

Response to S7-2026-27

Comments on US SEC's Proposed Rule: Regulation Crypto Assets
26 September 2026

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Executive Summary

The MiCA Crypto Alliance supports the adoption of proposed Rule 103 substantially as proposed, subject to targeted amendments. The Commission is right to develop disclosure requirements tailored to covered investment contracts involving crypto assets rather than applying conventional securities disclosure requirements without adjustment. Rule 103 addresses several matters particularly relevant to this asset class, including essential managerial efforts, development progress, token economics, governance and smart-contract permissions, source-code availability, ecosystem structure and project-specific risks.

Our experience with the prescriptive EU MiCA white paper regime and the more principles-based UK QCDD regime supports retaining Rule 103's principles-based foundation, with lessons from useful utilization of prescriptions in specific cases. A fully prescriptive regime can require immaterial information and become poorly adapted to differing technical structures. A purely principles-based regime, however, can reduce comparability and make regulatory and automated review more difficult. We therefore recommend a hybrid approach: narrative disclosure should remain principles-based, while factual information that benefits from standardization should be prescribed and machine-readable, with non-exclusive guidance used where additional structure would improve consistency.

We recommend several targeted additions to Rule 103. Issuers relying on the exception for information that is unknown or not reasonably available should identify what has been omitted. Development disclosure should provide a sufficiently concrete basis for assessing progress against the issuer's stated managerial efforts. Rule 103 should also distinguish rights attached to the subject crypto asset from rights under the covered investment contract, require clear disclosure of the status and material outcome of relevant technical or smart-contract audits, and identify applicable law and dispute forum where relevant. The description of the offering should provide greater clarity on basic mechanics such as fundraising conditions, oversubscription and allocation, purchaser fees, preferential pricing, safeguarding, refunds and delivery.

The disclosure should also be readily usable by investors. We recommend a short, non-technical summary at the beginning of the offering circular, ready access to the current disclosure at the point where investors encounter the crypto asset, and coherent presentation of related-person holdings, concentration, lock-ups, release schedules, transfer restrictions and control rights. Risk disclosure should remain limited to material,

issuer- and project-specific risks. Non-exclusive examples can assist issuers in identifying relevant risks, but prescribed risk language would risk increasing boilerplate rather than reducing it.

For Form 1-CRYPTO, we support structured Part I disclosure and recommend adding basic crypto asset identification fields, including the relevant network and smart-contract or equivalent ledger identifier, together with a recognized unique token identifier where available. The Commission should remain neutral as to the private identifier standard used. The form should also accommodate non-conventional organizational structures without forcing inaccurate corporate information into mandatory fields, while preserving the separate eligibility requirements for the Fundraising Exemption.

Finally, we recommend the use of XBRL, preferably Inline XBRL, instead of a Form 1-CRYPTO-specific XML format. This would align with existing SEC structured-data practice and allow structured factual fields and narrative disclosure to coexist in a single human- and machine-readable filing. Rule 103 should remain the common substantive legal standard, but its operative requirements should also be reproduced in Form 1-CRYPTO so that the principal disclosure is self-contained. Item 13 should likewise combine issuer-level financial condition with information on the resources allocated to development of the associated network or application, rather than treating those as alternative forms of disclosure.

Introduction

The MiCA Crypto Alliance is pleased to contribute to the Commission's request for comment on proposed Regulation Crypto Assets.

We generally support the Commission's decision to develop a regime inspired by securities regulation but tailored to crypto assets, rather than applying conventional securities disclosure requirements without adjustment. As the proposing release recognizes, traditional disclosure can require information that is not especially useful in a crypto context while failing to capture information that is.

Our comments focus on proposed Rule 103 and the related disclosure requirements in Form 1-CRYPTO. We compare these with the EU MiCA white paper regime and the forthcoming UK Qualifying Cryptoasset Disclosure Document regime.

MiCA Crypto Alliance has worked on more than 100 MiCA white papers and is also actively developing QCDDs with associated methodologies and templates for UK disclosures. Our comments draw on that experience, particularly around disclosure granularity, comparability, machine readability, issuer attribution and the treatment of crypto-specific technical information.

We do not suggest that the US should replicate the EU or UK models. Our aim is to identify where those regimes offer useful lessons for the Commission's proposed approach, where the Commission's approach offers comparative advantages, and share practical experience at the disclosure preparation and filing stage.

Question 26

Should we adopt Rule 103 as proposed?

Yes, substantially, but with targeted amendments.

From a comparative perspective, Rule 103 is appropriately tailored to the characteristics of crypto assets. Its coverage of token economics, development plans, governance, source code, ecosystem structure, related persons and project-specific risks addresses categories of information that are not always captured effectively through conventional securities disclosure.

Certain elements of Rule 103 are also more explicit than comparable requirements under other crypto asset disclosure regimes, notably the requirement to disclose the issuer's essential managerial efforts, and progress against those efforts. In addition, the express treatment of smart-contract governance mechanisms and permissions is also valuable, as are the fields for source-code availability, the present and anticipated onchain and offchain

ecosystem — these fields are more “crypto-native” than and better adjusted to the reality of the asset class than disclosures in other jurisdictions.

The requirement that disclosures be consistent with the issuer’s public statements and promotional materials is also appropriate, and standard, according to international practice. Investors in crypto assets often rely on project websites, white papers, technical documentation, governance materials and official communications alongside formal regulatory disclosures. Requiring consistency across those sources is therefore an important safeguard and is consistent with the approach taken in other jurisdictions.

We do not consider it necessary to replicate the full granularity of MiCA white paper or FCA QCDD disclosure schedules. However, our experience with those regimes indicates that more structured requirements can improve comparability and investor understanding in certain areas. We therefore recommend targeted prescribed information and non-exclusive disclosure guidance where these would improve the quality and consistency of disclosure without converting Rule 103 into a fully prescriptive field-by-field regime.

