

Written Input to the SEC Crypto Task Force

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Subject: *ERC-7943 (uRWA), Open, Interoperable Compliance Primitives for Tokenized Real-World Assets*

Executive summary

Tokenization is increasingly used to represent real-world assets onchain, as traditional financial instruments, which some of them could be securities under U.S. federal securities laws. The Commission has asked how it should approach tokenized securities in a merit- and technology-neutral way while recognizing that tokenization can introduce unique risks and challenges.

This submission describes ERC-7943 (“uRWA, Universal Real World Asset Interface”), an open Ethereum interface standard designed to make compliance and control interactions with tokenized real-world assets more interoperable across wallets, venues, custody systems, and onchain applications.

My core recommendation is that the SEC consider how open technical standards for compliance primitives can reduce operational risk, improve auditability, and lower integration costs, without changing substantive investor protection obligations or predetermining whether an asset is a security.

Background: what ERC-7943 does (and does not)

ERC-7943 is an Ethereum standard specifying a set of interfaces for tokenized real-world assets (RWAs), built to work alongside existing token standards (ERC-20, ERC-721, ERC-1155) and discoverable via ERC-165 interface detection.

The standard addresses a recurring issue in tokenized asset markets: many regulated or compliance-sensitive digital assets need (a) eligibility checks and transfer controls, (b) freezing mechanisms, and (c) enforcement transfer capabilities, yet these are implemented inconsistently across issuers and platforms, increasing integration cost and operational fragmentation.

At a high level, ERC-7943 standardizes:

- Eligibility and transfer-permission checks (*canTransact*, *canTransfer*) so systems can determine if an account may interact or if a contemplated transfer may proceed, without dictating how the token evaluates eligibility.
- Freeze visibility and administration (*getFrozenTokens*, *setFrozenTokens*).

- An explicit enforcement transfer path (*forcedTransfer*) distinct from ordinary user transfers.

ERC-7943 is intentionally interface-focused and implementation-agnostic: it does not mandate a specific identity framework, specific onchain allowlisting scheme, or a single governance/access-control design.

Relevance to the SEC’s tokenized-securities questions

Commissioner request for input notes that tokenizing a security does replicate the substance of the underlying asset and asks what regulatory steps could facilitate blockchain-based innovation while mitigating unique risks.

In practice, a significant portion of *tokenization risk* arises not from whether an asset is onchain, but from whether market participants can reliably (and consistently) enforce the same constraints and controls that exist in traditional environments, such as:

- Restrictions on who can hold or receive certain instruments.
- Transfer restrictions tied to jurisdictional, offering, or intermediary requirements.
- Operational requirements to support enforcement actions and error correction under lawful authority.

Open standards like ERC-7943 can help address these issues by making compliance-related behavior more inspectable and integrable (e.g., third-party systems can query standardized permission checks, detect standardized interface support, and monitor standardized events).

At the same time, ERC-7943 highlights an area where disclosure is critically important for investor protection: administrative powers such as *forcedTransfer* and *setFrozenTokens* are high-impact controls that can be abused if not adequately governed. The ERC-7943 security considerations emphasize the need for robust access control and recommend secure authorization patterns such as multisigs and timelocks.

Recommendations for the SEC Crypto Task Force

Clarify that technical compliance primitives are not a legal classification test. The presence (or absence) of onchain compliance controls should not itself be read as determinative of whether a digital representation of an asset qualifies as a security. Instead, such controls should be understood as infrastructure that adapts in order the digital representation replicates its underlying asset and supports lawful compliance obligations . This aligns with a merit- and technology-neutral approach to tokenized securities while supporting investor protection through clearer, more auditable controls.

Encourage transparency standards around administrative powers for tokenized instruments. Where tokenized instruments include freezing or enforcement transfer capabilities (whether implemented via ERC-7943 or otherwise), issuers and intermediaries should clearly disclose: (1) who can exercise these powers, (2) under what governance and legal process, (3) what onchain events are emitted, and (4) what remediation or dispute process exists.

ERC-7943 already standardizes events for freezing and forced transfers, which can support ex post review and audit trails.

Consider how standardized interfaces can reduce market fragmentation and operational risk. A recurring barrier for regulated adoption is the cost of bespoke integration and the risk that each new token type requires custom compliance logic across wallets, custodians, venues, and protocols. ERC-7943 attempts to define a minimal interface layer so integrators can rely on a shared vocabulary for compliance and control interactions.

Coordinate with standards bodies and cross-border efforts on tokenization interoperability. Tokenized asset markets are inherently cross-border. ISO/TC 307 includes workstreams on blockchain/DLT standardization, including a working group specific to tokenization of assets.

The SEC may benefit from monitoring and engaging with these venues to encourage interoperability and reduce duplicative standards creation across jurisdictions.

Disclosures and potential conflicts

I am a co-author of ERC-7943.

I am also publicly reported as a co-founder of Brickken, a tokenization infrastructure provider; to the extent that open compliance standards reduce integration costs and accelerate adoption, Brickken may benefit indirectly from broader standardization.

This submission reflects my views as a technical contributor and market participant and is provided for discussion purposes.

Closing

Thank you for establishing a structured channel for public engagement and for considering how open technical standards can complement a merit- and technology-neutral regulatory approach to tokenized assets and tokenized securities.

Respectfully submitted,
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