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

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Dear Commissioner Peirce and Members of the SEC's Crypto Task Force,

We appreciate the Commission's continued engagement with digital-asset market infrastructure. We are submitting this letter to highlight specific considerations around the access layer for tokenized real-world assets and potential areas where clearer baseline expectations could reduce fragmentation.

I. Executive Summary

Institutional activity in tokenized RWA (real-world assets) is expanding, but the federal framework does not address the digital access layer where these exposures are evaluated and entered. Issuers and products fall within established rules, yet the interfaces institutions rely on to understand yield, liquidity, seniority, and lifecycle behavior operate without any common baseline. This creates uneven disclosures and limited supervisory visibility at a point in the process that now carries material economic significance.

A simple federal standard for the access layer would clarify how information is presented and how participation is managed, without altering the regulatory treatment of the underlying assets. It would provide a clear structure for a segment of the market that is developing quickly and currently operates without shared expectations.

II. Structural Regulatory Gap in Access to Tokenized RWA Infrastructure

The market for tokenized real-world assets has grown faster than the regulatory categories that govern large market participants. Federal frameworks appropriately supervise issuers, managers, and secondary trading venues, but they do not clearly or consistently address the digital access layer through which professional counterparties evaluate, compare, and enter yield-generating exposures. This access layer has become economically significant, yet it operates without a unified federal classification, standardized expectations, or consistent supervisory visibility.

Under the Securities Act of 1933, issuer-level obligations are well defined. Most tokenized RWA products already operate within regimes such as the Securities Act of 1933, the Investment Company Act of 1940, or Regulation D. However, the digital interfaces that mediate participant access may fall outside the scope of issuer-focused regulation. Some elements of this activity may be captured indirectly through existing rules, but such application is functional, case-dependent, and not designed to govern digital access channels. The result is uneven regulatory treatment rather than a coherent framework.

The Securities Exchange Act of 1934 presents a similar boundary. Certain platforms may perform functions that bring them within the definitions of exchanges, alternative trading systems, or broker-dealers, depending on how their systems operate. However, many access-layer functions do not consistently map to these categories. Platforms often perform economically meaningful activities such as representing risk, facilitating participation, or managing lifecycle signals that are not cleanly addressed by existing venue-based rules. This inconsistent mapping creates uncertainty for both market participants and supervisors.

The Investment Advisers Act of 1940 and the Investment Company Act of 1940 illustrate the same structural misalignment. Managers of underlying funds comply with fiduciary, reporting, and custody requirements. Yet the digital participation layer through which entities engage with these products is neither an adviser nor a custodian nor a distributor, even though it may perform activities related to distribution, risk representation, or ongoing monitoring. Existing rules may apply indirectly in certain cases, but there is no consistent baseline for digital access infrastructure.

The absence of federal expectations for yield related disclosures further contributes to fragmentation. Platforms may define APY, duration, seniority, impairment logic, liquidity windows, and valuation practices in divergent ways. Without common disclosure expectations for the access layer, large scale participants receive information that may be inconsistent and difficult to compare, complicating due-diligence processes and internal risk review.

Lifecycle reporting is equally inconsistent. Traditional markets rely on structured reporting regimes that allow regulators and supervised entities to reconstruct position history and assess risk over time. Tokenized RWA participation may not be captured within any standardized on-chain lifecycle schema, including ownership changes, cash-flow events, impairments, workouts, or valuation updates. This gap can limit supervisory visibility and lead to reactive rather than proactive oversight.

Eligibility frameworks also vary across platforms. Categories such as Qualified Institutional Buyers, accredited investors, and ERISA-governed entities do not consistently translate into digital participation environments. Verification standards, jurisdictional screening, documentation requirements, and refresh cycles differ across providers. In practice, private platform policy may substitute for public baseline expectations in a segment that is increasingly relevant to regulated entities and large capital allocators.

