BLOCKCHAIN ASSOCIATION

November 3, 2026

VIA ELECTRONIC SUBMISSION

Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Transfer Agent Rules; Release No. 34-106246; File No. S7-2026-30

Dear Ms. Countryman:

The Blockchain Association ("BA" or "we") appreciates the opportunity to submit this comment letter in response to the U.S. Securities and Exchange Commission's ("SEC" or "Commission") proposed amendments to the rules that apply to registered transfer agents (the "Proposal").[1]

BA is the leading nonprofit membership organization dedicated to promoting a pro-innovation policy environment for the digital asset industry. BA endeavors to achieve regulatory clarity and to educate policymakers, regulators, courts and the public about how blockchain technology can pave the way for a more secure, competitive and consumer-friendly onchain marketplace. BA represents more than 100 member companies reflecting the wide range of the dynamic blockchain industry, including software developers, infrastructure providers, exchanges, custodians, investors and others supporting the public blockchain ecosystem.

BA supports the Proposal's significant modernization of the transfer agent rules, particularly its express accommodation of blockchain-native or onchain transfer agents and blockchain-based recordkeeping.[2] The Proposal would facilitate blockchain-based recordkeeping, tokenized fund administration, cross-chain interoperability and smart contract-driven processes, while requiring the recordkeeping transfer agent to retain exclusive control over the authoritative master securityholder file and comply with a modernized set of operational, safeguarding, compliance and reporting obligations.[3] By recognizing that a blockchain or other distributed ledger may serve as the master securityholder file, the Proposal would codify the position reflected in the

[1] Transfer Agent Rules, Exchange Act Release No. 106246, 91 Fed. Reg. 56946 (Sept. 4, 2026) (the "Proposing Release"), https://www.federalregister.gov/documents/2026/09/04/2026-18190/transfer-agent-rules.

[2] U.S. Sec. & Exch. Comm'n, Fact Sheet: Proposed Transfer Agent Rule Modernization (Sept. 1, 2026), https://www.sec.gov/files/34-106246-fact-sheet.pdf.

[3] Proposing Release at 56947 ("[M]arket participants are actively seeking to bring blockchain-native, or 'onchain' transfer agents into the U.S. market, with some firms developing models for blockchain-based recordkeeping, tokenized fund administration, and cross-chain interoperability that would require transfer agents to maintain issuer and securityholder records on distributed ledgers and deploy and administer smart-contract-driven processes.").

Division of Trading and Markets' FAQs[4] and give onchain recordkeeping durable legal effect. The Proposal also advances the objectives of the President's Working Group Report on Digital Asset Markets[5] and the Commission's Project Crypto initiative.[6]

To deliver upon such objectives, BA believes that certain aspects of the Proposal warrant clarification and targeted modification. In particular, the Proposal's intended accommodation of technology-neutral blockchain-based recordkeeping, as currently drafted, implies the recognition is conditional and depends on the type of network rather than focusing on regulating the function. A potential unintended consequence of the current Proposal is uncertainty around whether tokenization can be conducted on public, permissionless infrastructure, or whether the Proposal is instead effectively limiting compliance via only permissioned systems. The following principles are aimed to highlight areas where the Commission can resolve several key parts that lead to such uncertainty.

- **Functional equivalence:** Onchain mechanisms that achieve the same regulatory result as legacy mechanisms should be recognized as satisfying the rules. A programmatic restriction that memorializes the same legal restriction on transfer as a traditional legend or stop transfer notation is its functional equivalent. Compliance, eligibility and operational controls should not automatically be treated as restrictive legends. Ledger state and transaction history are designed to satisfy position detail and transfer journal requirements whereas controls establish completeness, finality and the integrity of any linked offchain records. Equally, a ledger record should be capable of being the master securityholder file itself, rather than a mirror that must be reconciled to a separate offchain register.

- **Control-based responsibility:** Obligations and performance measurement should be tailored to the functions and records assigned to the transfer agent and to matters within its control. Network congestion, fee markets, reorganizations and protocol upgrades are not within a transfer agent's control and should not count against a transfer agent that did not cause or contribute to the delay and maintained reasonably designed policies concerning fees, finality, exceptions and recovery.

- **Technology neutrality in practice, not just in principle:** The Commission describes the Proposal as technology neutral, but several requirements (including exclusive control, mailing addresses and retention of deleted position detail) are drawn from centralized, offchain assumptions and operate asymmetrically against onchain models. These areas require clarification in order to be technology neutral and not inadvertently result in only providing pathways for offchain models. Conditions for using a ledger should be expressed

[4] U.S. Sec. & Exch. Comm'n, Div. of Trading & Mkts., *Frequently Asked Questions Relating to Crypto Asset Activities and Distributed Ledger Technology*, Q11 (last updated Feb. 19, 2026), https://www.sec.gov/rules-regulations/staff-guidance/trading-markets-frequently-asked-questions/frequently-asked-questions-relating-crypto-asset-activities-distributed-ledger-technology.

[5] President's Working Group on Digital Asset Markets, *Strengthening American Leadership in Digital Financial Technology* (July 17, 2025), https://www.whitehouse.gov/wp-content/uploads/2025/07/Digital-Assets-Report-EO14178.pdf.

[6] *See* U.S. Sec. & Exch. Comm'n, Chairman Paul S. Atkins, *American Leadership in the Digital Finance Revolution* (July 31, 2025), https://www.sec.gov/newsroom/speeches-statements/atkins-digital-finance-revolution-073125.

as outcomes, so that controls enforced by the ledger protocol on every transaction are recognized alongside controls implemented in issuer-deployed smart contracts.

- **Proportionality and sequencing:** The Proposal sets no compliance date, phase in schedule or transition period, and simultaneously rescinds exemptions under Rule 17ad-4 on which smaller and newer registrants may have relied. BA supports the transparency of timelines for a sequenced implementation, proportionate reporting and multiple paths to a common operational standard, with sequencing applied to implementation mechanics rather than to the substantive standard itself. Size alone should not determine the substantive safeguard, record integrity or gatekeeper standard.