Question 27

Are there any specific disclosure requirements in Rule 103 that we either should not adopt or that we should change in the final rules? If so, please identify those provisions along with any recommended changes to the provisions.

We do not recommend removing any of the principal disclosure categories in Rule 103. We do, however, recommend three targeted changes.

First, Rule 103(a) should require issuers to identify expressly where otherwise responsive information has been omitted because it is unknown or not reasonably available.

We agree with the proposal that issuers should not be required to provide information that they cannot reasonably obtain. The concern is instead with silent omission. If a disclosure requirement applies but the issuer cannot provide the relevant information, an investor should be able to distinguish that situation from one in which the requirement is simply not applicable.

We therefore recommend that Rule 103(a) require the issuer, where material responsive information is omitted because it is unknown or not reasonably available, to identify the omitted information and briefly explain that it could not reasonably be obtained. This would not expand the issuer’s obligation to investigate or produce unavailable information; it would simply make the limitation transparent.

Comparable disclosure regimes illustrate the value of expressly identifying information gaps rather than allowing them to disappear from the disclosure record. The precise mechanism

need not be the same, particularly because the QCDD regime places certain verification responsibilities on the trading platform whereas Rule 103 disclosures are prepared by the issuer. The relevant principle is narrower: where the disclosure framework permits omission, the omission itself should be visible and explained.

Without that distinction, the exception risks becoming difficult to supervise in practice. A reader, and ultimately the Commission, may be unable to determine whether an omitted matter was considered and found unavailable, regarded as inapplicable, or simply overlooked. Requiring an express statement would preserve the flexibility of Rule 103(a) while maintaining accountability around its use.

Second, Rule 103(b)(5) should provide marginally increased structure around disclosure of the development plan and progress against that plan.

The proposed rule already requires disclosure of the issuer's development plan and its progress in implementing that plan. We support that requirement. In our view, however, the concept of "progress" would be more useful if the rule or accompanying instructions identified the types of information that may be material to that assessment.

MiCA white papers separately address past and future milestones, resource allocation, among others. Even these prescriptive fields are greatly narrative, but the distinction between some of these variables helps guide the disclosure. In any case, we do not recommend importing those requirements as a separate prescriptive schedule. However, Rule 103(b)(5) could clarify that material aspects of the development plan may include development milestones, anticipated timing, resources required, resources allocated and material deviations from previously disclosed plans.

This is particularly important in the context of Regulation for Crypto Assets because the issuer's essential managerial efforts, and whether those efforts have been performed, are not merely descriptive matters. They are directly relevant to the legal and economic position of the covered investment contract. A disclosure regime that requires progress against managerial commitments should therefore give investors a sufficiently concrete basis on which to assess whether those commitments are being met.

Third, Rule 103(b)(3) should provide greater clarity on the identification, utility and functionality of the subject crypto asset. Additional guidance on what should be covered would help issuers understand the expected scope, particularly given that Rule 103(b)(7) separately addresses economics and allocations, which can be considered as well as part of crypto asset aspects.

Rule 103(b)(3) could provide greater clarity by expressly including the crypto-asset's utility and functionality within the associated ecosystem among the material aspects to be described. Because Rule 103(b)(7) addresses the economics and allocation of the subject crypto asset, we also believe it would be clearer for that provision to follow immediately after

Rule 103(b)(3), so that the description of the subject crypto asset and its economic characteristics are presented together.

Question 28

Are there any other disclosure requirements that we should specify in Rule 103?

Yes. We propose four additions.

Rights and obligations

We recommend adding an express disclosure requirement for the rights and obligations attached to the subject crypto asset itself.

Rule 103(b)(1) requires disclosure of the material terms of the covered investment contract, including purchaser obligations and other contractual terms. That is important, but it is conceptually distinct from the rights, entitlements, obligations or restrictions that arise from holding or using the subject crypto asset once issued.

Both MiCA and the UK QCDD regime expressly require disclosure of rights and obligations attached to the crypto asset itself, separately from the terms of an offer. MiCA goes further by separately prescribing disclosure of the conditions for exercising those rights and obligations and the conditions under which they may be modified.

Broadly, we consider that distinction useful. A purchaser may acquire a covered investment contract because of the issuer's promises or managerial efforts, while the subject crypto asset may separately confer governance rights, access rights, redemption rights, economic entitlements, transfer restrictions or other functionality. Those characteristics may persist independently of the original investment contract and can be material to an investor's understanding of the asset.

We therefore recommend adding a requirement along the following lines:

Rights and obligations attached to the subject crypto asset. *Describe the material rights, entitlements, obligations or restrictions associated with holding or using the subject crypto asset, the conditions for exercising those rights, and the circumstances in which they may be modified.*

This would fill a genuine gap in Rule 103 without materially increasing its complexity. It would also help distinguish clearly between the legal terms of the covered investment contract and the characteristics of the crypto asset that the investor ultimately receives.

Technical audit status and outcome

We also recommend adding an express disclosure requirement concerning technical audits.

Rule 103(b)(6) requires disclosure of the material security characteristics of the subject crypto asset and associated network or application, and requires a link to publicly available source code. It does not, however, expressly require the issuer to state whether the relevant technology has undergone an independent audit.

MiCA addresses this directly by requiring disclosure of whether a technology audit has been conducted and, if so, the outcome of that audit. The UK regime requires disclosure of material information concerning the underlying technology, but does not prescribe an equivalent standalone technical-audit field.

In practice, where audit status is left to general narrative disclosure, responses can be ambiguous as to whether an independent review has in fact taken place. We therefore recommend requiring issuers to state whether a material technical or smart-contract audit has been conducted and, where applicable, to identify the auditor, the date and scope of the audit, and any material findings or conclusions.