The cumulative effect is clear: existing regulatory regimes may apply to portions of the access layer, but their application is uneven, indirect, and not aligned with the operational realities of digital participation. Without a consistent federal baseline that recognizes the access layer as a meaningful component of institutional engagement, comparability remains limited, supervisory insight is fragmented, and some market participants might prefer to operate through jurisdictions with clearer or more predictable expectations. A federal baseline would not redefine the underlying assets. It would provide clarity and consistency for the channels through which institutions increasingly allocate capital, reinforcing U.S. market integrity and competitiveness in the transition to digital real-world financial infrastructure.

III. Proposal: Federal Baseline for Access to Tokenized RWA

To address the uneven, case dependent application of existing federal rules to digital participation channels, the Commission could consider establishing a targeted baseline for the access layer. This framework would not impose new issuer obligations or alter securities classifications. Instead, it would clarify expectations for how market facing digital platforms present information, structure participation, and maintain visibility into lifecycle events. The objective is consistency, not expansion of regulatory scope.

A coherent baseline can be organized around four complementary components:

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1. Access Provider Recognition (IAP)

Introduce a non-licensing, non-custodial recognition category for digital platforms that facilitate access to tokenized exposure.
This category would not replace broker-dealer, ATS, adviser, or custodian requirements where applicable. Instead, it would clarify expectations for platforms whose functions do not consistently map to existing regulatory categories.

Key expectations could include:

- accuracy and consistency in product and risk representation
- alignment with underlying issuer disclosures
- auditable data integrity for yield, liquidity, and redemption mechanics
- clear delineation of on-chain and off-chain components relevant to decision-making

Recognition provides a defined point of reference without adding registration burdens.

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2. Standardized Yield Presentation (SYP)

Establish a uniform disclosure format for how yield-relevant information is presented at the access layer.
SYP does not create a single yield metric; it standardizes how yield is explained, not how it is calculated.

Required elements may include:

- methodology used to calculate yield (simple, compounded, projected, realized, 7-day, etc.)
- timing and drivers of accrual
- liquidity and redemption structure
- capital-stack seniority and priority of claims
- impairment triggers, handling practices, historical outcomes
- valuation update frequency and methodology

SYP improves comparability while preserving flexibility across diverse RWA categories.

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3. Lifecycle Reporting Specification (LRS)

Define a minimum on-chain event taxonomy enabling regulators and risk teams to reconstruct a position's lifecycle.

Core reporting events could include:

- ownership transitions
- subscription and redemption events
- cash-flow distributions
- impairment, default, or workout signals
- timestamp integrity and reconciliation

LRS is not a trading-reporting regime.
It is a visibility layer designed to prevent the access layer from becoming a structural blind spot as digital participation scales.

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4. Eligibility and Participation Consistency
Define baseline federal expectations for qualification in digital environments, aligned with existing QIB, accredited investor, and ERISA categories.

Standardization may include:

• verification standards and documentation
• jurisdictional screening
• refresh cycles and attestation logic

The purpose is consistency rather than restriction, reducing fragmentation while maintaining full access for regulated entities.

Why Existing Disclosure Regimes Do Not Translate Cleanly

Federal disclosure frameworks were designed for intermediated markets with clearly separated roles for issuers, advisers, custodians, distributors, and trading venues.
Digital participation channels often blend or blur these functions, leading to indirect and inconsistent application of existing rules. A targeted baseline for the access layer would align modern digital workflows with long-standing regulatory principles without redefining the nature of the underlying assets.

IV. Conclusion: Federal Baseline as a Market Stability Requirement

Tokenized RWA markets are progressing from early deployments toward broader institutional use, and the access layer that mediates this participation now carries material operational and risk relevance. A targeted federal baseline for this layer would not expand the definition of a security or impose new issuer obligations. Instead, it would establish minimum expectations for how yield, liquidity, seniority, and lifecycle information are presented, and how institutional participation is structured across digital platforms.

Clarifying these expectations would strengthen risk comparability, enhance supervisory visibility, and reduce fragmentation in a segment that is scaling through diverse technical and operational models. A consistent baseline would allow institutional participation in tokenized RWA markets to grow within an established U.S. regulatory perimeter, rather than through divergent private standards or uneven interpretations of existing rules.

This approach improves predictability for institutions and innovators and allows the United States to remain a leading voice in the development of global frameworks for digital financial markets.

Respectfully submitted,
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