November 2, 2026

VIA ELECTRONIC SUBMISSION

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

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

Dear Ms. Countryman:

Solana Policy Institute[1] respectfully submits this letter in response to the request by the U.S. Securities and Exchange Commission (the "Commission") for comments on the proposal published in Release No. 34-106246, File No. S7-2026-30, *Transfer Agent Rules* (the "Proposal").[2] The Proposal would amend existing rules and forms, rescind a rule, and introduce new rules that apply to registered transfer agents and their activities.

We support the Commission's efforts to amend and update the transfer agent rules, including to expressly recognize that transfer agents may use public, permissionless distributed ledger technology ("DLT")-based systems. Consistent with the Proposal's modernization objectives, we offer several targeted recommendations designed to help ensure that the final rules provide sufficient flexibility for emerging technologies while preserving appropriate investor and issuer protections.

I. The Proposal Advances Important Modernization of the Transfer Agent Framework.

Transfer agents perform critical functions in the securities markets. They countersign securities upon issuance, monitor for overissuance, register the transfer of securities, exchange or convert securities, and transfer record ownership of securities by bookkeeping entry. However, the Commission adopted most of its transfer agent rules in the late 1970s and early 1980s, and they have not been substantively updated since. Meanwhile, the securities markets have changed

[1] Solana Policy Institute is a non-partisan, non-profit entity focused on educating policymakers on how decentralized networks like Solana are the future infrastructure of the digital economy. We are also a member of Project Open—a collection of interested parties working collaboratively to address and enable tokenized securities on public blockchain networks in a manner consistent with existing regulations.

[2] SEC, *Transfer Agent Rules*, 91 Fed. Reg. 56946 (Sept. 4, 2026), https://www.govinfo.gov/content/pkg/FR-2026-09-04/pdf/2026-18190.pdf.

dramatically. As the Commission explained over ten years ago in its 2015 transfer agent concept release:

> [These changes to the securities markets] largely reflect a decades-long evolution from a manual securities settlement process focused on the processing of physical securities certificates to a highly automated electronic environment centered on the processing and transfer of electronic book-entry securities. The changes also reflect significant technological and operational developments in other areas, as well as broader changes in the securities industry and the business and regulatory environments in which transfer agents operate.[3]

Despite substantial public input in response to the Commission's 2015 transfer agent concept release, no further rulemaking efforts on this topic emerged for over a decade. And with continual and rapid technological changes reshaping finance (including the introduction and use of DLT and tokenization), the Commission's transfer agent rules no longer sufficiently address the current state of the securities markets, including the risks presented by the processing, recordkeeping, safeguarding, paying agent, and other functions and services that modern transfer agents perform.

With this context in mind, we appreciate this Commission's long-awaited and much-needed efforts to update and modernize its transfer agent regulatory regime. SEC Chairman Atkins stated that the Proposal would "streamline and modernize the Commission's rules to reflect transfer agents' current processes and operations, including the use of electronic communications and blockchain technology in connection with securities offerings and the transfer of shares."[4] We agree, and we believe that the Commission has an opportunity to modernize its transfer agent rules in a way that enhances critical investor and issuer protections, while providing flexibility that permits the use of new technologies and business models in finance.

II. The Proposal Appropriately Modernizes Transfer Agent Definitions and Accommodates DLT-Based Recordkeeping.

The Commission is proposing amendments to the definitions in Rules 17ad-1 and 17ad-9 to modernize the foundational terminology that governs the processing, turnaround, recordkeeping, safeguarding, and compliance obligations of registered transfer agents. The Commission explained that these proposed amendments are intended to "ensure that the Commission's transfer agent rules accurately reflect the current operational and technical environment in which transfer agents operate."[5]

We strongly support the proposed use of technology-neutral language that would expressly permit transfer agents to use DLT as part or all of the master securityholder file.