If this requirement were to be implemented, the Commission should also distinguish between different forms of audit or assurance. A financial statement audit, an information-systems or technology audit, and a smart-contract or source-code security audit serve different purposes and assess different risks. Lack of clarity might be relied upon at the convenience of disclosure preparers to report only on what is more favorable, breaking the comparability of the system.

The scope of the audit should also be disclosed with sufficient precision to avoid giving investors an inaccurate impression of the assurance obtained. Crypto asset technology is often layered: an audit may concern the underlying blockchain protocol, a token standard, project-specific smart contracts, or infrastructure used for issuance or distribution. Those reviews are not equivalent. An audit of the underlying network, for example, does not necessarily provide assurance regarding the configuration or bespoke code of the subject crypto asset.

We therefore recommend that the disclosure identify the component or components reviewed, the relevant version or deployment where applicable, any material exclusions from scope, and whether the audit covered the code actually used in production. Where findings were identified, the disclosure should state their materiality or severity and whether remedial action was taken. This would make an affirmative statement that a technology “was audited” materially more informative and reduce the risk that a narrow or unrelated review is presented as assurance over the project as a whole.

Applicable law and competent court

We also recommend adding disclosure of the law governing the relevant rights and obligations and, where applicable, the competent court or agreed dispute-resolution forum.

This information is particularly relevant in crypto asset arrangements, where the issuer, investors, service providers and technical infrastructure may be located across several jurisdictions. Investors should not have to infer from the issuer's place of organization which law governs their rights or where disputes may be brought.

These disclosures also lend themselves to standardization. Applicable law, in particular, can be captured through a structured field rather than being left solely to narrative disclosure.

We therefore recommend requiring identification, where applicable, of the governing law and competent court or other agreed dispute-resolution forum relating to the covered investment contract and any material rights attached to the subject crypto asset.

Distinction between the issuer of the covered investment contract and the issuer of the subject crypto asset

We believe that Rule 103(b) should expressly distinguish between the issuer of the covered investment contract and the person that issued or created the subject crypto asset. Based on our experience preparing MiCA white papers, we have encountered cases in which responsibility for issuing a crypto asset rests with a different person from the person making the relevant offer or seeking its admission to trading.

In our view, identifying whether these roles are performed by the same person is material to understanding the issuance mechanism, the allocation of responsibilities and the associated risks. Where the persons differ, we recommend requiring disclosure of the identity of the person that issued or created the subject crypto asset, where known or reasonably available, together with that person's relationship to the issuer of the covered investment contract.

Question 29

In lieu of the principles-based requirements, should we adopt more prescriptive disclosure requirements? Alternatively, should the final rules supplement the principles-based requirements with non-exclusive examples of disclosure that may be responsive?

We recommend retaining the principles-based foundation of Rule 103, supplemented by a limited set of prescribed data points and non-exclusive examples of responsive disclosure.

Our experience with MiCA white papers, which follow a highly prescriptive disclosure schedule, and the UK QCDD regime, which is considerably more principles-based, suggests that neither model is optimal in its pure form. Crypto assets differ significantly in their technical design, governance, issuance mechanics and use cases. A fully prescriptive regime can therefore require disclosures that are irrelevant to a given asset while failing to capture information that is material in another context. The Commission is right to preserve sufficient flexibility for Rule 103 to apply across different networks and to remain workable as technology develops.

At the same time, a completely principles-based approach creates its own difficulties. Two issuers may disclose materially similar information under different headings, at different levels of detail and using different terminology. That makes disclosures harder to compare, harder to process automatically and harder to review consistently from a supervisory perspective.

This is where a limited degree of prescription is valuable. Objective information such as entity names, addresses, identifiers, token identifiers and other basic factual data should appear in consistent fields and, where appropriate, in machine-readable form. Structured reporting can materially improve regulatory data collection and comparability without dictating how issuers must explain the more substantive features of a crypto asset. Where the fields are limited to information that issuers must already provide, the additional burden should also remain modest and may in some cases reduce drafting uncertainty.

The EU experience also illustrates the limits of prescription. Some MiCA fields are useful precisely because they standardize information that should be comparable across assets. Others are much harder to justify as mandatory standalone fields. For example, prescribing separate fields for highly specific technical or risk matters can produce fragmented disclosure and force issuers to address matters that are immaterial to the asset. A highly detailed taxonomy may also create a false sense of completeness: even a prescriptive regime can omit issues that a more principles-based regime captures more naturally.

The proposed use of XML in Form 1-CRYPTO already points toward a degree of structured disclosure beyond the UK QCDD model, which does not require machine-readable reporting. We consider that direction appropriate. The Commission can obtain the benefits of standardization without converting Rule 103 into an exhaustive field-by-field schedule.

We would therefore favour a hybrid model. Core factual information that benefits from comparability and machine readability should be prescribed. Narrative disclosure should remain principles-based, supported by non-exclusive examples that indicate the types of matters that may be material without implying that every example must be addressed in every case. This would preserve adaptability while improving consistency, comparability and supervisory usability.

Question 30

Rather than adopting more prescriptive requirements or including examples of disclosure that may be responsive to the principles-based requirements, should we include more detailed guidance in the adopting release regarding what types of information may be responsive to the principles-based requirements?

Per our previous response, we do support marginally more prescriptive requirements. However, where such prescriptive demands are not adopted, or even where they are, detailed guidance in the adopting release would be useful, particularly where the rule uses broad technical concepts that may otherwise be interpreted inconsistently.

