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Ready for Next

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Electronic Submission

Commissioner Hester M. Peirce
SEC Crypto Task Force
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-0213

Subject: Comments on the SEC Crypto Task Force's February 21, 2025 Request for Information ("RFI").)

Dear Commissioner Peirce:

Broadridge Financial Solutions, Inc. ("Broadridge") appreciates the opportunity to provide comments pertaining to Question 8 in the RFI: *"Should the Commission develop tailored disclosure requirements for offerings or classes of specific categories of crypto assets? What types of disclosures would be important for investor protection? Should disclosure occur both at the time of sale and on an ongoing basis? If so, what information should the ongoing disclosure contain and how should that disclosure occur?"*

Our comments provide data derived from a survey of 2,000 self-identified crypto asset investors and an example of a tailored, voluntary crypto disclosure in use today. In the survey, we asked investors what types of disclosure information are useful to them in evaluating and monitoring crypto assets. Overall, investors prioritized traditional disclosure information (such as financials, risks, management, and security description) over newer types of crypto-specific information (such as tokenomics and network/platform activity). Investors' responses indicate a potential underappreciation of the types of information that are critical to evaluating and monitoring crypto assets, especially securities. This is not surprising given the novelty of crypto assets and the need for greater financial literacy in these new asset classes.

When asked where they get information about crypto assets, respondents identified crypto asset websites, brokers, and crypto exchanges as their primary sources of information. They ranked social media, third-party data providers, and specialized publications lower on their list. White Papers – which arguably provide an important source of information – were consistently ranked last on the scale of information sources. Investors highlighted the need for frequent updates on material information, with over 50% suggesting disclosure information should be updated monthly or as changes occur.

We also asked investors to assess whether current types of disclosure information for crypto assets are easy or difficult to understand. We had them review a hypothetical summary disclosure to assess whether it would be easier to understand than their current sources of information. A variant of the hypothetical summary disclosure is now provided by a large crypto exchange for investors in Canada and the U.K.

Finally, we looked at how existing securities disclosure rules could be modified to reflect the 10 categories of information that investors were asked about. For this illustration, we focused on the Reg S-K disclosures items in Form S-1, Regulation AB, and Form 10. We agree with the Division of Corporation Finance's approach to providing guidance to make sure that the information in relevant disclosures is appropriately tailored to crypto

asset securities.¹ The views expressed in the Division of Corporation Finance’s April 10, 2025 *statement* on offerings and registrations of crypto asset securities line up well with the survey’s findings on the 10 categories of information investors say are important to them.