- **Principles-based securityholder identification and communication:** Transfer agents should be permitted to satisfy securityholder identification and communication obligations through any reliable means, including wallet addresses and other electronic identifiers. The Commission should define the functional information required for each regulated event, and transfer agents should publish objective requirements and process instructions that satisfy them. Information collection requirements should rest on the purposes of Section 17A of the Securities Exchange Act of 1934 ("Exchange Act"), not on state corporate law or anti-money laundering objectives.

- **Holder instructions and holding form:** Transfer agents should be able to accept authenticated holder instructions, including instructions to change holding form, submitted through interoperable interfaces. Any discretion to decline lawful instructions should be exercised through published, consistently applied processing requirements.

I. Foundational Definitions

The Commission should clarify key definitions and concepts that apply across the Proposal to provide market participants with greater certainty regarding its scope and application.

a. Definition of "master securityholder file"

BA supports the amended definition, which the Commission states would permit a transfer agent to use blockchain or other distributed ledger technology ("DLT") as the master securityholder file or a component of it. The Commission should codify this interpretation, consistent with the staff's FAQ position, in the rule text or the adopting release. The issuer-level master securityholder file may connect with legally distinct securities account records, security entitlement records and other separate security records without those records becoming another master securityholder file for the issue.

The Commission should confirm that the ledger record may itself constitute the master securityholder file, rather than only a component that must be mirrored to, and reconciled with, a separately maintained offchain register. Where the ledger holds the position record, an onchain transfer is the transfer on the master securityholder file; there is nothing to propagate and nothing to reconcile. Requiring a second record of the same position would introduce, rather than mitigate, the risk of record differences. Two records of the same position may eventually disagree, and every

disagreement is a period in which the official register is wrong. Reconciliation duties belong instead to architectures that maintain a mirrored record, which is where the risk arises.

b. Scope of "exclusive control" over the master securityholder file

BA recommends that the Commission define "exclusive control" functionally and consistent with the staff's FAQ position.[7] A recordkeeping transfer agent should be considered to have exclusive control where it is solely responsible for the official master securityholder file and ensures that the file is at all times secure, accurate, up to date, produceable to the Commission and its staff in an easily readable format and maintained for the required periods, regardless of the specific technology, systems or files that comprise it. Exclusive control should not require the transfer agent to initiate or approve every transaction, to hold administrative keys or other means to reverse onchain transactions, or to exercise physical or operational control over the underlying network. Exclusive control should, however, include the authority to ensure that the master securityholder file reflects only authorized issuances and redemptions, and the ability to cause errors in the file to be corrected through subsequent corrective entries, such as cancellation and reissuance. Where the affected securities are held in a third-party smart contract, the transfer agent's policies and procedures may address the effect of a corrective entry on that contract and its users, including advance notice where practicable. Furthermore, the transfer agent may exercise the aforementioned authority directly or through a tokenization provider or other party that performs minting, burning or similar functions at its direction, without itself holding the keys used to perform those functions. This differs from a third-party tokenization provider that mints tokens referencing a security, as discussed below.

In the blockchain context, the "exclusive control" standard should apply to records maintained solely on a blockchain or distributed ledger. A transfer agent may retain exclusive authority and accountability for the official master securityholder file even when authenticated instructions originate through public infrastructure, automated controls or an interface operated by another regulated participant. The Commission should therefore avoid an interpretation that would, as a practical matter, require permissioned systems, administrative keys, allowlisted wallets or contractual control over the entity deploying the network. Exclusive control over the official master securityholder file should not confer discretion to reject authenticated instructions that satisfy applicable law and the transfer agent's published processing requirements. Such clarification does not limit any obligation of the transfer agent to block or reject a transfer under Rule 17ad-31, applicable sanctions requirements or eligibility restrictions applicable to the security.

The Commission should define the conditions for exclusive control as outcomes rather than by reference to a particular architecture. Tokenized securities are currently implemented in at least two ways. First, as smart contracts deployed by or for the issuer, whose upgrade and administrative authority may be permanently disabled at deployment or exercised under documented governance, such as threshold signing, time delays and review of each change. Second, as native ledger objects whose transfer conditions (such as whether holders must be authorized, whether transfers can be suspended and whether an erroneous position can be recovered) are declared at issuance and enforced by the protocol on every transaction, with control residing in the keys to the issuing

[7] *See* Div. of Trading & Mkts., *supra* note 4.

account rather than in upgradeable code. On some networks the two models overlap, for example where contract upgrade authority is itself governed by protocol-enforced multi-key account thresholds, or where a contract can be installed as non-upgradeable at creation. Both models should be capable of satisfying the standard. The rule should describe both, rather than describing one and leaving the other to be argued by analogy.

Finally, a transfer agent using a public network does not control that network's protocol. The Commission should treat protocol change as a dependency that the transfer agent monitors, manages and discloses, rather than as a defect in exclusive control, consistent with the principle that exclusive control does not require control over the underlying network.

Consistent with the principles-based approach discussed below, the Commission should permit a transfer agent to rely on a wallet address and quantity held as the master securityholder file entry for a holder, without linking that address to the holder's name and physical address, where applicable law permits and the transfer agent can uniquely identify and maintain a reliable channel of communication with the holder. Nothing in this approach should prevent a transfer agent from collecting additional information where direct registration or applicable law requires it.

c. Single recordkeeping transfer agent per issue

The Commission should confirm that the single recordkeeping transfer agent requirement attaches to the master securityholder file for the relevant issue and does not extend to a separately issued security that references it, which has its own issuer and securityholder records, or to a securities intermediary's records of security entitlements. The Commission should also consider permitting recordkeeping functions for an issue to be allocated among more than one transfer agent, provided the arrangement maintains a single authoritative master securityholder file and one designated recordkeeping transfer agent remains accountable for coordinating that file, with the arrangement clearly allocating responsibility among the participating transfer agents.