One lesson from the MiCA white paper regime is that prescription alone does not eliminate ambiguity. Commission Implementing Regulation (EU) 2024/2984 contains a detailed disclosure template, but several fields intended to guide preparers remain too general to produce consistently comparable answers. Where the required field itself is clear, such as the requirement to describe both past and future project milestones, the disclosure obligation is easier to apply. By contrast, broader fields concerning matters such as protocols, technical standards or audit outcomes can be interpreted at very different levels of detail unless the regulator explains what a responsive answer should contain.

For Rule 103, the adopting release could therefore provide more detailed guidance on the expected content of technically complex disclosures without converting that guidance into an exhaustive checklist. For example, where an issuer discusses a technical or smart-contract audit, the guidance could indicate that a responsive disclosure would ordinarily identify the scope of the audit, the auditor, the date of the review, material findings, their severity or materiality, and whether remedial action was taken. Similar guidance could be useful for disclosures concerning governance mechanisms, technical standards, development progress and security arrangements.

This form of guidance would complement, rather than replace, the principles-based approach. It would give issuers a clearer sense of the level and type of information expected, reduce materially different interpretations of the same disclosure requirement, and make supervisory review more consistent. At the same time, because the guidance would remain

non-exclusive, issuers could adapt their disclosures to the characteristics of the relevant crypto asset and network.

Technical audits illustrate the value of such guidance. A bare requirement to disclose whether technology has been audited can produce superficially comparable answers that in fact refer to very different forms of review. Guidance could clarify that a responsive disclosure should identify what was audited, by whom and when, the relevant code or version, material exclusions from scope, principal findings and remediation status. This would preserve a principles-based requirement while making the resulting disclosures meaningfully comparable.

We would therefore support detailed guidance in the adopting release, particularly for disclosure requirements that involve technical concepts or where experience in other regimes shows a risk of overly general, circular or inconclusive responses.

Question 31

Are there any material terms in the description of the offering we should add, eliminate, or revise? If so, please identify the term and the reasons for doing so.

Yes. This is one of the main areas where additional prescriptiveness would be of value. We recommend supplementing the offering disclosure with a limited number of terms that address what happens to purchaser funds, how access to the offering is allocated, and when and on what conditions the subject crypto asset is delivered.

Rule 103 already captures the principal economic terms of the offering. The main gap is that it says less about the mechanics between subscription and delivery. That period can be material in a crypto asset offering, particularly where purchasers commit fiat currency or crypto assets before the offering closes or before the subject crypto asset is transferred.

First, the disclosure should identify any minimum fundraising or subscription condition and the consequences if that threshold is not met. If completion of the project or closing of the offering depends on raising a minimum amount, investors should know that before subscribing. Where a maximum amount applies, that should also be stated. MiCA addresses these matters expressly through minimum and maximum subscription or fundraising targets.

Second, where demand exceeds the amount available, the issuer should disclose whether oversubscriptions will be accepted and how allocations will be made. Allocation mechanics can materially affect the position of purchasers and should not be left implicit. The same applies to offer phases or tranches where different groups of purchasers participate on different terms.

Third, Rule 103 should distinguish offering expenses borne by the issuer from fees charged directly to the purchaser. A disclosure of the issuer's offering expenses does not necessarily tell an investor what they themselves will pay. Any subscription, placement, transaction or comparable purchaser fee should therefore be disclosed separately.

The Commission should also consider express disclosure of preferential or early-purchaser pricing. Different token-sale rounds can create meaningful differences in acquisition price, incentives and economic exposure. Where earlier purchasers or specified categories of investors receive discounts or otherwise more favourable terms, the issuer should disclose those differences and the basis on which they apply.

Finally, the offering disclosure should explain what happens to purchaser funds or crypto assets pending closing and delivery. This should include any material safeguarding arrangements, the circumstances in which a purchaser may cancel or receive a refund, the applicable refund process and timing, and the expected timing and manner of delivery of the subject crypto asset.

This would not require the Commission to create a statutory withdrawal right, compensation scheme or prescribed custody model. The point is disclosure rather than the creation of new substantive investor rights. Where such rights or protections exist, investors should be able to identify them clearly. Where they do not, the disclosure should not imply otherwise.

MiCA contains considerably more granular offering fields than we consider necessary for Rule 103. We would not recommend importing that level of prescription wholesale. However, experience from the lack of prescriptiveness of the UK QCDD rules on offer dynamics specifications suggest that additional detail on basic economics and mechanics of participation in the offering, can add clarity and comparability to this section, while being materially useful to an investor's decision to subscribe.

Question 32

Should we prescribe the methods by which issuers publicly provide or otherwise deliver to investors the disclosures in Rule 103? If so, what methods should the rules prescribe?

We do not consider it necessary to prescribe a specific method of delivery to individual investors. The proposed requirement that Rule 103 information be publicly accessible and free of charge at a website identified by the issuer is, in principle, sufficient. The Commission should avoid requiring delivery by email, wallet notification or another prescribed channel where the information is already continuously available online. Under the Startup Exemption, the proposal already requires the issuer to identify in Form NOR the website at which the Rule 103 information will be made publicly accessible and free of charge.

There would, however, be value in clarifying what effective public availability requires. The disclosure should be easy to locate, clearly dated, and presented so that an investor can readily identify the version currently in effect. Where the disclosure has been amended, prior versions and any supplements should remain identifiable and accessible. This is especially important where the issuer is required to update Rule 103 information for material changes, since investors should be able to determine what changed and when. The Commission itself raises this issue in connection with amendments under Rule 200(d), including whether changes should be marked and prior versions retained.

Where an offering or distribution takes place through an intermediary platform, the issuer should also ensure that the current Rule 103 disclosure is readily accessible at the point through which investors access the crypto asset. In practice, many investors will encounter the asset through the platform rather than through the issuer's own website. The issuer should therefore ensure that the platform either hosts the current disclosure or provides a prominent direct link to it.

