



SEC Crypto Task Force
U.S. Securities and Exchange Commission
100 F Street NE Washington, DC 20549-021

May 22, 2026

RE: Follow up from Ripple – SEC Crypto Task Force Meeting

Ripple met with the SEC Crypto Task Force on March 20, 2026 for a discussion on the treatment of payment stablecoins and tokenized securities under the net capital and customer protection rules, and potential next steps for broader guidance. We appreciated the in-depth and engaging discussion with Commissioner Peirce and members of the Task Force.

We are submitting this response as a follow-up to several questions raised in our meeting. The enclosed sections outline our rationale and suggestions for the Task Force to provide clarity to the issues at hand. The response addresses the following:

1. Clarifying stablecoins' treatment as collateral
 - **Amend Rule 15c3-1** to clarify how stablecoins can be properly applied on balance sheets
2. Clarifying requirements when custodying clients' stablecoins
 - **Amend Rule 15c3-3** to define the category "Qualified Payment Stablecoins"
3. Clarifying that crypto asset non-securities aside from BTC and ETH can receive equivalent treatment, considering the recently-released [SEC guidance](#) on securities laws applied to crypto assets.
 - **Revise Question 4** in the FAQ Relating to Crypto Asset Activities to account for any non-securities that meet the readily marketable definition.
4. Providing analysis illustrating how a 2% haircut for stablecoins remains punitive
 - **Stablecoins should have a 0% haircut**, provided there is a mint-burn relationship between the broker-dealer and issuer.
5. Clarifying which registry of ownership – off-chain or on-chain – takes precedence to determine ownership and legally enforceable rights
 - **Designate the on-chain registry as the single authoritative legal register**, thereby eliminating the dual-registry ambiguity that arises in digital twin structures.

Please reach out to Sam Dreiman at sdreiman@ripple.com if you have any additional questions.

1. Stablecoins' treatment as collateral in Rule 15c3-1

In our meeting, we discussed how recent guidance contemplates a 2% haircut for certain stablecoins. However, there remains uncertainty as to how that treatment applies across balance sheet contexts, particularly when stablecoins are received as collateral and reflected as receivables.

We believe the treatment of qualified stablecoins in broker-dealer financing transactions can be addressed primarily through clarification under Rule 15c3-1 (the Net Capital Rule), rather than through amendments across multiple regulatory regimes.

Absent clear guidance under Rule 15c3-1, there is uncertainty as to whether such receivables would be viewed as secured by an allowable asset or instead subject to deduction in an examination context, which directly impacts a firm's ability to incorporate them into financing transactions.

We offer the following two suggestions to address this uncertainty under Rule 15c3-1:

- Recognizing Qualified Payment Stablecoins as allowable assets and prescribing a consistent haircut framework; or
- Providing interpretive guidance that such stablecoins may be treated as cash or cash equivalents under the rule.

Providing clarity on this point would allow firms to apply the existing regulatory framework with confidence in both inventory and collateral contexts. We would welcome the staff's views on whether such clarification could be provided under the current rule.

2. Custodying client stablecoins and Rule 15c3-3

As discussed at the meeting, payment stablecoins are non-securities. The SEC's Division of Trading and Markets addressed this directly in its [Frequently Asked Questions Relating to Crypto Asset Activities and Distributed Ledger Technology](#) ("FAQ"), confirming in Question 7 that SIPC protection extends only to customer claims for "securities" as defined under SIPA (the Securities Investor Protection Act of 1970) that are entrusted to a SIPC member broker-dealer. Question 1 also excludes non-security crypto assets from 15c3-3. This risks clients of the broker dealer being less willing to transact using payment stablecoins as they will not benefit from the usual protections that they are afforded for cash and securities.

This can be addressed through targeted clarification within the existing framework. Absent clarity, there is uncertainty over how stablecoin balances should be reflected in the reserve formula and whether existing custody structures satisfy the requirements of the rule.

We believe that providing targeted clarification under Rule 15c3-3 in these areas would allow firms to apply the existing customer protection framework consistently to Qualified Payment Stablecoins. We propose that a narrowly defined category of “Qualified Payment Stablecoins” be recognized within Rule 15c3-3, subject to appropriate conditions regarding reserve quality, redemption, and transparency.