The Commission should clarify that a third-party tokenization provider does not become a transfer agent, co-transfer agent or service provider to a transfer agent solely by minting a token that represents the underlying security and tracking ownership of such tokens onchain. The Commission should further clarify that such activity, standing alone, does not require the third-party tokenization provider to enter into a contractual or other arrangement with the issuer of the underlying security or its recordkeeping transfer agent. Whether a third-party tokenization provider is acting as a transfer agent should instead depend on the functions it performs with respect to the relevant security and securityholder records. By contrast, a provider that, under authority from an issuer or other legal principal, maintains the authoritative ownership, transfer or entitlement record for the security may be performing transfer agent functions.

Consistent with this principle, the Commission should provide guidance on: (1) how the single recordkeeping transfer agent requirement would apply to wrapped or third-party tokenized securities, provided that such guidance should not treat tokens that a non-custodial protocol mints to account for users' deposits of a security as a separate issue requiring a recordkeeping transfer agent, or treat the protocol's developer as a transfer agent, co-transfer agent or service provider to a transfer agent, solely because the protocol mints such tokens; and (2) the allocation of

responsibilities among the recordkeeping transfer agent, co-transfer agents and blockchain-integrated service providers.

d. Scope of the amended "item" definition

BA generally supports expanding the definition of "item" to encompass instructions transmitted by or through "an electronic system controlled, operated, or enabled by the transfer agent," which captures instructions transmitted through blockchains and other DLT-based platforms as well as technologies not yet developed. Because the term "enabled" is broader than "controlled" or "operated," BA requests that the Commission establish a functional boundary. A system should be treated as enabled where the transfer agent has affirmatively designated, integrated or agreed to accept instructions through it, including an authenticated interface operated by another registered transfer agent or regulated intermediary. Merely providing non-discretionary infrastructure, or transmitting activity through a platform, bridge or interface that the transfer agent has not authorized, should not cause the system to be treated as enabled by the transfer agent. Likewise, allowlisting a third-party smart contract address as an eligible holder or transferee, for example so that holders may post tokenized securities as collateral in a non-custodial lending protocol, should not by itself cause that contract to be a system enabled by the transfer agent or a service provider to the transfer agent.

e. Position detail, transfer journal and record differences

BA supports replacing "certificate detail" with the technology-neutral term "position detail" because this amendment would reflect that most securities are now held in uncertificated form. Further, BA supports the addition of a definition of "transfer journal" in Rule 17ad-9(n) and a third category of record difference in Rule 17ad-9(g)(3), covering inconsistencies between position detail in the master securityholder file and the history of transactions in the transfer journal. In applying these concepts to onchain recordkeeping, the Commission should recognize that a blockchain can maintain both a current list of registered owners and a time-sequenced record of changes, with the ledger state corresponding to position detail and the transaction history corresponding to the transfer journal. The Commission should confirm this functional equivalence in the adopting release. Similarly, where the ledger protocol or smart contract enforces a declared maximum amount for an issue and maintains the outstanding amount, the control book function is performed natively such that overissuance is prevented at the point of issuance rather than detected after the fact.

Where position detail is deterministically derived from the same canonical ledger history, Rule 17ad-9(g)(3) should permit reconciliation to be satisfied through controls that verify derivation, finality, completeness and any linked offchain information, without requiring a duplicative legacy reconciliation process. Finally, in the onchain context, the Commission should provide guidance regarding the application of the amended "record difference" category to ordinary onchain conditions that are transient rather than erroneous, including pending or unconfirmed transactions, chain reorganizations, failed or stuck transactions, and cross-chain latency.

f. Securityholder contact information

BA supports a flexible, technology-neutral framework for securityholder records that accommodates onchain models and promotes the continued development of regulated markets for tokenized securities. In particular, the Commission should recognize blockchain wallet addresses as permissible electronic contact information and allow alternatives to a physical mailing address where consistent with the function of the record and applicable law. BA also supports a substitution framework for direct onchain distribution and self-custodied holding models where a reliable wallet-linked or other electronic channel exists for required notices, communications and payments, to the extent permitted by governing law, plan terms and applicable Commission notice requirements.

More fundamentally, BA urges the Commission to adopt the principles-based alternative described in the Proposing Release, under which transfer agents could satisfy identification and communication requirements "using whatever means and information they find most applicable, convenient, and cost efficient while enabling the unique identification of securityholders and establishment and maintenance of contact with them."[8] That approach would not dilute either objective. A transfer agent would remain obligated to identify each record holder to the exclusion of all others and to maintain a reliable channel of communication with each holder, and flexibility would extend only to the means of meeting those obligations. As the Commission recognizes, principles-based rules would also allow the framework to adapt as technology and business practices continue to move away from names and mailing addresses.[9] The current rules, adopted in the late 1970s and early 1980s, have remained largely unchanged for more than four decades despite the industry's technological transformation, and more than a decade passed between the Commission's 2015 Concept Release[10] and this Proposal. Prescriptive information requirements that can change only through rulemaking are likely to be outpaced by technology again.

Both objectives can be satisfied, often more effectively, without a name and physical mailing address. As to identification, a public blockchain wallet address is cryptographically unique and cannot be duplicated, whereas names may be shared with others or legally changed, and a physical mailing address may be shared by many holders and changes frequently. Email addresses and other identifiers can also uniquely identify a holder, individually or in combination and subject to the transfer agent's reasonable verification procedures. The Commission should define the functional information elements required for routine onchain holding, direct registration and other regulated events, but should not require more information for direct registration than applicable law and the issuer's governing documents require. Each transfer agent should be permitted to determine how to verify those elements, but should publish stable submission requirements and process an instruction once the applicable requirements are satisfied.

As to communication, a physical mailing address is among the least reliable channels for reaching natural persons, who change addresses frequently and whose mail is subject to delivery error. Electronic channels, including onchain messaging to a wallet address, reach holders

[8] Proposing Release at 57039.

[9] Proposing Release at 57039.