There is useful precedent for making regulated crypto asset disclosure available at the point of market access. Under the UK regime, a retail UK QCATP may admit a qualifying crypto asset to trading only if the relevant QCDD has been published on the QCATP's website, and the platform must maintain a website list of published QCDDs and supplementary disclosure documents. MiCA similarly requires the relevant offeror or person seeking admission to trading to keep the crypto asset white paper publicly available on its website, including where a trading platform operator itself assumes the obligations of the person seeking admission to trading.

The objective should therefore be accessibility. The issuer should maintain a stable, free and clearly identifiable source of the disclosure and, where the offering or distribution occurs through a trading platform, ensure that the current disclosure is readily accessible at the point of access.

Question 33

Will the proposed requirements result in disclosures that investors (including retail investors) will be able to understand and use to make informed investment decisions? If not, how should we revise the requirements to better ensure investors (including retail investors) will be able to understand the resulting disclosures and use them to make informed investment decisions?

Rule 103 is generally well designed for this purpose, particularly because it requires disclosure to be clear, concise and understandable and cautions against excessive reliance on technical terminology or jargon. We would nevertheless add a short summary of key information at the beginning of the disclosure.

Both MiCA and the UK QCDD regime require such a summary. MiCA requires a brief, non-technical summary containing key information about the offer or admission to trading and the characteristics of the crypto asset. The UK rules similarly require a summary at the beginning of the QCDD that identifies the crypto asset and relevant responsible persons, presents its key features and risks, cross-refers to the fuller disclosure and is limited to two A4 pages. The emergence of this approach in both regimes reflects a practical point: even where the underlying disclosure is well drafted, a retail investor benefits from being able to identify the principal features of the transaction before moving into the detailed technical and legal information.

We would not, however, reproduce the amount of prescribed warning and regulatory-disclaimer language used in those regimes. A summary is most useful when its limited space is devoted to information that enables the investor to understand the transaction, rather than repeated statements concerning regulatory approval or general warnings about crypto asset risk.

The summary should instead identify, in concise and non-technical language, the relevant parties, the subject crypto asset, the nature of the covered investment contract, the principal commitments or managerial efforts undertaken by the issuer, the key terms of the offering, the principal rights attached to the subject crypto asset and the principal material risks. It should also state clearly that the summary is an introduction to the disclosure and should not be relied upon in isolation.

This would not replace or abbreviate the Rule 103 disclosure. Its purpose would be to give investors a usable entry point into it. For retail investors in particular, that is likely to improve comprehension more than adding further prescribed warnings to an already detailed disclosure document.

Question 34

Do related persons of covered investment contract issuers pose heightened risks with respect to information asymmetries and misaligned incentives such that the disclosure of any resale or transfer restrictions is warranted? Are there other risks that such insiders pose that this disclosure would help address?

Yes, we consider the proposed disclosure of resale and transfer restrictions for related persons as warranted.

Related persons may hold significant amounts of the subject crypto asset, have acquired those holdings on terms different from those available to other purchasers, become able to transfer them before the issuer has completed its stated managerial efforts, or exercise governance or other forms of control over the network or application. These circumstances

can create both information asymmetries and incentives that differ materially from those of other investors.

Resale and transfer restrictions are thus most informative when read together with the related person's underlying economic and governance position. Rule 103 already captures much of this information across paragraphs (b)(4), (b)(7) and (b)(8), including related persons, holdings and allocations, release schedules, transfer restrictions and governance arrangements. The issue is therefore less the absence of individual disclosure requirements than whether investors can understand those matters as a coherent picture.

We recommend making clear that disclosure concerning related persons should enable an investor to understand, where material, their holdings in the subject crypto asset, the resulting concentration of ownership, any lock-up, vesting or release schedule, applicable resale or transfer restrictions, and any governance or other control rights associated with those holdings. This is particularly important where restrictions expire, or substantial holdings become transferable, while the issuer is still performing the managerial efforts described under Rule 103.

The UK QCDD regime provides a useful comparator on this point. FCA guidance expressly identifies ownership of the qualifying crypto asset, including ownership concentration and options or lock-ups for existing owners, as information expected to be addressed in a QCDD. That reflects the same underlying concern: concentration and the conditions under which large existing holdings can become transferable may be material to purchasers even where no misconduct is alleged.

Question 36

How should we modify proposed Rule 103(b)(10), if at all, to help ensure that the resulting risk factor disclosure will address only material risks to the issuer and avoid boilerplate disclosures?

To an extent, this problem cannot be entirely solved. With this caveat, we recommend retaining the proposed requirements that risk factors be material and specific to the relevant project, while supplementing Rule 103(b)(10) with non-exclusive categories that issuers should consider when determining which risks require disclosure.

There is an inherent tension in the design of risk disclosure: A highly prescriptive taxonomy can improve completeness, but can also generate repetition. MiCA, for example, divides risk disclosure into separate categories relating to the offer, issuer, crypto asset, project implementation and technology. In practice, the same underlying risk may fall within several categories, encouraging substantially similar language to appear more than once.

A completely open-ended requirement creates the opposite risk. Without any indication of the subjects that should be considered, issuers may default to familiar general statements about volatility, cybersecurity, regulation or technological failure. That does not necessarily result in more decision-useful disclosure.

We would not address this by prescribing standard risk language. In our view, that would make the boilerplate problem worse. Rule 103(b)(10) already identifies the principal categories of risk, including risks relating to the issuer, the covered investment contract, the subject crypto asset and the associated network or application. The Commission could instead supplement those existing categories with non-exclusive examples of matters that issuers should consider within them, such as token economics and ownership concentration, governance and control, development and execution, cybersecurity and operational resilience, and liquidity or market-structure risks. These examples should operate only as completeness prompts. A risk should be disclosed only where it is material to the particular issuer, contract, crypto asset, network or application.

