



March 25, 2026

The Honorable French Hill  
Chairman  
House Financial Services Committee  
2129 Rayburn House Office Building  
Washington, DC 20515

The Honorable Maxine Waters  
Ranking Member  
House Financial Services Committee  
2129 Rayburn House Office Building  
Washington, DC 20515

**Re: March 25<sup>th</sup> Hearing Entitled “Tokenization and the Future of Securities: Modernizing Our Capital Markets”**

Dear Chairman Hill and Ranking Member Waters:

The American Securities Association (ASA)<sup>1</sup> submits these comments for the scheduled March 25<sup>th</sup> House Financial Services Committee hearing to examine tokenization within the securities markets and the investor protection issues that arise with investor access to tokenized equities.

The ASA appreciates the Committee’s work on this important issue. The expansion and availability of new technologies is transforming how securities are issued, held, traded, and settled. This creates new opportunities, but it also introduces new risks into our markets that demand continuous evaluation by the Securities and Exchange Commission (SEC).

As the Congress considers investor protection issues related to tokenization, it is essential to identify and address any emerging gaps in regulation that could occur if regulatory oversight fails to keep up with the pace of innovation. The SEC must ensure that *every* participant in this market operates under a consistent baseline of standards and rules, and that unregulated actors do not engage in activities reserved for regulated entities. This would create a competitive imbalance that would contravene the SEC’s statutory mission.

The SEC’s Investor Advisory Committee recently released recommendations for how the SEC should approach tokenization. The IAC called on the SEC to incorporate three core principles with regard to its oversight of tokenization<sup>2</sup>:

1. Mandatory disclosures should seek to provide investors with a clear understanding of their

<sup>1</sup> ASA is a trade association that represents the retail and institutional capital markets interests of regional financial services firms who provide Main Street businesses with access to capital and advise hardworking Americans how to create and preserve wealth. ASA’s mission is to promote trust and confidence among investors, facilitate capital formation, and support efficient and competitively balanced capital markets. This mission advances financial independence, stimulates job creation, and increases prosperity. ASA has a geographically diverse membership base that spans the Heartland, Southwest, Southeast, Atlantic, and Pacific Northwest regions of the United States.

<sup>2</sup> <https://www.sec.gov/files/recommendation-tokenization-equity-securities.pdf>





ownership rights;

2. Intermediaries should be subject to SEC, state and/or FINRA regulation and oversight; and
3. The trading of tokenized equity securities should be subject to protections that seek to ensure that all investors receive the best terms for their orders.

These principles – in particular principle #2 – are a reasonable start for the SEC’s oversight of tokenized securities.

The SEC does not need to turn its focus to *new* regulation; rather, it should seek to apply existing regulation to intermediaries that perform functions that have long been subject to SEC oversight. This is especially important if the SEC considers whether any new rules are required pursuant to the legislation (*Modernizing Markets Through Tokenization Act of 2026*) noticed with the hearing.

Allowing unregulated actors to perform the same functions as regulated entities would undermine investor protection, distort competition, and erode confidence in both market integrity and new financial technologies. Such an outcome would also harm investors, create an unlevel playing field for regulated firms, and damage confidence in new technologies. To prevent these consequences, the SEC must ensure that comparable activities are subject to comparable regulatory oversight.

As important, the SEC must require a tokenized asset to take on the regulation of the asset being tokenized. This is critical to prevent a ‘shadow market’ from developing, especially in equities. Tokenized equities must be subject to Reg NMS, custody rules, best execution, and reporting rules, among others.

We appreciate the Committee’s attention to tokenization and its consideration of ASA’s views. We look forward to continuing to serve as a resource for members and their staff on this issue.

Sincerely,

*Christopher A. Iacovella*

Christopher A. Iacovella  
President & Chief Executive Officer  
American Securities Association