[10] Transfer Agent Regulations, Exchange Act Release No. 76743, 80 Fed. Reg. 81948 (Dec. 31, 2015), https://www.federalregister.gov/documents/2015/12/31/2015-32755/transfer-agent-regulations.

instantaneously, generate delivery confirmations and create auditable records. Onchain delivery can also be cryptographically acknowledged by the holder, which provides verifiable evidence of receipt. Reliance on these channels is consistent with the Commission's longstanding acceptance of electronic delivery of required disclosures. The Proposal itself acknowledges that limiting securityholder contact information to a physical mailing address "is no longer adequate to support the efficient functioning of a modern clearance and settlement system that relies on electronic communications to process securities transactions."[11] The logical conclusion is that a physical mailing address should be one of several permissible means of identification and communication, not a mandatory floor on which electronic contact information is layered.

A mandatory mailing address baseline is also a poor fit for the holding structure of tokenized securities. For traditional uncertificated issues held through the Depository Trust Company, a transfer agent typically maintains name and address information for a single record holder, Cede & Co., and beneficial owners are reached through the intermediary chain. Record holders of tokenized securities, by contrast, often hold directly through self-custodied wallets, with no broker-dealer or custodian through which information requests can be channeled. For these holders, the Proposal would impose a novel obligation to collect personally identifiable information from potentially thousands of holders with whom the transfer agent has no pre-existing relationship, an obligation that is technically challenging, operationally costly and inconsistent with how these holders participate in the markets. Reliance on wallet-based identifiers also would not impair a transfer agent's ability to respond to legal process, adverse claims or court orders, which it can reflect in the master securityholder file it maintains.

Finally, mandatory collection of names and physical addresses would require transfer agents to build repositories of personally identifiable information, much of it unnecessary to any transfer agent function, increasing exposure to data breaches and identity theft. Data minimization is itself a form of investor protection, and the Commission should account for that benefit in its economic analysis. A universal mailing address requirement would also impose unnecessary costs on issuers and transfer agents and may discourage participation in registered offerings by investors who transact primarily through digital means.

BA recognizes that members hold different views on this issue. Some members believe each position should be linked to the holder's name and physical address, while others believe a wallet address or other electronic identifier is sufficient to identify the holder. A principles-based standard, as described above, would accommodate both views, because a transfer agent could elect to collect name and address information.

g. Federal securities law, not state law, should determine transfer agent information requirements

The Proposing Release asks whether a securityholder that does not provide a name and physical mailing address would be considered a "registered holder" under state law, and whether other parties rely on a transfer agent's obligation to obtain that information. These considerations should inform the Commission's rulemaking, but the Commission should not require more information than applicable law requires for the function or position at issue. The Commission's

[11] Proposing Release at 56969.

authority to regulate transfer agents derives from Section 17A of the Exchange Act, and transfer agent requirements should be calibrated to the objectives of the federal securities laws, including the prompt and accurate clearance and settlement of securities transactions, rather than to the corporate codes of any state. State law on this question varies across jurisdictions and continues to evolve. Wyoming, for example, has amended its law to permit a digital wallet address to serve as the securityholder identifier for state corporate law purposes.[12]

Where direct registration requires name and address information, the transfer agent should collect it. Where an issuer, broker-dealer or other party must collect name and address information to satisfy its own obligations under state corporate law, tax law or other law, it can contract with the transfer agent to collect that information on its behalf. Transfer agency agreements routinely specify the scope of information the transfer agent will collect and maintain and can be tailored to the needs of the particular issuer and its securityholders. The Commission should leave these additional information needs to private contracts rather than mandate collection by every transfer agent in every circumstance.

h. Information requirements should not be premised on anti-money laundering objectives

Some commenters may urge the Commission to retain mandatory collection of names and mailing addresses on the theory that it supports anti-money laundering ("AML"), customer identification, sanctions screening or law enforcement objectives under the Bank Secrecy Act ("BSA"). The Commission should expressly decline to do so. Those objectives are not among the statutory purposes of Section 17A, nor are they the basis on which the Proposal justifies the proposed collection requirements; that justification rests on securityholder identification and communication. A final rule resting on AML rationales would depart from the rationale set forth in the Proposal and would instead rely on objectives that Congress assigned to a different statutory scheme administered by the Financial Crimes Enforcement Network ("FinCEN"). Whether transfer agents should be subject to a BSA program or customer identification requirements is a policy question for FinCEN to address, if at all, through its own notice-and-comment rulemaking, with requirements tailored to that purpose.

Declining to premise these rules on AML considerations would not leave a gap. Where investors acquire securities through broker-dealers or other intermediaries, those intermediaries are already subject to customer identification and due diligence requirements at onboarding, and issuers remain responsible for the eligibility requirements that apply to their offerings. Sanctions obligations administered by the Office of Foreign Assets Control ("OFAC") apply to transfer agents and issuers independently of the Commission's transfer agent rules and can be implemented programmatically, including through address screening embedded in smart contracts. Mandatory name and address collection by transfer agents would therefore add little to the existing AML

[12] *See* Wyo. Stat. Ann. § 17-16-140(a)(xxxvii), (xlvi)–(xlvii) (2025) (defining "shareholder" to include the owner of a private key uniquely associated with a data address, and defining a shareholder's "identity" as either the shareholder's name or the shareholder's data address); *id.* § 17-16-1601(c) (requiring a physical mailing address only where a shareholder is identified by name, and an authorized means of electronic receipt where the shareholder is identified by data address); *see also* H.B. 101, 64th Leg., Budget Sess. (Wyo. 2018) (enacted as Enrolled Act No. 22).

framework while imposing costs and privacy risks that Section 17A neither requires nor authorizes.