This would preserve the central strength of Rule 103(b)(10): the requirement to explain risks that are specific and material to the project. At the same time, it would give preparers and reviewers a common reference point for considering whether a material category of risk has been overlooked. The examples should therefore operate as guidance for the materiality assessment, not mandatory headings or a checklist.

The disclosure of risks that are not material may actually dilute the disclosure of those that are significant. With this established, however, this may not be fully avoidable. Risks such as market volatility, liquidity risks, market manipulation, impact of large transactions, partnership dependencies, concentration of decision-making, etcetera, are recurring risks in the industry, and as such may be disclosed in every single filing.

Question 95

Should we require the information in Part I of Form 1-CRYPTO as proposed? Would that information benefit investors and/or other market participants? If so, please describe how such information would be beneficial.

Yes. The information proposed for Part I is useful and is well suited to a structured section rather than purely narrative disclosure.

Basic factual information benefits investors, market participants and the Commission most when it appears in a consistent location and format. Structured fields also support comparison, data aggregation and supervisory review more effectively than requiring the same information to be extracted from narrative text.

As noted elsewhere in our response, we would favour a single disclosure document that can accommodate both structured data fields and machine-readable narrative disclosure. There is no need to treat those as competing approaches. Part I can provide the standardized factual layer, while the remainder of Form 1-CRYPTO provides the fuller narrative context.

Question 96

Are there other information requirements (other than those in Part I of Form 1-A) that we should include in Part I of Form 1-CRYPTO? Alternatively, should we reduce (or eliminate entirely) the proposed information requirements in Part I of Form 1-CRYPTO?

No, we would not reduce the proposed information requirements, but yes, we would add a small number of structured fields. Notably, they should identify the subject crypto asset itself.

At a minimum, Part I should identify the crypto asset's name, ticker or symbol where applicable, associated distributed ledger or network, and smart-contract address or equivalent ledger identifier where applicable. These are basic identification data, straightforward to standardize, and better suited to structured fields than narrative disclosure. These fields would also reduce the risk of ambiguity where the same name or ticker is used for different assets or implementations across multiple networks.

We also recommend an optional field for a recognized unique digital-token identifier, where available. We do not recommend prescribing the ISO 24165 Digital Token Identifier, or any other privately administered identifier, as the exclusive standard. Legislation should not make a single private identifier system the mandatory means of identifying a crypto asset. It is nevertheless preferable for assets to be identifiable by something more robust than an industry-selected ticker. MiCA and the UK QCDD regime take a more prescriptive approach by providing fields for the ISO 24165 DTI, but these identifiers do not have wide market adoption at the moment and are issued outside of the United States. The Commission could obtain the same identification benefit while remaining neutral as to the particular recognized standard used by introducing an optional field.

Finally, while the CIK provides an appropriate identifier within EDGAR, an optional LEI field would improve interoperability with other financial-market datasets and facilitate cross-border entity matching. MiCA similarly uses LEIs, where available, for relevant entities in its machine-readable white paper regime.

Question 97

Are there certain types of organizational structures that cannot satisfy the disclosure requirement to provide a jurisdiction of incorporation or formation (if the issuer is or includes an entity)? For example, could decentralized unincorporated nonprofit associations satisfy this requirement? If not, should we revise this requirement to accommodate any such organizational structures?

We recommend that the Commission provide greater flexibility and guidance regarding the identification and description of issuers with non-conventional organizational structures.

Crypto asset projects can involve organizational arrangements that do not map neatly onto conventional corporate categories. An issuer may be an incorporated entity with an obvious jurisdiction of organization, but relevant activity may also be undertaken through an unincorporated association, decentralized autonomous organization, group of persons, or other organizational structure whose legal status or jurisdictional nexus is less straightforward. The Commission itself recognizes this issue by asking whether decentralized unincorporated nonprofit associations could satisfy the proposed requirement.

Our experience with analogous crypto asset disclosure requirements under the EU Markets in Crypto-Assets Regulation ("MiCA") indicates that this is not merely a theoretical problem. Determining which person or organizational structure should be attributed the role of issuer can be difficult in decentralized and evolving crypto asset projects. Under MiCA, issuer attribution turns principally on the entity exercising control over the creation of the crypto asset. That inquiry can produce difficult borderline cases. A legal entity may exercise substantial influence over a project, including control over development, branding, interfaces, communications or other infrastructure, while not controlling creation of the crypto asset itself. Conversely, control over creation may be exercised through onchain governance, smart contracts, multisignature arrangements or a decentralized collective whose legal status, membership and jurisdiction are difficult to characterise.

Issuer attribution can also change over time. For example, a crypto asset may initially have been created or substantially pre-mined by an identifiable person, while subsequent issuance occurs through decentralized mining or another autonomous consensus process. Similarly, a DAO may exercise governance authority over minting or supply mechanics despite uncertain status as a legal person, unincorporated association or other undertaking, as we have described [here](#). In such circumstances, requiring a filer to provide a single conventional jurisdiction of incorporation or organization without permitting qualification may create false precision rather than better disclosure. These issues arise in practice precisely because decentralized projects do not always preserve a stable correspondence between technical control, organizational control and conventional legal personality.

We therefore recommend that the Commission provide explicit guidance on which person or group constitutes the "issuer" for purposes of Regulation Crypto Assets, particularly where several persons contribute different essential managerial efforts or where organizational and technical control are distributed. The guidance should address, among other circumstances, decentralized autonomous organizations, unincorporated associations, groups with changing membership, historical issuers followed by decentralized issuance, and projects in which an identifiable foundation or development company exercises substantial project influence without necessarily being responsible for the particular activities that give rise to the covered investment contract.