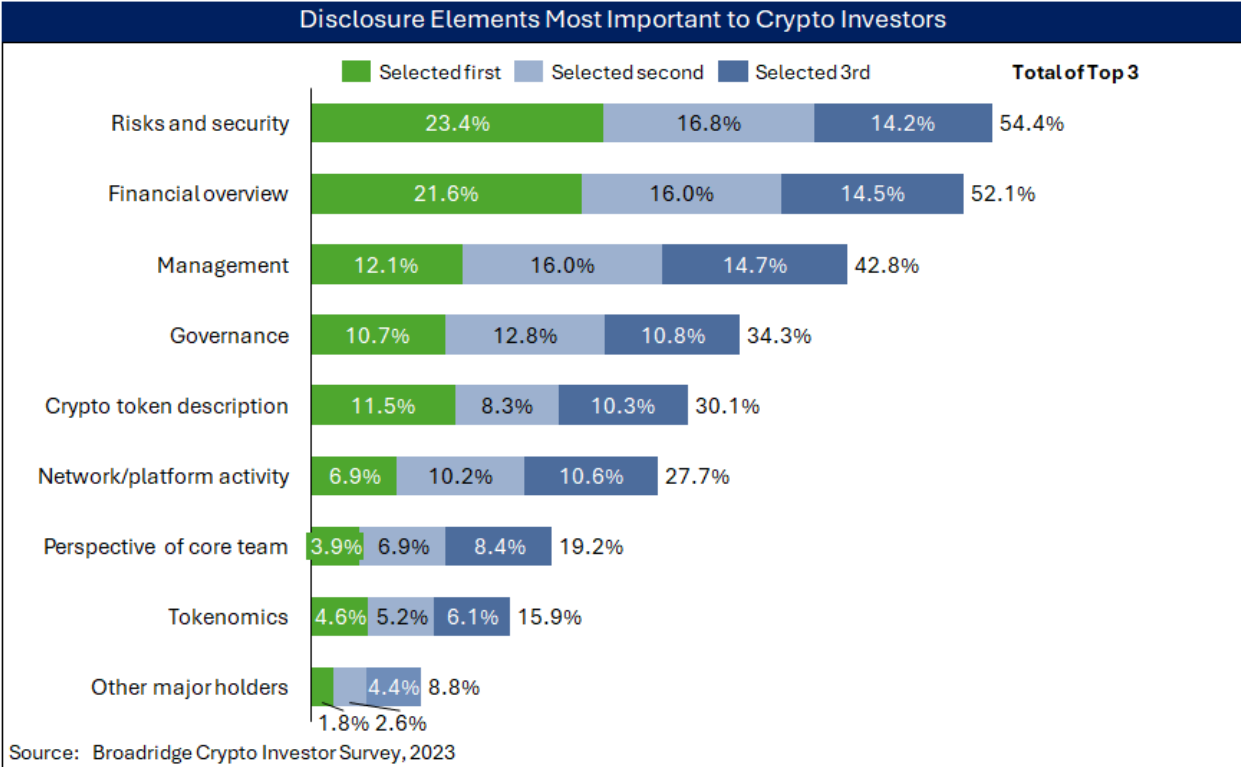
Results of Investor Survey

The survey respondents included current, past, and prospective crypto investors in the United States (n=1,000), Canada (n=500), the United Kingdom (n=500). The survey results show that individuals regard traditional types of disclosure information as important in making and monitoring crypto investments. This includes information on risks, financial overview, management, and governance.²

By contrast, survey respondents rated information on tokenomics, network/platform activity, and perspective of the core team *lower in importance*. This suggests that they are unaware of the importance of other relevant information that is helpful in evaluating and monitoring investments in these asset classes. Their lack of awareness may be due to several factors including, among others, the novel nature of crypto assets, varying levels of financial literacy, and the difficulty in finding and making sense of on-chain and off-chain sources of information (“separating the signal from the noise”). In many cases, important information is contained in lengthy and technical white papers or included on public blockchains. It may include programming code on technical aspects of the project that is difficult for many individuals to consume. Observations indicate that information often is not standardized in ways that facilitate comparison. Moreover, specific risk factors may lack sufficient salience.

¹ See Statement, SEC Division of Corporation Finance, “Offerings and Registrations of Securities in the Crypto Asset Markets,” (April 10, 2025), available at <https://www.sec.gov/newsroom/speeches-statements/cf-crypto-securities-041025>.

² A report on survey findings is available at <https://www.broadridge.com/assets/pdf/broadridge-crypto-asset-disclosure-study-report.pdf>.



Educating Investors: The Art of the Possible

Tailored disclosures, together with greater financial literacy education, can support robust growth in the crypto asset markets, and protect investors by affording them high levels of innovation and greater choice. Tailored disclosures can provide investors with protection also by assisting financial advisors. Tailored disclosures can be based on known principles of effective disclosure to render on-chain and reputable off-chain sources of information in ways that are easily accessible and more digestible to retail investors.³

ClearFiSM is an example of one type of tailored disclosure in use currently.⁴ ClearFiSM assists crypto exchanges in Canada and the U.K. in helping their participants understand more about the digital assets products traded on the exchange. ClearFiSM, and other disclosures like it, draw from a variety of on-chain and reputable off-chain sources of information to provide user-friendly and interactive summary information. (See illustration in Attachment A.) Tailored voluntary disclosures can be delivered directly to investors via digital wallets, “push notifications” from apps, and by notification and posting on intermediaries’ websites.