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[3] SEC, *Transfer Agent Regulations*, 80 Fed. Reg. 81948, 81949 (Dec. 31, 2015), https://www.govinfo.gov/content/pkg/FR-2015-12-31/pdf/2015-32755.pdf (footnote omitted).
[4] SEC, *SEC Proposes to Modernize Rules for Registered Transfer Agents* (Sept. 1, 2026), https://www.sec.gov/newsroom/press-releases/2026-81-sec-proposes-modernize-rules-registered-transfer-agents.
[5] Proposal at 56966.

Replacing legacy certificate-centric terminology (*e.g.*, replacing "certificate detail" with "position detail") would correctly recognize the current reality that securities are now primarily held and transferred electronically, including through DLT-based systems. This approach would bring onchain recordkeeping within the existing regulatory framework without requiring a separate DLT-specific exemption or framework, avoiding fragmentation and confirming that a transfer agent using DLT is subject to the same obligations as any other registered transfer agent.

At the same time, we also recommend that the Commission make clear in the final rulemaking that a public, permissionless blockchain may serve as all or part of the master securityholder file even if the transfer agent does not control the underlying network.[6] A transfer agent's responsibilities flow from its accountability for the accuracy and integrity of securityholder records, not from operating the underlying infrastructure, and transfer agents already rely on third-party cloud providers, data centers, and networks that they do not control. Without this clarification, however, market participants may conclude that only permissioned or privately operated ledgers may serve as the master securityholder file, which would significantly narrow the benefits of the Proposal.

III. The Proposal Appropriately Aligns Transfer Agent Processing Standards With Modern Settlement Practices.

The Commission is proposing targeted amendments to Rule 17ad-2, which imposes processing performance standards for transfer agents. These proposed amendments would, among other things, replace the existing three-business-day turnaround period for 90% of all routine items with a requirement to establish, maintain, and enforce written policies and procedures reasonably designed to ensure turnaround and processing for all routine items within the shorter of one business day or the time period specified by Rule 15c6-1(a).[7]

We support replacing the three-business-day turnaround standard with a requirement that is aligned with the current T+1 standard settlement cycle. The existing standard is built for paper certificates and no longer corresponds to the pace at which transactions are cleared and settled. Aligning transfer agent turnaround with the standard settlement cycle would better reflect the speed and efficiency that modern systems, including DLT-based systems, already deliver.

At the same time, the T+1 standard should set the outer bound for processing time without constraining transfer agents from using DLT-based systems to achieve faster settlement. DLT-enabled settlement can occur instantly—eliminating gaps, reducing steps for reconciliation and counterparty exposure, and ensuring greater transparency in every transaction. The Proposal's processing standards should accommodate and encourage these efficiencies. For example, we recommend that the Commission make clear in the final rulemaking that atomic or same-day settlement of transfers recorded onchain satisfies the turnaround requirement.

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[6] As we have discussed in the context of the Commission's Innovation Exemption, we recommend that the Commission define the term "public, permissionless distributed ledger" according to a functional, control-based standard. *See* Letter from Solana Policy Institute to SEC (Oct. 22, 2026), https://www.sec.gov/comments/4-927/4927-1106380-3893468.pdf.

[7] Proposal at 56975.

The Commission should also preserve the proposed limitation in Rule 17ad-2(e)(2) requiring notice when a routine item is rejected by the transfer agent. An onchain transfer may fail or be rejected for reasons outside the transfer agent's control, and the transfer agent may lack information sufficient to explain the reason for rejection. The final rule should avoid imposing a rigid notice obligation when the transfer agent did not cause or control the rejection and does not possess the information needed to provide the required notice.

IV. The Proposed Form TA-2 Amendments Would Provide Useful Information About DLT and Tokenized Securities.

The Commission is proposing amendments to the existing annual reporting form for transfer agent activities, Form TA-2. These proposed amendments would require each transfer agent to report information about its use of DLT, including the number of issues serviced using DLT, the names of tokenization providers and DLT platforms, and breakdowns by tokenization model and security type.

