



Action Committee for Crypto Clarity within the United States (“ACFCC”)

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October 16, 2026

Vanessa A. Countryman, Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090
Via email: rule-comments@sec.gov

Re: Regulation Crypto Assets, Release No. 33-11434 (Aug. 18, 2026), 91 FR 54510 (Aug. 21, 2026); File No. S7-2026-27

Dear Secretary Countryman:

The Action Committee for Crypto Clarity within the United States (“ACFCC”) respectfully submits this comment on proposed Regulation Crypto Assets. ACFCC previously commented on the Commission’s interpretive release, *Application of the Federal Securities Laws to Certain Types of Crypto Assets and Certain Transactions Involving Crypto Assets*, Release No. 33-11412 (Mar. 17, 2026) (the “Interpretive Release”), in File No. S7-2026-09. We support the proposal and the Commission’s decision to replace regulation by enforcement with measurable conditions that issuers can test themselves against before an offering.

Our comments draw on a real-world-asset architecture we refer to as the Dual Stakeholder Model. It is being developed for commodity supply chains, using crude oil production as the first use case. The model has four parts:

- Two stakeholder groups. Community participants hold a non-fungible credential that functions as a digital tool. Independent commodity producers make commercial royalty payments to the platform in exchange for a producer-tier credential.
- A native fungible token. The token is intended to operate as a digital commodity within a functional crypto system.
- An automated buyback-and-burn smart contract. Producer royalties are applied only to secondary-market purchases of the native token, which are then burned. No royalties are distributed to holders.
- An independent off-chain administrator. Its role is limited to enumerated, non-discretionary functions: KYC/AML onboarding, educational coordination, routing royalty payments into the smart contract, and implementing changes approved through on-chain governance.

Projects of this kind connect productive U.S. commodity activity to on-chain systems and raise structural questions that the proposal does not yet fully address. We offer seven recommendations.

1. Codify the post-functionality services interpretation in the final rule

The proposing release states that, once a crypto system is functional, services to secure, maintain, improve or enhance the system, or to facilitate network effects, do not involve essential managerial efforts (Release No. 33-11434, at 56). The Division of Corporation Finance relied on that statement in its 25 September 2026 Frequently Asked Questions (Question 2.3).

Because that interpretation now anchors staff guidance, we urge the Commission to restate it expressly in the adopting release and, if possible, in the text of the investment contract safe harbor. We also ask the Commission to confirm that it applies equally whether the services are performed by the issuer or by an independent service provider engaged in performing them.

2. Clarify the status of an independent ministerial administrator

Many real-world-asset systems need an off-chain party to connect physical-world participants to on-chain infrastructure - for example, to complete KYC/AML and to route commercial payments into a smart contract. The proposal does not say whether such a party is an “issuer,” “affiliate,” “agent,” or “promoter” for purposes of the Interpretive Release or the safe harbor.

Staff FAQ 2.2 indicates that separation does not occur where another party *assumes* the issuer’s essential managerial efforts. We ask the Commission to confirm the converse: an independent service provider does not assume essential managerial efforts, and does not create or support a common enterprise, where it:

- (a) performs only functions enumerated in a written services agreement;
- (b) has no discretion over token supply, reward economics, treasury assets, or protocol parameters;
- (c) is compensated by fees that are not tied to the price or performance of the crypto asset; and
- (d) implements changes only as approved through the system’s governance process.

A bright-line description of this role would let projects build compliant administrator arrangements before launch, rather than seeking individual staff relief for each structure.

3. Treat automated, third-party-funded buyback-and-burn programs consistently with FAQ 2.5

Staff FAQ 2.5 states that, where a crypto system is functional, an issuer’s announcement of a buyback program does not constitute a representation or promise to undertake essential managerial efforts. We ask the Commission to adopt that position in the final rule and to make two related points clear. First, a buyback-and-burn mechanism that is executed by immutable smart-contract code on open secondary markets and funded by arm’s-length commercial payments from third parties, should not by itself defeat the safe harbor. Second, it should not cause the native asset to be viewed as conveying a right to income or profits. Such a mechanism affects only circulating supply and does not distribute value to holders. Its treatment should not depend on whether the funding source is protocol fees or commercial royalties.

4. Address hybrid architectures on an asset-by-asset basis

The Interpretive Release recognizes that crypto assets may have hybrid characteristics. Many systems pair a non-fungible digital tool, such as an access credential, with a fungible native token.

We ask the Commission to confirm that the exemptions and the safe harbor operate asset by asset. A digital tool used within a system should not be treated as subject to an investment contract merely because a different asset in the same system is, or was, subject to a covered investment contract.

We ask the Commission to give guidance on how a reward mechanism tied to a digital tool should be evaluated against the Interpretive Release's statement that digital tools do not generate "passive yield."

We ask how rewards earned for participation or activity are distinguished from returns on the amount paid.

5. Calibrate the startup exemption for real-world-asset projects

The proposed startup exemption permits offerings of up to \$5 million over four years. Projects that connect physical commodity production to on-chain systems typically need more capital at launch than software-only networks. The costs include integration, audits, custody, compliance infrastructure, and producer onboarding. We recommend that the Commission (a) raise the startup exemption limit to at least \$15 million, or (b) allow an issuer to move from the startup exemption to Tier 1 of the fundraising exemption without restarting its disclosure obligations. Investor protections could be preserved through the existing narrative-disclosure conditions and per-investor limits for non-qualified purchasers.

6. Provide a "functional at launch" path to the safe harbor and a defined review period

Some issuers design their systems to be functional at the time of first sale and commit in advance to limit post-sale activity to the ministerial services described in Recommendation 1. For these issuers, we recommend that the final rule allows the safe harbor certification to be filed at or shortly after launch. We further recommend a defined period, such as 60 days, after which the certification is effective unless the staff raises objections in writing. A defined period would give issuers, secondary-market venues, and purchasers the certainty the safe harbor is meant to provide.

7. Coordinate with the CFTC on post-safe-harbor treatment

Footnote 48 of the Interpretive Release states that any non-security crypto asset (other than a payment stablecoin issued by a permitted payment stablecoin issuer) could meet the definition of "commodity" under the Commodity Exchange Act.

We ask the Commission, in coordination with the CFTC under the joint Project Crypto initiative, to confirm in the adoption release that a crypto asset that has satisfied the safe harbor is treated as a commodity for CEA purposes. We also ask the agencies to designate a joint point of contact for projects with both digital tools and digital commodities. Market participants should not have to pursue the same classification question with both agencies in sequence.

Conclusion

Regulation Crypto Assets is a constructive step toward bringing crypto innovation onshore. Adopting the recommendations above would give real-world-asset projects, and especially those built around U.S. commodity production, the structural clarity they need to launch within the federal securities laws rather than outside the United States. ACFCC would welcome the opportunity to discuss these comments with the Commission or its staff.

Thank you for the opportunity to comment.

Respectfully submitted,

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Action Committee for Crypto Clarity within the United States (“ACFCC”)

cc: Commissioner Hester M. Peirce, Crypto Task Force
Division of Corporation Finance, Office of Chief Counsel