³ While crypto assets differ from more traditional asset types, tailored disclosures should reflect effective principles of disclosure, e.g.: 1. Provide investors with all relevant and necessary information for making investment decisions; 2. Utilize standardized formats so that investors can easily compare risks and other key content; 3. Push information directly to investors for access and viewing with a minimum of steps.

⁴ ClearFi is a data communications platform provided by Broadridge Financial Solutions.

Tailored Disclosures for Crypto Assets: Fit for Purpose

On April 10, 2025, the SEC's Division of Corporation Finance released a statement that provides greater clarity on the application of securities laws to crypto assets. The Division of Corporation Finance provided examples of relevant disclosure items to show how they can be tailored to reflect crypto asset securities, including: Description of Business; Risk Factors; Description of Securities (Rights, Obligations and Preferences; Technical Specifications; and Supply); Directors, Officers and Significant Employees; Financial Statements; and Exhibits.

We note that the Division's observations on tailoring these disclosure items line up well with the survey's findings on the 10 categories of information investors say they want. Attachment B lists the 10 categories, along with references to existing registration and disclosure requirements. It provides illustrative modifications that would tailor the requirements to reflect the unique attributes of crypto asset securities. The focus is on the Reg S-K disclosures items in Form S-1, Regulation AB, and Form 10 for this illustration. Broadridge's crypto assets disclosures whitepaper provides added detail.⁵ The Division's statement makes clear that it does not address all material disclosure items. Moreover, it does not indicate how frequently some of the tailored disclosure items would be updated or provided.

Conclusion

Findings from our survey of 2,000 individual investors indicate the types of information individuals want and need for evaluating and monitoring crypto asset holdings. We show how existing disclosure rules could be modified to reflect the unique attributes of crypto assets. Tailored disclosures, together with greater financial literacy education generally, can help to protect investors and support robust markets with high levels of innovation and greater investor choice. Tailored disclosures can be based on known principles of effective disclosure to render on-chain and reputable off-chain sources of information in ways that are salient, accessible, and digestible to retail investors. An example is of one that is in use today is provided with these comments.

We thank you for the opportunity to submit comments, and we welcome any questions you may have.

Sincerely,

Charles V. Callan

cc: The Honorable Paul Atkins, Chairman
The Honorable Mark Uyeda, Commissioner
The Honorable Caroline A. Crenshaw, Commissioner

Attachments:


- A. Example of a Type of Tailored Disclosure in Use Today
- B. Tailoring Existing Securities Disclosures for Crypto Asset Securities

⁵ Full whitepaper available for downloading at, <https://www.broadridge.com/white-paper/wealth-management/digital-asset-disclosures-white-paper>.

Attachment A: Example of a Type of Tailored Disclosure in Use Today

ClearFi | POWERED BY **Broadridge** About ClearFi Glossary

[Home](#) Currency **USD**

 **Solana** Official Launch Date: **February 2020**

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[+ Disclaimers](#)

About Solana

Solana Explained

Solana is a blockchain platform designed to address scalability challenges. It achieves faster transaction speeds and lower fees compared to some existing blockchains. This architecture facilitates the development of decentralized applications (dApps). SOL is the native cryptocurrency that powers transactions on the Solana network. Users can stake SOL to contribute to network security and earn rewards. SOL holders also participate in the governance process, voting on proposals that shape the future of the Solana platform.