We support the proposed amendments to the Form TA-2 reporting requirements, which would create a comprehensive regulatory dataset on distributed ledger usage and tokenized securities activity by registered transfer agents. These reporting requirements would provide transparency, enable regulators and industry participants to better track the adoption of DLT-based infrastructure, and ultimately help inform future rulemaking and regulatory efforts. The Commission, in particular, would better understand how quickly and widely transfer agents are adopting DLT, and be better positioned to assess and oversee transfer agents' operational practices and risks.

To ensure that the data collected is as useful as possible, we recommend that Form TA-2 distinguish public, permissionless blockchains from third-party service providers. These categories involve different operational, control, and risk considerations—and collecting separate data would allow the Commission to assess each model on its own terms and avoid treating all DLT usage as one category.

V. Targeted Clarifications Would Help the Final Rules Operate Effectively Across Different Technological Architectures.

As discussed above, we strongly support the Commission's efforts to amend and update the transfer agent rules. The following targeted recommendations are intended to help ensure that the final rules operate effectively across different technological architectures while advancing the Commission's objectives.

A. Define "exclusive control" of the master securityholder file functionally to accommodate public, permissionless networks.

Rule 17ad-9(b) currently defines "master securityholder file" as "the official list of individual securityholder accounts." The Commission is proposing amendments to the "master securityholder file" definition that would require that it be maintained in electronic form. The proposed amendments would give a transfer agent discretion regarding the specific technology

and systems used, provided that the transfer agent maintains "exclusive control" over the master securityholder file at all times.[8]

The Proposal does not define "exclusive control." We recommend that the Commission define "exclusive control" in the final rulemaking by reference to the transfer agent's exclusive responsibility and authority over the issuer-specific official ownership record and the functions necessary to keep it accurate, reproducible, and subject to correction or remediation. This functional approach would allow transfer agents to use DLT as all or part of the master securityholder file without sacrificing critical investor and issuer protections. A transfer agent should not be required to control the underlying blockchain or any of its components (*e.g.*, validators, nodes, or consensus mechanisms), as this would effectively foreclose use of public, permissionless networks—even where the transfer agent remains fully accountable for the regulated recordkeeping function.

We also recommend that the Commission confirm in the final rulemaking that onchain ownership and transaction data may be linked to offchain identity and contact information, and that these linked systems may together constitute the master securityholder file. In many onchain models, positions are recorded onchain against wallet addresses, while a transfer agent maintains the corresponding identity and contact information in secure offchain systems. This architecture enables transfer agents to protect securityholder data while nevertheless benefiting from onchain recordkeeping. The Commission should confirm that this architecture satisfies its rules.

B. Recognize digital wallet addresses as relevant position detail information.

Rule 17ad-10 currently requires recordkeeping transfer agents to promptly and accurately post credits and debits containing minimum and appropriate certificate detail to the master securityholder file whenever a security is transferred, purchased, redeemed, or issued. The certificate detail that must be posted to the master securityholder file is defined in Rule 17ad-9(a) and consists of eight specific "items" of information.

The Commission is proposing to replace the term "certificate detail" in Rule 17ad-9(a) with the term "position detail."[9] The Commission is also proposing to amend item three, "registration," with a description of the specific information that constitutes registration (*i.e.*, the securityholder's full name and any other relevant identifying, titling, or formatting information necessary to accurately identify the specific securityholder to the exclusion of other securityholders).[10]

We support including in the proposed "position detail" definition additional examples of information—beyond legal name and physical mailing address—that may be relevant to satisfying a transfer agent's obligations, such as digital wallet addresses for tokenized securities. We recommend that the Commission follow a principles-based and technology-neutral approach to the information required under items three and four. Specifically, the final rulemaking should

[8] *Id.* at 56969.
[9] *Id.* at 56968.
[10] *Id.*

permit transfer agents to determine what information is "reasonably necessary to accurately identify the specific securityholders to the exclusion of other securityholders" and "require the collection of only the information reasonably necessary to establish contact with the securityholder."

