (Risk Factors):** Categorical tagging of risk factors by type (operational, financial, regulatory, technological, cybersecurity, blockchain-specific), materiality assessment, and cross-references to quantitative disclosures in the financial statements
- **Item 106 (Cybersecurity):** Structured disclosure of cybersecurity governance, risk management processes, and material incidents, including blockchain-specific attack vectors and smart contract vulnerabilities
- **Item 303 (MD&A):** Tagging of known trends, uncertainties, and material changes in financial condition, with particular attention to digital asset-related revenue streams, blockchain operational dependencies, and network participation activities
- **Item 601 (Exhibits):** Extension of existing iXBRL exhibit requirements to include structured tagging of material contracts involving blockchain infrastructure, smart contract audits, and digital asset custody arrangements

This approach directly serves Chairman Atkins' stated goal of enabling "a reasonable investor to separate the wheat from the chaff." Structured data does not add to the disclosure burden—it makes existing disclosures more useful by enabling automated filtering and comparison. A principles-based materiality standard combined with machine-readable format is more effective than either approach alone.

## **C. Cost-Benefit Considerations**

The Commission's 2009 experience with Regulation S-X XBRL implementation and the FFIEC's Call Report experience both demonstrate that structured data requirements, while imposing initial implementation costs, produce net cost savings over time through: reduced manual data extraction by analysts and regulators, improved data quality through automated validation, enhanced comparability that reduces information processing costs for investors, and lower cost of capital for issuers through improved market efficiency.

As we detailed in our FDIC submission, XBRL taxonomy integration for application processes and ongoing disclosure "would not only minimize the regulatory burden identified in the PRA analysis but also deliver net cost benefits that the FDIC may not have fully quantified, particularly as the Stablecoin market scales."<sup>(8)</sup> The same logic applies to Regulation S-K: the long-term efficiency gains of structured non-financial disclosures will exceed the initial

compliance costs, especially as the digital asset registrant population grows under the GENIUS Act and CLARITY Act frameworks.

### **III. DIGITAL ASSET DISCLOSURE: A NEW CLASS OF MATERIAL INFORMATION**

#### **A. The Emerging Registrant Landscape**

The legislative landscape for digital assets has shifted fundamentally since the Commission last comprehensively reviewed Regulation S-K. The GENIUS Act, signed into law on July 18, 2025, establishes the first comprehensive federal framework governing issuance, backing, and supervision of U.S. dollar-denominated payment stablecoins. The CLARITY Act, which passed the House on July 17, 2025 with bipartisan support, would establish a regulatory framework dividing jurisdiction between the SEC and the CFTC based on the functional characteristics and decentralization of digital assets. The Senate Banking Committee released a 278-page discussion draft on January 12, 2026, and the Senate Agriculture Committee’s Digital Commodity Intermediaries Act is scheduled for markup consideration.

When enacted, the CLARITY Act will create multiple new classes of SEC-registered entities, including issuers of “investment contract assets” subject to SEC registration and reporting requirements under the Securities Act and Exchange Act, digital commodity exchanges and brokers that may dual-register with the SEC, and alternative trading systems facilitating digital asset trading. Each of these registrants will file periodic reports containing Regulation S-K disclosures. Yet the current S-K framework has no provisions that address the unique material risks and operational characteristics of entities whose business operations depend on public blockchain infrastructure.

#### **B. Shared Public Infrastructure is a Shared Public Disclosure Issue**

As we articulated in our FDIC submission, blockchains are globally distributed open public infrastructure networks shared by a diverse spectrum of users with various interests, use cases, and objectives. Tens of thousands of decentralized applications are deployed to public blockchains, and they are relied upon by hundreds of millions of users worldwide to transfer, store, and program approximately \$3 trillion in current value.

When SEC registrants deploy tokens, smart contracts, or other value-dependent assets to these shared networks, their financial condition and operational viability become materially dependent on infrastructure they do not control. Research published on February 4, 2026 from the MIT Digital Currency Initiative confirms that payment stablecoin stability depends not only on reserve quality but also on blockchain operational dependencies, finding that “technological risks—arising from smart contract logic, blockchain consensus mechanisms, bridges, oracles, and governance design—may impair transferability or redemption in some circumstances, potentially affecting confidence, even when reserves remain intact.”<sup>(9)</sup>

These operational dependencies constitute material information under any reasonable interpretation of the *TSC Industries* materiality standard. A reasonable investor considering an investment in a digital asset issuer would want to know: which blockchain networks the issuer’s

assets and operations depend upon, the degree of concentration among validators or miners on those networks, whether the issuer or its affiliates participate in network validation or governance (creating potential conflicts of interest), and the operational resilience of the smart contracts through which the issuer's assets are deployed.