From a broker-dealer perspective, the key areas where clarity is needed are as follows:

1. Treatment in the Reserve Formula
Clarification that customer balances of Qualified Payment Stablecoins may be treated as cash or cash equivalents for purposes of the Rule 15c3-3 reserve formula and therefore are included as customer credits.
2. Treatment of Customer Transactions
If treated as cash or cash equivalents, confirmation that the use of such stablecoins to purchase securities would not give rise to customer debits, and that resulting positions may be treated as fully paid or excess margin securities.
3. Eligibility as Reserve Assets
Clarification as to whether Qualified Payment Stablecoins may be deposited into the Special Reserve Bank Account for the Exclusive Benefit of Customers, subject to appropriate conditions regarding liquidity, redemption, and custody.
4. Permissible Depositories
Clarification as to whether an OCC-chartered national trust bank or digital asset custodian—subject to federal supervision and capable of maintaining segregation, control, and required acknowledgments—may qualify as a “bank” for purposes of Rule 15c3-3.

3. Treatment of digital asset non-securities, aside from BTC and ETH, as being readily marketable

Question 4 in the FAQ reads:

Q4: Do broker-dealer custody and capital requirements prohibit a broker-dealer from facilitating in-kind creations and redemptions in connection with a spot crypto exchange-traded product (ETP)?

A4: No. However, broker-dealers taking proprietary positions in the assets underlying an ETP would need to account for those assets as part of their net capital calculations. The Staff will not object if a broker-dealer treats a proprietary position in bitcoin or ether as

being readily marketable for purposes of determining whether the 20% haircut applicable to commodities under Appendix B of Rule 15c3-1 applies.

In our meeting, we questioned whether this extended beyond BTC and ETH, and whether it was intended to be limited to assets held as a result of in-kind redemptions and creations of ETPs referencing these crypto assets. The Task Force noted that it did not wish to be seen as picking winners or losers by referencing XRP or other assets. Taking this into account, please see below a proposed redraft of the response to Question 4 to link to broader guidance provided on cryptoassets and marketable securities. We hope that this meets the intent of the FAQ and makes the response more comprehensive.

We would suggest this response be revised to read as follows:

A4: No. However, broker-dealers taking proprietary positions in the digital commodities as defined in the [Application of the Federal Securities Laws to Certain Types of Crypto Assets and Certain Transactions Involving Crypto Assets](#) would need to account for those assets as part of their net capital calculations whether or not such holdings were in relation to facilitating in-kind creations and redemptions in connection with a spot crypto exchange-traded product (ETP). These digital commodities should only be considered to be readily marketable and hence subject to Paragraph (a)(3)(ix)(C) of Appendix B where there is an ETP listed on a national securities exchange, quoted on an interdealer quotation system (like Nasdaq), or for which there are bona fide, competitive bid and offer quotations available from multiple dealers.

4. Analysis supporting the principle that a 2% haircut is punitive for stablecoins

As discussed in our meeting, we believe that when a direct mint-burn relationship exists between the broker dealer and the issuer of the payment stablecoin, the secondary market price of the stablecoin is less relevant than the ability to burn the coin for par, less the burn fee.

The discussion of secondary market prices turned to whether a money market fund (MMF)-type haircut would be appropriate as opposed to the haircut applied to short-dated U.S. Treasuries. We believe that the recently announced 2% haircut is overly conservative even where the firm is reliant on sales in the secondary market.

To support this position, we conducted an analysis to calculate the standard deviation of the price of daily price differences between RLUSD and USDC, and the standard deviation of 3-month constant maturity U.S. Treasuries (CMUST). We obtained a 2-year CMUST yield from the Federal Reserve of St. Louis (FRED) for the last five years up to March 23, 2026. The yield was converted to a price and a daily price change was calculated. RLUSD and USDC daily closing prices were obtained from coinmarketcap.com and a daily price change was calculated.

We were then able to calculate the standard deviation of daily price differences. Results can be viewed in Table 1 below.