This flexibility would preserve identity information needed under relevant law to establish registered ownership while avoiding unnecessary collection of personal data. By contrast, mandating a prescriptive minimum requirement to collect legal names and physical addresses could pose compliance challenges with respect to transactions in which such information is not provided, and could significantly increase the likelihood of unauthorized disclosure of personally identifying information. To that end, as noted above, the Commission should also permit transfer agents to maintain identity and contact information in a secure offchain system that is reliably linked to onchain ownership and transaction data.

C. Clarify that use of public, permissionless blockchain infrastructure does not create a third-party recordkeeper or service-provider relationship.

The Commission is proposing to add new Question 5(b) to Form TA-2, which would require a transfer agent to report certain service providers that it used during the reporting period.[11] As discussed above, we support the proposed new Form TA-2 reporting requirements. However, we recommend that the Commission clarify in the final rulemaking that, for purposes of responding to Question 5(b), a transfer agent is not required to identify a public, permissionless blockchain as a "service provider."

Mere use of a public, permissionless network does not create a service-provider relationship with that network or its participants. Rather, such a network is infrastructure maintained by independent participants, whose participation in operating the network, or processing or validating transactions, does not by itself constitute the provision of services to the transfer agent. Treating the public network or its participants as service providers solely because a transfer agent uses the network would produce disclosure that is inaccurate or of little use.

For the same reason, we also recommend that the Commission clarify in the final rulemaking that protocol developers, validators, node operators, and other participants in a public network likewise do not become service providers to a transfer agent merely because the transfer agent uses that network.

D. Tailor electronic recordkeeping requirements to immutable, public ledgers.

We support the Commission's goal of ensuring that transfer agent records are complete, accessible, and reliable. However, we urge the Commission to tailor its proposed electronic recordkeeping requirements to reflect how DLT-based records work in practice.

For example, the Commission is proposing amendments to Rule 17ad-7(f)(2) that would require a registered transfer agent using an electronic recordkeeping system to implement reasonable controls to ensure the integrity, accessibility, reproducibility, redundancy, and

[11] *Id.* at 56960.

continuity of records maintained, retained, or preserved using the electronic recordkeeping system. These would include controls that create an audit trail tracking access, modification, and deletion of records.[12]

We recommend that the Commission make clear in the final rulemaking that the audit-trail requirement in proposed Rule 17ad-7(f)(2) does not require a transfer agent to log publicly available blockchain data or maintain a duplicative offchain record of onchain transactions when the ledger itself provides the information required by the rule. A public blockchain is a timestamped, cryptographically secured, and independently verifiable record of every transaction recorded on the ledger. Requiring a transfer agent to recreate that transaction history in a separate log would add cost and operational complexity. It would also be duplicative and create risk of mismatches between the log and ledger, without enhancing investor protections. Instead, the audit-trail requirement should focus on access or actions within the transfer agent's control that affect regulated records or administrative functions, and should permit onchain transaction history to satisfy appropriate requirements.

Similarly, the rulemaking should permit the master securityholder file, control book, and transfer journal to be maintained as logical views or derived records from the same underlying onchain data, so long as the required information is complete, accurate, reproducible, and promptly producible for examination. Moreover, for immutable ledgers, a correction, cancellation, or superseding entry that preserves the historical onchain record should satisfy Rule 17ad-10(f), and the rules should not require a technically artificial "deletion" of information that the ledger is designed to preserve.

E. Recognize smart contracts as a permissible means of performing certain transfer agent functions.

We recommend that the Commission explicitly state in the final rulemaking that transfer agents using blockchain-based systems may use smart contracts to perform traditional transfer agent functions, including applying investor-protection controls and enforcing transfer restrictions. Smart contracts can perform these functions programmatically and maintain a verifiable record of each action.