II. Registration and Reporting

Subject to the modifications discussed below, BA generally supports extending the effective date of registration from 30 to 45 days after a Form TA-1 is filed, requiring an amended Form TA-2 within 60 days after discovering that previously filed information was materially inaccurate, misleading or incomplete at the time of filing, and expanding certain of the questions on both forms, including new DLT and tokenization items. BA believes these amendments generally would provide transfer agents with additional flexibility in the registration process, promote the accuracy of information reported to the Commission and provide the Commission with more relevant information regarding evolving transfer agent activities and technologies. In particular, the new DLT items could provide for disclosure, as appropriate, regarding the networks on which a transfer agent relies, the validators or other parties on whose operation it depends, and the persons that hold keys or other authority over each issuance. These dependencies may differ meaningfully from those presented by conventional outsourcing arrangements and may not otherwise be apparent from the information provided on the forms. Some members also suggest that, in reporting tokenized issues, Form TA-2 identify the issuer of the security for which the transfer agent maintains records and whether the transfer agent acts as the recordkeeping transfer agent or in another capacity, which would give the Commission a clearer picture of tokenized activity without extending the forms to persons that are not acting as transfer agents.

a. Amended Form TA-2 obligation and materiality

BA supports the materiality threshold for Form TA-2 amendments. The Commission proposes to amend Rule 17ac-2 to require a transfer agent that discovers that information reported on Form TA-2 was "materially inaccurate, misleading, or incomplete" to correct it within 60 days of discovery. Because these concepts are well established under federal securities laws, BA believes that further defining them through prescriptive standards is unnecessary and could impose additional burdens without providing meaningful additional benefits.

III. Turnaround and Processing

Subject to the modifications and clarifications discussed below, BA supports amending Rules 17ad-2 and 17ad-3 to require registered transfer agents to establish, maintain and enforce written policies and procedures reasonably designed to ensure compliance with applicable turnaround requirements, including a T+1 timeframe for the turnaround of routine items by transfer agents not acting as outside registrars, and to raise the threshold triggering limitations on expansion from 75% to 95%.

a. Turnaround standards applied to onchain instructions

BA supports tying turnaround to the settlement cycle. In the onchain context, the proposed standard is appropriate because onchain models may facilitate settlement within T+1. The final rules should permit processing standards to evolve toward continuous availability as participating

systems become capable of supporting it. BA also supports retaining the two consecutive month threshold before limitations on expansion are imposed.

However, the combination of the broadened "item" definition, the new 3% notice trigger in Rules 17ad-2(c) and (d), and the 95% threshold warrants additional clarification for onchain transactions. Under the Proposal, turnaround of an uncertificated security would be complete when the relevant position detail is posted to the master securityholder file. Accordingly, the Commission should clarify when turnaround or processing of an onchain transaction is deemed complete, including whether completion occurs when a transaction is included in a block, after a specified number of confirmations, or upon finality. Given the range of blockchain architectures and consensus mechanisms, the Commission should permit a transfer agent to establish an appropriate standard in its written policies and procedures, provided that the standard is reasonably designed and consistently applied. On networks with deterministic finality, a transaction becomes final once the block containing it is finalized under the network's consensus rules and cannot subsequently be reversed, so turnaround should be deemed complete upon finalization, without any further confirmation period.

The Commission should exclude from the calculations under Rules 17ad-2(c) and (d) and 17ad-3(b) delays attributable to network conditions outside the transfer agent's control, but only where the transfer agent did not cause or contribute to the delay and maintained reasonably designed policies concerning transaction fees, finality, failed or stuck transactions, bridge or cross-chain latency, reorganizations and scheduled upgrades. This treatment would be consistent with the Commission's statement that the policies and procedures approach is not intended to impose de facto strict liability for a single missed deadline.

The Commission requested comment on whether the proposed limitations on expansion would be triggered more often and which transfer agents would be affected. In evaluating these issues, the Commission should consider the disproportionate impact that the proposed limitations on expansion will have on smaller and newer registrants, including blockchain native transfer agents, particularly because the resulting constraints on growth may be compounded by associated reputational consequences.

b. Rejection notices for onchain instructions

BA supports the Proposal's objective of providing presentors with notice of curable defects. The Commission should clarify, however, that a rejection by the transfer agent encompasses only a determination by the transfer agent, including through restriction logic in a smart contract or other system the transfer agent deploys, controls or affirmatively designates for that purpose, or a transfer condition that the transfer agent configured at issuance and that the ledger protocol enforces. A rejection should not include transactions that fail or revert because of network conditions, insufficient fees, malformed transactions or other causes outside the transfer agent's control. By contrast, a transfer that fails a condition the transfer agent configured is the transfer agent's own control operating as designed, and the transfer agent must provide the required notice. Allowlisting a third-party smart contract address as an eligible holder or transferee is not an affirmative designation of that contract for purposes of this requirement, and a transaction that reverts under the logic of such a contract is not a rejection by the transfer agent.

The Commission should also confirm that the required notice may be provided through any reasonably designed electronic channel, including an in-platform or wallet-linked message. To facilitate automated processing, the Commission should permit standardized reason codes and cure instructions to satisfy the applicable content requirement for automated rejections.

Finally, the Commission should clarify when an intermediary, interface provider or protocol that submits an instruction on behalf of a registered securityholder qualifies as an "authorized agent" under the definition of "presentor" in Rule 17ad-9(o), and may therefore receive the required notice. The Commission should also confirm that a non-custodial protocol that executes transactions in accordance with pre-defined code does not, by doing so, act as an authorized agent of any securityholder.

c. Prompt posting of onchain transfers

BA supports aligning the prompt posting requirements of Rule 17ad-10 with the settlement cycle and adopting technology-neutral terminology. Because blockchain-based systems post transactions to the ledger in real time rather than through batch processing, the Commission should confirm in the adopting release that a transfer recorded on a blockchain-based master securityholder file is "posted" when it is confirmed onchain under the standard established in the transfer agent's written policies and procedures, without a separate posting step by the transfer agent. The Commission should confirm that an authenticated instruction submitted through a blockchain or other electronic interface that the transfer agent has designated or agreed to accept, including a network the transfer agent monitors for that purpose, is an "item," and that it is received when it enters that interface or becomes observable on that network. Absent that clarification, instructions submitted directly onchain would fall outside the turnaround and rejection notice requirements altogether. This would avoid duplicative requirements and reflect the speed and accuracy of onchain posting.