Table 1

	Standard deviation	3 Month CM UST standard deviation (same period)
RLUSD (life)	0.0418%	0.00496%
USDC (life)	0.0156%	0.00832%
5 years	N/A	0.00930%

The CMUST is expected to have a lower price volatility than individual securities. However, we recognise that the payment stablecoins shown above have volatility an order of magnitude beyond the CMUST.

Regardless of this, the analysis above shows a 2% haircut to be disproportionate to the risk of the tokens. A 2% haircut would be a 47.85 standard deviation move for RLUSD. This is equivalent to a $1 - 10^{(-499.2)\%}$ confidence issue. In other words, the haircut threshold represents a highly conservative level relative to the price movement of the asset.

We do not consider the market exit price liquidity to be the most relevant measure. We believe that the haircut should be the maximum burn fee chargeable to holders eligible to access this facility in the shortest timeframe. If redemption gates can be imposed without the direction of the U.S. regulator of that token, a secondary market haircut should be applied either at the existing 2% or at a potential future lower level. Redemption gates should not be allowable following the enactment of the GENIUS Act. To the extent that a broker dealer does not have a direct mint-burn relationship, it should apply the secondary market haircut.

While we believe that payment stablecoins should have a lower haircut than MMFs, we consider the MMF haircut at 2% to be excessive. It dates back to 1982, and since notable issues during the 2007-2008 global financial crisis, there has been a significant strengthening of the MMF rules:

- 2010 reforms: strengthen credit & liquidity
- 2014 reforms: structural changes (floating NAV, gates/fees)
- 2023 reforms: removal of gates & mandatory liquidity fees

While additional analysis could be conducted by MMF market participants, we respectfully note the work the SEC has undertaken in this space to make these investment assets materially less risky than they were in 1982.

5. Resolving Ambiguities for Tokenized Securities

During the last segment of our meeting, we discussed the concept of resolving ownership disputes if the registries of ownership – one off-chain and one on-chain – are misaligned.

We concur with existing guidance from the SEC's digital asset taxonomy guidance. In the U.S., a money market fund is registered under the Investment Company Act of 1940. Its shares are already securities. The regulatory framework – disclosure, valuation, liquidity requirements, the fund's obligation to maintain a stable NAV – is already in place and already known to the SEC.

In direct issuance of a token, the token inherits that existing regulatory treatment. It is not a new product seeking regulatory classification. It is an existing product in a new technological form. The 1:1 direct ownership structure means the token holder has the same legal rights as a conventional fund shareholder – the same NAV entitlement, the same redemption rights, the same protections under the Investment Company Act. An SEC regulated digital transfer agent places on-chain registry within the existing regulatory framework rather than outside it. The desire is not to avoid securities regulation – we believe that a directly issued tokenized money market fund is a security and is regulated by the SEC as such.

The taxonomy seems to consider a digital twin as near equivalent. We believe where there is a digital twin and hence two registries of ownership, these could move out of alignment particularly where the security is being passed down a collateral chain (via rehypothecation) during stress. If the registries are not aligned there could be legal ambiguity as to ownership, just at the time when this is most critical. This suggests that additional risks exist which need to be managed and these two models are not functionally equivalent.

The SEC could provide additional clarity on this issue by designating the on-chain registry as the single authoritative legal register (with the source of truth being the regulated digital transfer agent) where a tokenized security is directly issued on-chain, thereby eliminating the dual-registry ambiguity that arises in digital twin structures. More specifically, the SEC could:

- Confirm primacy of the on-chain register for directly issued tokenized fund shares – i.e., where a registered digital transfer agent maintains the shareholder record exclusively on-chain, that record is the legal register of the title, not a mirror of an off-chain one.
- Clarify the legal effect of on-chain transfers. A recorded transfer on the DTA-maintained on-chain register constitutes a valid transfer of legal title under the Investment Company Act, with no requirement for a parallel off-chain entry.
- Distinguish direct issuance from digital twin models in its taxonomy, rather than treating them as near-equivalent – acknowledging that the risk profile, legal clarity, and systemic resilience of the two structures differ materially under stress.

By clarifying that the on-chain registry is the source of legal truth, market participants will be able to more easily resolve potential ownership disputes during times of stress, while allowing for the tokenized asset to more effectively utilize its functionality, for example as genuine collateral or in repo sales.