## **C. Proposed Blockchain Infrastructure Disclosure Items**

We recommend that the Commission, as part of the Regulation S-K reform, adopt new disclosure requirements for registrants whose business operations are materially dependent on blockchain infrastructure. These requirements could be incorporated as a new sub-item within Item 101 (Description of Business) or as a standalone new item. The disclosures should address four categories of material information:

### ***1. Blockchain Protocol and Smart Contract Disclosures***

Registrants should disclose: the blockchain protocols utilized and their consensus mechanisms, smart contract deployment details (including addresses, deployment dates, and audit history), operational dependencies on specific blockchain networks (including criticality assessments), and contingency and continuity plans for network disruptions, forks, or migrations. These disclosures correspond to Questions 1 through 10 and XBRL taxonomy elements `genius:BlockchainProtocolName` through `genius:BackupBlockchainProviderName` in the framework we submitted to the FDIC.<sup>(10)</sup>

### ***2. Blockchain Network Participation by Issuer***

If the registrant or any of its affiliates participates in blockchain network validation (Proof of Stake), mining (Proof of Work), or governance, the registrant should disclose: the nature and extent of participation (node operation, validator slots, hash power, staked value), network share metrics (percentage of total network hash rate, stake, or validator slots), governance participation (voting power, tokens held, governance positions), financial performance from network participation activities (revenue, net income, capital expenditures), and operational dependencies between the registrant's core business and its network participation. These disclosures correspond to Questions 11 through 46 and taxonomy elements `genius:InfrastructureOperationIndicator` through `genius:OperationalDependencyCriticalityLevel` in our FDIC framework.<sup>(11)</sup>

### ***3. Affiliate Network Participation and Conflicts of Interest***

Where affiliates of the registrant (as defined in 17 CFR § 240.12b-2) engage in blockchain network participation activities on the same networks utilized by the registrant, the registrant should disclose: identification of each affiliate engaged in BNP activities, the nature and extent of each affiliate's participation, services provided by affiliates to the registrant (including arm's length pricing analysis), and conflicts of interest analysis (transaction ordering capabilities, pre-confirmation observation access, governance influence, exclusivity agreements). As we documented in our FDIC submission, undisclosed BNP activities by affiliates may constitute hidden leverage, regulatory capital avoidance, or transfer pricing issues that are plainly material to investors.<sup>(12)</sup>

### ***4. Concentration Risk and Systemic Exposure***

Registrants should disclose aggregated concentration analysis across the issuer and all affiliates, including: combined network share on each blockchain utilized, procyclical risks during network stress, cascading liquidation risks in Proof of Stake systems, and single points of failure affecting interconnected blockchain-based financial ecosystems. The MIT Digital Currency Initiative research confirms that “if a dominant validator or cartel gains sufficient influence, it can censor otherwise valid transfers, reorder transactions for profit, or weaken reliability during stress—all of which can impair payment continuity and undermine confidence in stablecoin par-value exchange.”<sup>(13)</sup>

## IV. INTERAGENCY CONSISTENCY AND XBRL TAXONOMY INTEROPERABILITY

### A. Parallel Regulatory Frameworks Are Developing Simultaneously

The GENIUS Act framework distributes supervisory responsibility for payment stablecoin issuers across multiple federal agencies. Subsidiaries of FDIC-supervised institutions must apply to the FDIC; national trust banks engaged in digital asset custody operations fall under OCC supervision; and issuers of digital asset securities will register with the SEC. Many entities will be subject to oversight by multiple agencies simultaneously.

The disclosure frameworks being developed by each agency should be interoperable. Specifically:

- **FDIC:** We have proposed a 107-element XBRL taxonomy with 14 abstract groupings, 78 concrete disclosure elements, 2 hypercube tables for multi-instance reporting across blockchain networks and affiliates, and 2 typed dimension axes for open-ended identification<sup>(14)</sup>
- **OCC:** We have proposed extending existing Schedule RC-T infrastructure to capture digital asset custody operational dependencies through a new Schedule RC-T-DA, with line items mapped directly to the FDIC taxonomy elements<sup>(15)</sup>
- **SEC:** The Regulation S-K reform should incorporate taxonomy elements compatible with both the FDIC and OCC frameworks, ensuring that a registrant that is also an FDIC-supervised stablecoin issuer or an affiliate of an OCC-supervised national trust bank can satisfy disclosure obligations across agencies without duplicative, conflicting reporting