This clarification is particularly important because the issuer concept in Regulation Crypto Assets should be distinguished from the concept of the issuer of the subject crypto asset itself. The proposed regime concerns the issuer of a covered investment contract, whose representations or promises to engage in essential managerial efforts are central to the existence of that investment contract. As recommended in our response to Question 28, the distinction between these two issuer roles should be established under Rule 103(b). The Commission also should therefore clarify the attribution criteria by which one or more persons are treated as that issuer where managerial efforts, network development, token creation and governance are performed by different actors.

We also recommend that Form 1-CRYPTO accommodate cases in which conventional organizational information genuinely does not apply. In our experience preparing MiCA crypto asset white papers, the objective should be to disclose as much accurate information as reasonably possible rather than to force a decentralized structure into an inapplicable corporate field. Machine-readable disclosure requirements can sometimes frustrate that objective where a mandatory field assumes, for example, that every relevant actor possesses a conventional registered address, management structure or jurisdiction of incorporation. We have encountered circumstances in which the underlying facts can be explained accurately in narrative form but cannot be represented faithfully through a mandatory structured field.

Accordingly, where a prescribed organizational field genuinely does not apply, the Commission should permit the filer to indicate "not applicable" or an equivalent structured value and require or permit an accompanying explanation of why the field does not apply and how the issuer is in fact organized. This would preserve machine readability while avoiding the greater investor-protection risk of requiring issuers to select an inaccurate jurisdiction or other conventional attribute merely because the electronic form does not accommodate the issuer's actual characteristics.

The Commission should, however, distinguish this disclosure issue from issuer eligibility. Proposed Rule 300 would require an issuer relying on the Fundraising Exemption to be an entity organized under and subject to the laws of the United States, a State or territory, or the District of Columbia. Where an organization is unincorporated but nevertheless organized or recognized under the law of a particular jurisdiction, the Commission should

clarify that the relevant jurisdiction may be disclosed notwithstanding the absence of incorporation. Where no jurisdiction of organization can reasonably be identified at all, the Commission should clarify whether such a structure can satisfy the underlying issuer-eligibility requirement rather than treating the issue merely as an incomplete Form 1-CRYPTO field.

The objective should therefore not be to eliminate the jurisdiction-of-organization requirement, but to ensure that the concept of issuer is sufficiently precise, that unconventional organizational structures can be described truthfully, and that structured filing requirements do not force materially misleading simplification of decentralized or evolving governance arrangements.

Question 98

Should we require disclosure of the address of the issuer's principal executive office only if the issuer has a principal executive office, as proposed in Form 1-CRYPTO? If an issuer does not have a principal executive office, should we require the issuer to provide a different address (for example, the address for the issuer's agent for service of process)?

Yes. The principal executive office should be disclosed where one exists, but the form should provide a clear alternative where it does not.

An issuer without a conventional principal executive office should instead disclose its registered office, the principal place from which its business is administered, or, if neither is applicable, the address of its registered agent or agent for service of process. The objective should be to provide a reliable address through which the issuer can be identified and reached, without forcing issuers with non-conventional organizational structures to designate an artificial "principal executive office."

Question 99

Should we require the disclosures in Part I of proposed Form 1-CRYPTO to be submitted using a different structured data language than Form 1-CRYPTO-specific XML? Why or why not? If another structured data language would be more appropriate, please identify which one, and explain why.

Yes. We strongly support the use of structured data for the disclosures required in Part I of proposed Form 1-CRYPTO. However, rather than developing a Form 1-CRYPTO-specific XML schema, we recommend that the Commission adopt XBRL, and preferably Inline XBRL (iXBRL), supported by a dedicated Form 1-CRYPTO taxonomy.

The starting point is that XBRL is itself an XML-based standard that provides a structured reporting framework through taxonomies defining reporting concepts, data types, relationships and validation rules. The question is therefore not whether the Commission should use XML at all, but whether Form 1-CRYPTO should use a bespoke XML schema or the more developed XBRL infrastructure already used extensively by the Commission.

In this context, we recommend that the Commission develop a dedicated Form 1-CRYPTO XBRL taxonomy within the existing XBRL framework. This would allow the Commission to define concepts and data structures specific to crypto assets and the disclosure requirements of Form 1-CRYPTO, while retaining the interoperability, validation capabilities and established technical standards of XBRL. In other words, adopting XBRL would not require the Commission to force crypto-asset disclosures into an existing taxonomy that was designed for other types of reporting. Rather, the Commission could develop a purpose-built taxonomy while avoiding the need to create an entirely new structured-data language or reporting architecture.

Furthermore, using Inline XBRL would align Form 1-CRYPTO with existing SEC practice. The Commission already requires Inline XBRL for the cover pages and financial statements of Forms 10-K and 10-Q, as well as for specified disclosures in other filings. The SEC [describes](#) Inline XBRL as allowing a filer to prepare a single document that is both human-readable and machine-readable, rather than preparing an HTML disclosure and a separate structured-data exhibit. The 2024 Form 10-K of Apple Hospitality REIT provides a straightforward example on EDGAR: the principal 10-K [document](#) is filed as iXBRL and is directly readable through the Commission's viewer.

This is particularly relevant to Form 1-CRYPTO because it combines standardized factual information with substantial narrative disclosure. The Commission's use of ordinary XML for forms that are predominantly collections of structured data demonstrates that XML can be appropriate where the reporting requirements are highly standardized. [Form 3](#), for example, is submitted to EDGAR as an XML document and rendered into a human-readable presentation, but is not an XBRL filing. That is a sensible use of XML for a form such as Form 3, where the information can be captured largely through a defined set of structured fields.