IV. Recordkeeping and Record Retention

BA generally supports the modernization of the transfer agent recordkeeping framework, including by clarifying the treatment of uncertificated securities, updating the provisions for electronic systems and third-party recordkeeping, and expressly recognizing that required records may be maintained on a distributed ledger or blockchain network.

a. Retention of deleted position detail on immutable ledgers

The Commission expressly requests comment on whether a master securityholder file maintained exclusively on an immutable blockchain network should be excepted from the requirement to retain deleted position detail for six years from deletion. Some members support an exception or deemed-compliance provision, while other members believe the requirement should apply as proposed. At a minimum, to the extent the Commission retains the requirement, it should confirm that the requirement may be satisfied by a ledger and related controls that preserve

a complete, accessible and reproducible history and make that history available to the Commission for the required period.

b. Third-party DLT platforms

BA agrees with the Commission's view that a transfer agent that can view records on a blockchain, permit examination and promptly furnish copies has independent access under proposed Rule 17ad-7(h)(2) and therefore need not enter into a written agreement, but only where the transfer agent can access full transaction history and not merely current ledger state. BA requests that the Commission codify this view in the rule text and confirm that independent access may be satisfied through a transfer agent's own full-history node or, where it relies on an indexer or other third-party history provider, that provider's full history, even though no single party controls the network. Viewing current ledger state alone is not sufficient. Access to historical records depends on infrastructure that retains full transaction history, which most network participants do not operate. Some members further recommend that a transfer agent relying on a third-party history provider obtain the provider's commitment to retain full history and permit examination.

Consistent with the functional equivalence principle, the Commission should also confirm that records maintained on a public or permissioned blockchain that meet these access conditions, together with the completeness and reproducibility conditions discussed above, satisfy the retention and accessibility requirements of Rules 17ad-6 and 17ad-7 without the need for separate backup systems or redundant record storage.

V. Safeguarding and Risk Management

BA generally supports converting Rule 17ad-12 from a prescriptive safeguarding rule into a principles-based risk management framework that would require written policies and procedures reasonably designed to safeguard securities and funds and to identify, measure, monitor and mitigate material risks. BA believes that this principles-based approach would provide transfer agents with appropriate flexibility to tailor their risk management practices to their particular activities and risks, while additional examples in the adopting release would provide useful guidance regarding the Commission's expectations.

BA requests that the Commission provide non-exclusive examples in the adopting release illustrating how transfer agents using onchain models may satisfy the proposed requirements, including, as applicable: controls relating to key generation, storage and recovery; multi-signature or threshold signing governance; smart-contract change management, upgradeability and third-party audit; oracle and bridge dependency risk; fork and reorganization contingency planning; dependencies on validators, sequencers and node providers; and vendor oversight of tokenization platforms; and, for securities issued as native ledger objects, custody of the keys to the issuing account, verification that the issuance was correctly configured at creation, and monitoring of the network's protocol amendment process and of the validators on which the transfer agent relies. The Commission should also clarify whether, and under what circumstances, a transfer agent's possession or control of cryptographic keys would cause the associated securities or funds to be deemed within the transfer agent's control and therefore subject to the safeguarding requirements.

VI. Compliance Program Requirement

BA generally supports the proposed compliance program requirement, which would require transfer agents to adopt and implement written policies and procedures reasonably designed to achieve compliance with the federal securities laws and to identify and remediate compliance failures in a timely manner, subject to a few modifications. Specifically, BA requests that the annual approval requirement for the policies and procedures accommodate registrants without a traditional board, and that the Commission confirm that approval by a managing member, general partner or equivalent governing body satisfies the requirement. BA also recommends phased implementation and proportionate reporting for smaller registrants, directed to implementation mechanics such as reporting, evidence stores and systems build rather than to the substantive elements of the program, particularly given the simultaneous rescission of Rule 17ad-4.

BA further recommends that the final rule establish a principles-based standard that specifies the minimum elements every compliance program must include, while permitting each transfer agent to design its program around its actual business activities and the technologies it employs. Many blockchain-native transfer agents serve a limited number of issuers or administer tokenized issues that present a different risk profile from traditional issues, and a framework designed around the largest transfer agents could impose costs on these registrants without a corresponding regulatory benefit.

VII. Restrictive Legends and Section 5 Gatekeeping

With respect to proposed Rule 17ad-31, BA encourages the Commission to confirm that: (1) a programmatic transfer restriction that memorializes the same legal restriction is the functional equivalent of a restrictive legend; and (2) a reasonable basis may be established ex ante at the wallet or eligibility level. Further, because the safe harbor is non-exclusive and includes an independent determination alternative, BA asks the Commission to confirm that a counsel opinion is not a practical prerequisite to establishing a reasonable basis prior to facilitating an unregistered securities transaction.

a. Programmatic transfer restrictions as legend equivalents

This provision could have direct operational consequences for tokenized securities. BA requests confirmation that a programmatic control is the functional equivalent of a restrictive legend only where it memorializes the same legal restriction on transfer of the relevant security that otherwise would be reflected by a traditional legend or stop transfer notation. Examples may include lockup or holding period conditions, or allowlist or permissioning logic, where those controls implement that same legal restriction. Lifting the restriction is the functional equivalent of legend removal. Wallet eligibility, sanctions screening, jurisdictional controls, operational holds and other compliance or record layer controls should not automatically be treated as restrictive legends, and changing such a control should not automatically be treated as legend removal.

b. Timing and mechanics of the reasonable basis determination

The rule contemplates a discrete, transfer agent mediated act, but onchain transfers can occur peer-to-peer and nearly instantaneously through both permissioned and public systems. A

requirement to form a new reasonable basis before each transfer could require gating every transfer at the smart contract level and make otherwise lawful recurring activity impracticable.