Reference Sources: [Solana](#) Last Updated: March 6, 2024

Use Cases Of Solana

Solana is a high-performance blockchain platform that is capable of processing thousands of transactions per second at a very low cost. This makes it ideal for a wide range of applications, including:

- **Payments:** Solana can be used to send and receive payments quickly and cheaply. For example, the Solana Pay platform allows merchants to accept Solana payments with no transaction fees.
- **Decentralized finance (DeFi):** Solana is a popular platform for DeFi applications, which allow users to lend, borrow, trade, and invest in assets without the need for a central intermediary.
- **Non-fungible tokens (NFTs):** Solana is also a popular platform for NFTs, which are unique digital assets that can be used to represent ownership of items such as artwork, collectibles, and in-game items.
- **Gaming:** Solana's high performance and low transaction fees make it ideal for gaming applications. For example, the Star Atlas game is being built on Solana and is expected to allow players to own and trade in-game assets with real-world value.

In addition to these applications, Solana is also being used to develop new and innovative projects in a variety of areas, including social media, supply chain management, and healthcare.

Overall, Solana is a versatile blockchain platform with a wide range of potential utilities. Its high performance, low cost, and scalability make it ideal for a variety of applications, both existing and new.

Reference Sources: [Solana](#) Last Updated: March 10, 2023

Key Metrics

Last updated April 3, 2024 at 8:04 AM EDT

% Compared to **Last week**

| | |
|---------------------------|--------------------------|
| Price (USD) | Market Cap (USD) |
| 185.480 ↓ 0.23% | 82.71B ↑ 0.25% |
| # of Transactions | Total Value Locked (USD) |
| 280.68B ↑ 0.54% | 4.87B ↑ 2.73% |

Recent News

News sources provided by [The Tie](#)

- **March 2024**
 - Metaplex
Metaplex Foundation Launches Metaplex Core: Next Generation of Solana NFT Standard

The Metaplex Foundation has launched Metaplex Core, the next generation Solana NFT standard, aiming to reduce minting costs and Solana network load by over 85% for on-chain assets. Core features a single account model with a flexible plugin system, storing all key data in a single Solana account. Additionally, 50% of all Metaplex protocol fees will be converted into MPLX and contributed to the Metaplex DAO treasury. Core offers cost efficiency, improved developer experience, enhanced collection management, and advanced plugin support. Early adopters include Tensor, Claynosaurz, Triton, Extnode, Sniper, Solflare, Mallow, Truffle, and dReader, indicating broad support within the Solana ecosystem. Metaplex is known for providing the first Solana NFT standard, on-chain royalty enforcement, and compressed NFTs, and was the most used protocol on Solana in

Attachment B: Tailoring Existing Securities Disclosures for Crypto Asset Securities

| Type of Information | Description | Reference | Update Frequency |
|--|--|--|--|
| Crypto Asset Security Description | Name, crypto asset security symbol, crypto asset security standard, blockchain, number of crypto asset securities created/offered, and offering price. | Item 501 of Regulation S-K, Item 1102 of Regulation AB | One time |
| | Description of the crypto asset security to be registered and protocol, including the genesis of the crypto asset and/or its supporting blockchain. Disclosure in plain English to include the purpose of the crypto asset security, a technical description of the crypto asset security as well as the protocols where it resides. | Item 202 of Regulation S-K, Item 1113 of Regulation AB | One time |
| | Information about the protocol and how the blockchain is secured, such as the consensus mechanism-proof of work or proof of stake, and the related rewards for that activity (e.g., mining/validation rewards), the crypto asset security’s governance mechanism, and the crypto asset security’s relationship to its native network, including the hash rate, and any description of the audit process for the relevant code. | | Annual or based on material updates. |
| | Description of exchanges where the crypto asset security would be traded once trading. | Item 501 of Regulation S-K | One time |
| Financial Overview | Information relating to the revenue generated by crypto asset security and operational costs (“gas” fees, payments to miners, etc.). | | Frequent; Real-time |
| | Description of the key factors necessary to understand the financial performance of the crypto asset security. | Item 303 of Regulation S-K | Annual or based on material updates. |
| | How the offering price was determined. | Item 505 of Regulation S-K | One time |
| Governance Model | Governance structure of the business including relationship with affiliate entities (sponsors, issuers, foundations, servicers, trustees) and other transactional parties including development and post-launch support, as well as the roles that each of those entities play. in the functioning of the crypto asset security, including in ongoing disclosures and regulatory compliance . | Items 1104, 1106-1110, 1112, 1117, and 1119 of Regulation AB | Infrequent; based on material updates. |
| | Explanation of the rights conferred by the crypto asset security (e.g., voting, dividend, or other economic rights). | | Frequent; based on material updates |