Nevertheless, Form 1-CRYPTO is different, because it combines structured data with substantive narrative disclosure, making its reporting function closer to that of a 10-K or prospectus than to a Form 3.

The Commission would also be building on infrastructure it already maintains. The SEC makes the open-source EDGAR Renderer/Previewer available and links to the executable source code hosted by Arelle. Inline XBRL filings can be viewed directly through EDGAR in a standard web browser without specialized software. This weighs against developing a new crypto-specific structured-data approach where an established Commission standard already addresses the relevant use case.

The European experience provides additional support. ESMA [considered](#) CSV, JSON, PDF, XLS, XBRL and Inline XBRL when determining the machine-readable format for MiCA white papers. Its commissioned study found that the incremental cost of iXBRL relative to alternatives such as plain XML or JSON was not significant, while iXBRL had the advantage of being both machine-readable and human-readable. The European Commission ultimately adopted iXBRL in Implementing Regulation (EU) 2024/2984, requiring XBRL markups to be embedded in an XHTML white paper using Inline XBRL, producing a single document serving both purposes. The [GLEIF annual report](#) provides another practical example of how a substantial, conventionally presented annual report can remain human-readable while carrying structured XBRL information.

Adoption of Inline XBRL would harmonise Form 1-CRYPTO with the Commission's use of Inline XBRL for substantive disclosure filings, avoid unnecessary development of a bespoke structured-data format, and permit the structured and narrative portions of Form 1-CRYPTO ultimately to form a single machine-readable and human-readable filing. This would also support the approach discussed in our response to Question 103, under which standardized fields could be individually tagged while longer Rule 103 disclosures could be block-tagged within the same document.

Question 100

Should we require the information in Part II of Form 1-CRYPTO as proposed? Is there information that we should require to be disclosed under Part II other than what we have proposed? For example, is there any information required to be provided under Part II of Form 1-A that also should be required to be disclosed under Part II of Form 1-CRYPTO?

Yes. We generally support the information proposed for Part II, subject to two additions.

First, Part II should expressly address the rights attached to the subject crypto asset itself, separately from the rights and obligations arising under the covered investment contract. As

discussed in our response to Question 28, those are not necessarily the same thing. A holder may have governance, redemption, access, economic or other rights arising from the crypto asset that are distinct from the contractual rights associated with the original investment transaction. MiCA treats those categories separately, and we consider that distinction appropriate.

Second, Part II should begin with a short, non-technical investor summary. A cover page and table of contents are useful, but they do not perform the same function. For retail investors in particular, the document should provide an accessible overview of the subject crypto asset, the covered investment contract, the principal issuer commitments, key offering terms, material holder rights and principal material risks before moving into the full Rule 103 disclosure.

We would not use Part II to duplicate structured identification data that more naturally belongs in Part I. Entity identifiers, token identifiers and similar metadata should remain in the structured portion of the form

Question 102

As an alternative to both the approach taken in proposed Item 13 of Form 1-CRYPTO and the approach taken in Item 9 of Form 1-A, should the information requirement in Item 13 instead be more closely tailored to reflect the characteristics of covered investment contracts? If so, what should such alternative discussion require? For example, rather than focusing on the financial condition of the issuer, should such requirements focus on financial matters related to the development of the associated crypto network or associated crypto application?

We recommend retaining the issuer-level financial-condition discussion proposed in Item 13, while supplementing it with disclosure that connects available financial resources to the development of the associated crypto network or application.

Proposed Item 13 already addresses matters such as offering proceeds, liquidity, business viability, expected use of available cash and other sources of capital. Those disclosures are relevant and should remain. However, for covered investment contracts, investors may also depend directly on the issuer's ability to complete the managerial efforts described elsewhere in Form 1-CRYPTO.

Item 13 should therefore require the issuer to explain, where material, the financial and other resources available for development of the associated network or application, the planned allocation of those resources, the intended use of funds or crypto assets raised through the offering, and any material funding dependencies or shortfalls that could affect the disclosed development plan.

This would not replace disclosure of the issuer's financial condition. It would make that disclosure more closely responsive to the characteristics of covered investment contracts by showing whether the resources available to the issuer are sufficient, and actually allocated, to perform the managerial efforts on which investors are relying.

Question 103

Rather than cross-referencing the disclosure requirements in proposed Rule 103, should we set forth the disclosure requirements directly in Form 1-CRYPTO? Would that facilitate compliance or otherwise reduce burdens for issuers?

Cross-referencing a separate rule adds little value for preparers or investors. A single disclosure document is easier to prepare, review and submit, provided that the underlying legal standard remains Rule 103 and the language reproduced in the form does not create a second or divergent disclosure test.

We would go further and recommend that Form 1-CRYPTO be designed as a single machine-readable disclosure document rather than as a structured Part I followed by a largely unstructured narrative offering circular. Structured data and narrative disclosure do not need to be separated technologically. Narrative sections can also be block-tagged in XBRL, allowing the Commission to preserve a principles-based narrative approach while improving searchability, comparison and automated processing.

A limited degree of structure is particularly useful for information that is inherently standardized. Offering terms such as issue price, denomination, offering period, investor category, minimum or maximum fundraising conditions, and applicable refund or compensation arrangements do not benefit from appearing in different places or under different terminology in every filing. Capturing those matters consistently imposes little additional drafting burden and materially improves processing and comparability.

This does not require the Commission to prescribe every aspect of the narrative disclosure from the outset. A practical approach would be to retain narrative flexibility for the substantive Rule 103 disclosures, while standardising the factual fields that recur across offerings and applying machine-readable tagging to the document as a whole. The taxonomy can then be refined over time as filing practice develops.

The result should be one Form 1-CRYPTO that can be completed, tagged and submitted as a single disclosure instrument, rather than a structured data layer and a separate narrative document that investors and regulators must read together.