The Commission should also make clear in the final rulemaking that a transfer agent's use of smart contracts to perform these traditional transfer agent functions does not alter its regulatory status or obligations. Rather, smart contracts can provide a permissible technological means of performing those functions. Using a smart contract does not shift regulatory responsibility to the smart contract, its developer, or the underlying network or its participants, and the transfer agent remains accountable for the functions it performs, whether it performs them manually, through conventional software, or through smart contracts. In the same way, the transfer agent should not face different substantive obligations merely because it performs a required function onchain. Making this clear would give transfer agents the regulatory certainty they need to adopt smart contract-based processes, while also confirming that investors retain the full protection of the Commission's rules.

[12] *Id.* at 56987.

Finally, the Commission should explicitly recognize in the final rulemaking that smart contracts can serve as components of the controls used to satisfy relevant compliance and risk management requirements. Recognizing smart contract controls as a permissible means of meeting these requirements, within an appropriate governance framework, would be consistent with the Proposal's stated desire to advance a technology-neutral approach. It would also hold onchain processes to the same standards of accuracy, reliability, and accountability that apply to other transfer agent systems.

F. Clarify the scope of "control" under proposed Rule 17ad-12 for self-custodied tokenized securities.

The Proposal would reframe Rule 17ad-12 as a comprehensive risk management rule, expanding the safeguarding standard from securities and funds in a transfer agent's "custody or possession" to those in its "possession, control, or custody."[13] While we support the Commission's goal of ensuring that transfer agents properly safeguard assets they process and hold, the addition of the term "control," which is not defined in the Proposal, could be read to reach the limited administrative authority transfer agents may hold over tokenized securities.

Accordingly, we recommend that the Commission confirm in the final rulemaking that a transfer agent's limited smart contract authority to administer allowlists, freeze or remediate exceptional transactions, or burn and reissue tokens should not, without more, be deemed to give the transfer agent possession, custody, or control of securityholder assets where the securityholder retains its private keys and directs permitted transfers. The relevant inquiry should focus on whether the transfer agent can unilaterally direct or dispose of the securityholder's assets and should distinguish narrowly circumscribed administrative functions.

G. Ensure the restrictive legend framework accommodates onchain mechanisms.

Proposed Rule 17ad-31 would establish requirements for transfer agents regarding the placement and removal of restrictive legends. In particular, the proposed rule would require transfer agents to maintain and rely on a current list of authorized issuer employees on whose instructions the transfer agent is authorized to act regarding the placement and removal of restrictive legends, and to refrain from facilitating any unregistered securities transaction unless the transfer agent has a reasonable basis to believe that the transaction does not violate, or is not part of a chain of transactions that would violate, Section 5(a) of the Securities Act of 1933.[14]

We generally support the proposed rule, but recommend that the Commission make clear in the final rulemaking that DLT-based transfer restrictions can serve the same investor-protection functions as traditional legends. Traditional legends notify purchasers and potential purchasers that a security is restricted, while signaling to the transfer agent that it should not register a transfer until the restriction has been satisfied or removed. DLT-based systems can perform these functions and enforce them programmatically. They can prevent transfers to wallets that have not been whitelisted, enforce holding periods, limit transfers to

[13] *Id.* at 56995.
[14] *Id.* at 57000.

verified eligible purchasers, and require transfer agent approval before a restricted transfer goes through. Without clarification from the Commission, transfer agents may conclude that they need to maintain duplicative, paper-style legends in addition to onchain controls. This would be inconsistent with the Proposal's stated desire to advance a technology-neutral approach.

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We commend the Commission for advancing long-awaited and much-needed efforts to update and modernize the transfer agent rules and for its thoughtful approach to the Proposal. We appreciate the opportunity to comment on the Proposal, welcome any questions, and look forward to providing additional feedback in the future.

Respectfully submitted,

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