| Type of Information | Description | Reference | Update Frequency |
|------------------------------------|--|--|---|
| Management | List ownership of officers, key employees. | Items 401, 403 of Regulation S-K | Annual or based on material updates. |
| | Description of crypto asset security lock-up period, vesting schedules, and dilution. | Item 506 of Regulation S-K | Annual or based on material updates. |
| | Disclosure of financial-related party transactions. | Item 404 of Regulation S-K | Annual or based on material updates. |
| | Compensation of project sponsor executives. | Item 402 of Regulation S-K | Annual updates |
| | Disclosure of any crypto asset security being sold by crypto asset security holders. | Item 507 of Regulation S-K | Frequent; based on material updates |
| Major Holders | List ownership of large holders, affiliated entities, directors of the issuer or affiliated entities (if applicable). | Items 401, 403 of Regulation S-K | Annual or based on material updates. |
| | Description of crypto asset security lock-up period, vesting schedules, and dilution. | Item 506 of Regulation S-K | Annual or based on material updates. |
| | Disclosure of financial related-party transactions. | Item 404 of Regulation S-K | Annual updates or based on material updates |
| | Compensation of project sponsor executives. | Item 402 of Regulation S-K | Annual updates |
| | Disclosure of any crypto asset security being sold by crypto asset security holders. | Item 507 of Regulation S-K | Frequent; based on material updates |
| | Provide all information about crypto asset securities, sold by issuer within the last 3 years, that were not registered. | Item 701 of Regulation S-K | Annual or based on material updates. |
| | Description of crypto asset security sold on terms different than the offering price to insiders or other affiliated or unaffiliated parties. | Item 506 of Regulation S-K | Annual or based on material updates. |
| Network / Platform Activity | Information about the volume of transactions over a period of time; number of developers, projects and proposals taking place using the crypto asset security or platform, as applicable. | | Frequent; Real-time |
| Perspective of Core Team | Use of proceeds – how issuer intends to use capital raised to assist in adding value to the crypto asset security (i.e., continued development by issuer) if registration is part of issuance. | Item 504 of Regulation S-K | One time |
| | Information about how/when crypto asset security holders can expect to earn a return or find more value in use of the crypto asset security (if applicable). | | Annual or based on material updates |
| | Provide information about utilization of the crypto asset security as well as revenue held for potential payment to crypto asset security holders (either in the form of fee sharing or “gas” fees). | Similar to Items 1111, 1125 of Regulation AB | Real-time |

| Type of Information | Description | Reference | Update Frequency |
|-----------------------------|--|---|--|
| Risk and Security | Material risks related to the offering | Items 105 and 503 of Regulation S-K, Item 1103 of Regulation AB | Annual or based on material updates |
| | General description of issuer or project sponsor's business, subsidiaries, affiliates and any predecessors. | Item 101 of Regulation S-K | Annual or based on material updates |
| | Description of material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the registrant or its founders are part. | Item 103 of Regulation S-K | Annual or based on material updates |
| | Geographic dispersion of large crypto asset security holders, number of staking/mining nodes, largest stakers/miners in terms of transactions processed, affiliation of stakers/miners, geographic dispersion of stakers/miners. | | Annual or based on material updates |
| Supporting Materials | White paper of the crypto asset security and protocol (if applicable); block explorer. | | Infrequent; based on material updates. |
| Tokenomics | Tokenomics – information about the initial supply size, fully diluted supply, release schedules, and ability to change overall supply. | | Model is infrequent; Data is real-time |