The Commission should confirm that a documented reasonable basis determination may be established at the program or security level, implemented through wallet or eligibility controls, and remain effective while the material facts and controls remain unchanged, with renewed review for material changes and transaction level escalation for exceptions and identified red flags.

The Commission should clarify that "awareness" for purposes of the safe harbors requires actual knowledge of facts or circumstances indicating a potential violation, as identified through a transfer agent's reasonably designed policies and procedures, rather than constructive knowledge based on all publicly available information. Alternatively, a transfer agent should be able to satisfy the safe harbor through a reasonably designed, risk-based onchain monitoring program, without conducting a transaction-by-transaction review of the full chain history.

c. Alternatives to the safe harbors

Where the counsel opinion safe harbor is not economically viable, the Proposal provides an alternative under which a transfer agent may make its own determination that a transaction may be conducted pursuant to an exemption. Because that determination may carry costs similar to a counsel opinion, BA proposes standardized and programmatic alternatives, including holding period data encoded at mint, an issuer approved eligibility oracle, standardized issuer or intermediary representations, and machine generated evidence showing conformity with approved program controls. The adopting release should recognize these methods as capable of satisfying the reasonable basis standard.

BA supports the antifraud objective of the proposed rule while emphasizing that the rule should require a reasonable basis, not convert transfer agents into guarantors of Section 5 compliance.

d. Entitlement transfers and changes in holding form

The Commission should clarify that recording a transfer of a security entitlement does not change the master securityholder file for the underlying security and should not by itself be treated as a new issuance or distribution of that security for purposes of Rule 17ad-31. Similarly, converting an unrestricted position between intermediary and direct registration form without a change in beneficial ownership should not by itself be treated as a new issuance or distribution for those purposes, and a program-level reasonable basis determination may cover such conversions. A holder or authorized agent should be permitted to initiate such a conversion through an authenticated instruction delivered through a designated interface, subject to applicable law and the transfer agent's published processing requirements.

VIII. Lost and Inactive Securityholders

BA generally supports the proposed amendments to modernize the lost and inactive securityholder framework to accommodate electronic communications and payment methods, including extending the unresponsive payee provisions to electronic payments that are rejected and returned as undeliverable. BA believes that recognizing electronic methods of communication

and payment appropriately reflects current market practice while preserving the rule's investor protection objective.

However, the Commission should clarify in the adopting release how the terms "inactivity" and "notification" apply in an onchain context. In particular, the Commission should recognize that the absence of transactions involving a particular wallet does not necessarily indicate that the associated securityholder is lost. An authenticated electronic channel should be permitted to satisfy the rule only where governing law, plan terms and applicable Commission notice requirements permit it. The Commission should also clarify when onchain or wallet-linked messaging meets those conditions. Some members believe that onchain delivery to a holder's wallet should itself satisfy the notification requirement. Finally, BA recognizes that escheatment is governed by state law but encourages the Commission to state in the adopting release that the absence of onchain activity in a self-custodied wallet does not, by itself, indicate that a securityholder is lost or that property is abandoned. If the Commission adopts the principles-based alternative, the adopting release should also explain how the lost and inactive securityholder and escheatment provisions of Rule 17ad-17 apply where a holder is identified by a wallet address and there is no physical address to search, including where a holder has lost access to its private keys or a wallet has been inactive for an extended period. In those circumstances, the transfer agent's ability to correct the master securityholder file through corrective entries, as discussed above, may provide a path to restoring the holder's position.

BA also has concerns about the proposed requirement that transfer agents conduct database searches to locate updated mailing addresses for lost securityholders, particularly holders who elected to communicate electronically. A securityholder who affirmatively elects to hold securities and receive communications through a wallet address or email address, after clear disclosure that the holder is responsible for keeping that information current, has accepted responsibility for maintaining its contact information. This allocation mirrors the informed consent model the Commission has long applied to electronic delivery of disclosure documents. A transfer agent's obligation should be to maintain reasonable procedures for receiving and processing updated contact information, not to conduct open-ended searches for holders who have not kept their own information current.

To the extent the Commission retains a transfer agent obligation to reestablish contact, it should adopt the alternative it considered in the Proposing Release: requiring at least two attempts to reestablish contact with a lost securityholder using all reasonably available contact information, including phone numbers, email addresses, digital wallet addresses and physical mailing addresses.[13] That approach is technology-neutral. It is more likely to succeed because it uses every available channel rather than a single updated mailing address, and it avoids the licensing and personnel costs of database searches that may return outdated information or false matches, costs that are ultimately borne by issuers and securityholders. The Commission's concern that a multi-channel approach could produce inconsistent compliance applies equally to database searches, because transfer agents use different databases and methodologies and achieve different hit rates. That concern should not weigh against the more effective and flexible alternative.

[13] Proposing Release at 57042.

Where securities are held at a smart contract address that executes pre-defined, non-discretionary code at the direction of its users, such as a non-custodial lending protocol, the Commission should confirm that the developer, deployer or governance participants engaging with that code do not, by reason of that address appearing on the ledger, become the registered holder, nominee, custodian or intermediary with respect to those securities, and that such an address is not a lost or inactive securityholder because it cannot receive notices or respond to attempts at contact.

IX. Rescission of Rule 17ad-4

Members hold differing views on the proposed rescission of Rule 17ad-4. Some members support rescission so that a single set of standards applies to all registered transfer agents. Other members recommend that the Commission retain the existing exemptive relief for small transfer agents or, in the alternative, adopt a more tailored approach that provides appropriate relief where the limited scope of a transfer agent's activities does not warrant application of the full transfer agent regulatory framework.

Rescission may fall hardest on smaller and newer transfer agents, including blockchain-native registrants and tokenized fund administrators, some of which may have structured their operations in reliance on the existing exemption. The Commission should provide additional transition time, such as a delayed compliance date or a phase in or transition period, for transfer agents that would become subject to additional regulatory requirements as a result of the proposed rescission of Rule 17ad-4. Any transition period should be time-limited and focused on implementation mechanics, such as reporting lineage, evidence stores and systems build, rather than on the substantive standards themselves.