### B. Recommendation: Interagency Working Group

As we recommended to the OCC, we respectfully recommend that the Commission establish or participate in an interagency working group—potentially under the auspices of the FFIEC Task Force on Reports, which has authority under 12 U.S.C. § 3305 to develop uniform reporting systems—to coordinate digital asset disclosure taxonomy development across agencies. The working group should consider: timeline and phasing for implementation as digital asset registrant populations scale, materiality thresholds for triggering blockchain infrastructure disclosures, reporting frequency (quarterly, monthly, or event-driven), coordination between Regulation S-K disclosures and GENIUS Act section 4(a)(3) monthly reserve composition

reports, and international alignment with the European Union’s MiCA framework requirements for machine-readable disclosure of distributed ledger technology dependencies.<sup>(16)</sup>

### **C. Taxonomy Overlap and Reuse**

Our XBRL taxonomy development activities for the GENIUS Act and pending CLARITY Act reveal substantial overlap in required data elements across regulatory frameworks. Issuer identification and control structures, blockchain infrastructure and smart contract specifications, custodial arrangements, and redemption and conversion mechanics appear in both the FDIC application framework and in the disclosures that will be necessary for CLARITY Act registrants filing Regulation S-K reports. Requiring registrants to address these intersections upfront through a common taxonomy will reduce regulatory confusion, enable more efficient disclosure systems, and support coordination between the SEC, FDIC, OCC, CFTC, and Federal Reserve Board.

## **V. ADDITIONAL RECOMMENDATIONS FOR REGULATION S-K REFORM**

### **A. Principles-Based Materiality Standard**

We support the Chairman’s emphasis on refocusing Regulation S-K on materiality. A principles-based materiality standard—rather than the current prescriptive, checklist-driven approach—is particularly appropriate for emerging technology sectors where the specific risks and operational characteristics evolve rapidly. A blockchain infrastructure disclosure item framed in principles-based terms (e.g., “disclose material dependencies on blockchain infrastructure, including the registrant’s assessment of operational risks and concentration exposures”) would accommodate technological evolution without requiring frequent rulemaking amendments. This approach is consistent with the Commission’s successful adoption of principles-based cybersecurity disclosure requirements in Item 106.<sup>(17)</sup>

### **B. Reducing Duplicative Disclosures**

Structured data inherently reduces the need for duplicative disclosures. When information is tagged and machine-readable, the same data element can serve multiple disclosure purposes without requiring registrants to restate the same information in different sections of their filings. For example, a blockchain infrastructure dependency disclosed in tagged format under Item 101 can be cross-referenced—rather than restated—in Item 105 (risk factors) and Item 303 (MD&A). This addresses the documented redundancy between Items 101, 105, and 303 that commenters and the Commission have identified in prior reform efforts.

### **C. EDGAR Modernization**

The effectiveness of structured Regulation S-K disclosures depends on EDGAR’s capacity to receive, validate, and disseminate tagged non-financial data. We encourage the Commission to coordinate Regulation S-K reform with ongoing EDGAR modernization efforts, including the EDGAR Next initiative, to ensure that the filing infrastructure supports structured non-financial disclosures. The January 2026 EDGAR XBRL Guide demonstrates the Commission staff’s

continuing investment in XBRL infrastructure; extending this infrastructure to S-K items is a natural and technically feasible next step.

## VI. OUR COMMITMENT

AuditChain has significant domain knowledge and expertise in blockchain architecture, XBRL specifications, and the SEC’s use of XBRL taxonomies through EDGAR. Additionally, we currently support the Open Information Model (“OIM”) requirements to modernize XBRL.<sup>(18)</sup> When the OIM taxonomy modelling specification becomes final and is widely implemented, this will make data extraction via AI models more accurate and scalable bringing Regulation S-K data aggregation, extraction and analysis to the fingertips of every investor.

We are prepared to support the Commission’s implementation through:

- Technical assistance in developing XBRL taxonomy specifications for Regulation S-K non-financial disclosures
- Pilot testing with early digital asset registrants filing under the CLARITY Act framework
- Coordination with the XBRL US Digital Asset Working Group on taxonomy harmonization across agencies
- Educational resources for registrants and Commission examination staff
- Ongoing taxonomy maintenance as digital asset markets and blockchain technology evolve

The comprehensive reform of Regulation S-K represents a historic opportunity to modernize the Commission’s disclosure regime for the digital age. By combining a principles-based materiality standard with structured data requirements and purpose-built digital asset disclosure categories, the Commission can reduce compliance burdens while simultaneously improving the quality, comparability, and accessibility of information available to investors. We appreciate the opportunity to comment and stand ready to assist the Commission with technical implementation of any structured data or digital asset disclosure framework the Commission may develop.