If the Commission does not retain the Rule 17ad-4 exemption, it should, at a minimum, adopt a scaled compliance framework calibrated to item volume, together with proportionate reporting and implementation requirements.

X. Additional Issues Requiring Commission Guidance

a. Registration perimeter for tokenization infrastructure

The Proposal regulates the conduct of registered transfer agents; it does not resolve when a tokenization platform, smart contract deployer or blockchain infrastructure provider crosses into transfer agent status, which remains governed by the functional analysis under Section 3(a)(25) of the Exchange Act and the staff's framework for crypto asset activities. BA urges the Commission to provide guidance confirming that a provider does not become a transfer agent merely because a transfer agent uses the provider's non-discretionary code, data, validation, communications or operating infrastructure, including allowlist and transfer restriction administration, smart contract-based subscription and redemption processing, onchain reconciliation and net asset value or reporting support. Registration should turn on whether the provider itself performs a statutory transfer agent function with the relevant authority and responsibility. More broadly, the Commission should confirm that publishing or operating neutral software that does not itself perform a transfer agent function falls outside the transfer agent framework, which would support the development of compliant onchain markets, including decentralized finance applications that

interact with registered transfer agents or that hold tokenized securities at the direction of their users, such as non-custodial lending protocols that accept tokenized securities as collateral.

b. Adjacent registration categories and clearance and settlement

The Proposal does not address exchange, broker-dealer or clearing agency status, and does not resolve how transfer agent recordkeeping interacts with the clearance and settlement framework where settlement occurs atomically onchain. This is a significant gap, and additional guidance is needed to clarify how the Proposal fits with other Project Crypto initiatives, such as the innovation exemption for tokenized NMS stock.[14] Guidance is similarly needed on how tokenized securities recorded under the Proposal may be used in securities lending and as collateral, including in non-custodial lending protocols, given that collateral mobility is among the principal benefits of tokenization. For example, the Commission should confirm that a registered transfer agent does not become a clearing agency merely by receiving authenticated instructions from another transfer agent or regulated intermediary and making an authorized change on the books it maintains. Direct interfaces should be evaluated by the functions performed, without importing depository or clearing agency concepts into ordinary transfer agent communications. The final framework should also permit holders and their authorized agents to submit authenticated instructions through designated interfaces when the instructions satisfy applicable law and published processing requirements.

c. State corporate law, the UCC and Article 8

The Commission describes the master securityholder file as synonymous with the stockholder ledger or register under state corporate law, but the Proposal does not address the distinct treatment of registered ownership and Article 8 security entitlements. Federal recognition of a ledger-based file does not by itself determine its status under state corporate law or the Uniform Commercial Code ("UCC"). The Commission should preserve those distinctions and acknowledge the interaction with state law in the adopting release.

The adopting release should also confirm that the transfer agent rules do not impede authenticated instructions used to carry out duties arising at different record layers under applicable state law, including a securities intermediary's obligation to comply with an effective entitlement order under UCC Section 8-508.

XI. Economic Analysis

BA supports the Commission's decision to address the transfer agent regulatory framework through notice and comment rulemaking rather than enforcement. The economic analysis, however, quantifies the Proposal's costs without quantifying its benefits, including those of

[14] Order Granting Temporary Conditional Exemptive Relief, Pursuant to Section 36(a)(1) of the Securities Exchange Act of 1934, from the Definition of "Exchange" in Section 3(a)(1) of the Exchange Act for the Use of Certain Distributed Ledger Trading Venues for Tokenized NMS Stocks and from the Definition of "Dealer" in Section 3(a)(5) of the Exchange Act for Certain Liquidity Providers for Tokenized NMS Stocks, and Request for Comment, Exchange Act Release No. 34-106402, File No. 4-927 (Sept. 17, 2026), https://www.sec.gov/files/rules/exorders/2026/34-106402.pdf.

onchain recordkeeping, faster settlement and direct registration.[15] A complete analysis would support the Proposal's modernization goals and allow the Commission to weigh alternatives it has not taken up, including those discussed in the 2015 Concept Release, as well as the effects of the Proposal on competition and on smaller registrants.

The burden estimates also do not describe a new entrant. They value policy and paperwork hours, whereas the binding costs of the Proposal are capability costs, including continuous monitoring, staffed exception handling, key management, evidence stores and regulator-ready export. BA does not ask the Commission to reduce its requirements on that basis; it asks the Commission to record their true cost, so that any future assessment rests on accurate figures. More broadly, a clear and demanding standard is itself a benefit. Currently, issuers and their counsel cannot form a reliable view of whether an onchain register satisfies the federal securities laws, and that legibility is a precondition for institutional investment in tokenized issuance.

XII. Conclusion

We commend the Commission for undertaking the long overdue modernization of the transfer agent regulatory framework through notice and comment rulemaking. We appreciate the opportunity to comment and welcome further engagement with the Commission as the Proposal is finalized. BA welcomes the opportunity to meet with the Commission and its staff, and any questions regarding this comment letter can be directed to Ashok Pinto, Executive Vice President, Legal and Government Relations, and Jack Solowey, Senior Counsel, Policy and Regulatory Affairs.

Respectfully submitted,

/s/ Ashok Pinto
Ashok Pinto
Executive Vice President
Legal and Government Relations

/s/ Jack Solowey
Jack Solowey
Senior Counsel
Policy and Regulatory Affairs

[15] *See, e.g.,* Craig M. Lewis, Economic Analysis of Decentralized Finance ("DeFi") Applications "Safe Harbor" Proposal at 22 (Apr. 7, 2026), https://www.sec.gov/files/ctf-written-craig-m-lewis-economic-analysis-defi-04-07-2026.pdf ("Blockchain technology provides an immutable and publicly verifiable ledger of all transactions, allowing stakeholders to trace asset histories and verify ownership in real time. This contrasts with traditional market structures, where transaction records are generally maintained across proprietary ledgers and market participants often rely on periodic reporting for execution data.").