Respectfully submitted,

### AUDITCHAIN LABS AG

Jason Meyers  
Lead Architect

## ENDNOTES

- (1) <https://auditchain.com/auditchain-joins-xbrl-us/>
- (2) <https://www.sec.gov/files/ctf-memo-auditchain-labs-ag-rutgers-business-school-060225.pdf>
- (3) <https://www.fdic.gov/federal-register-publications/auditchain-labs-ag-jason-meyers-rin-3064-ag20.pdf>
- (4) Auditchain Labs AG Comment [ID OCC-2025-0768-0016](#) on Docket ID OCC-2025-0768, National Bank Chartering (Feb. 11, 2026).
- (5) SEC Release No. 33-10514, Inline XBRL Filing of Tagged Data (June 28, 2018); SEC Release No. 33-9002, Interactive Data to Improve Financial Reporting (Jan. 30, 2009).
- (6) XBRL US, FDIC Call Report Modernization Program Results, available at <https://xbrl.us/home/priorities/filers/fdic-reporting/>.
- (7) SEC Release No. 33-10825, Modernization of Regulation S-K Items 101, 103, and 105 (Aug. 26, 2020). See also XBRL US, “SEC Finalizes Amendments to Modernize Regulation S-K Items 101, 103, and 105” (Oct. 9, 2020), available at <https://xbrl.us/news/sec-final-rule-regsk-modernization/>.
- (8) Auditchain Labs AG Comment on RIN 3064-AG20, Response to Question 11 (Feb. 9, 2026), available at <https://www.fdic.gov/federal-register-publications/auditchain-labs-ag-jason-meyers-rin-3064-ag20.pdf>.
- (9) Aronoff, D.J., Calabia, F.C., Brownworth, A., Samuel, A., & Narula, N., The Hidden Plumbing of Stablecoins: Financial and Technological Risks in the GENIUS Act Era, MIT Digital Currency Initiative, at 3 (Feb. 4, 2026), available at <https://www.dci.mit.edu/projects/hidden-plumbing-stablecoins>.
- (10) Auditchain Labs AG Comment on RIN 3064-AG20, Exhibit A – Blockchain Network Participation Disclosure Questionnaire, Questions 1–10; Exhibit B – Draft Sample Terms Hierarchical Overview (Feb. 9, 2026), available at <https://www.fdic.gov/federal-register-publications/auditchain-labs-ag-jason-meyers-rin-3064-ag20.pdf>.
- (11) Auditchain Labs AG Comment on RIN 3064-AG20, Exhibit A, Questions 11–46; Exhibit B (Feb. 9, 2026), available at <https://www.fdic.gov/federal-register-publications/auditchain-labs-ag-jason-meyers-rin-3064-ag20.pdf>.
- (12) Auditchain Labs AG Comment on RIN 3064-AG20, Response to Question 3 (Feb. 9, 2026). See also FDIC Guidelines on Conflicts of Interest and Self-Dealing, available at <https://www.fdic.gov/federal-register-publications/auditchain-labs-ag-jason-meyers-rin-3064-ag20.pdf>.
- (13) Aronoff et al., *supra* note 9.
- (14) Auditchain Labs AG Comment on RIN 3064-AG20, Exhibit B – Draft Sample Terms Hierarchical Overview; Exhibit C – Draft Type Extensions Specification (Feb. 9, 2026), available at <https://www.fdic.gov/federal-register-publications/auditchain-labs-ag-jason-meyers-rin-3064-ag20.pdf>.
- (15) Auditchain Labs AG Comment on Docket ID OCC-2025-0768, Section V and Exhibit A – Draft Sample Schedule RC-T-DA Line Item Mapping (Feb. 11, 2026), available at <https://www.fdic.gov/federal-register-publications/auditchain-labs-ag-jason-meyers-rin-3064-ag20.pdf>.
- (16) Commission Implementing Regulation (EU) 2024/2984, Annex II (machine-readable disclosure requirements for crypto-asset white papers), available at [https://eur-lex.europa.eu/eli/reg\\_impl/2024/2984/oj/eng](https://eur-lex.europa.eu/eli/reg_impl/2024/2984/oj/eng).
- (17) SEC Release No. 33-11216, Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure (July 26, 2023) (adopting Item 106 of Regulation S-K).
- (18) <https://www.xbrl.org/REQ/oim-taxonomy-requirements/REQ-2025-12-17/oim-taxonomy-requirements-2025-12-17.html>