



NASAA

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

750 First Street, NE, Suite 990
Washington, DC 20002
202-737-0900
www.nasaa.org

March 24, 2026

The Honorable French Hill (R-AR)
Chairman
U.S. House Committee on Financial Services
Washington, DC 20515

The Honorable Maxine Waters (D-CA)
Ranking Member
U.S. House Committee on Financial Services
Washington, DC 20515

RE: NASAA Letter for the Record for the Congressional Hearing Entitled, “Tokenization and the Future of Securities: Modernizing Our Capital Markets”

Dear Chairman Hill and Ranking Member Waters:

On behalf of the North American Securities Administrators Association, Inc. (“NASAA”),¹ I submit this letter for the record in connection with the March 25, 2026 hearing entitled, “Tokenization and the Future of Securities: Modernizing Our Capital Markets.” NASAA commends Congress for examining how tokenization is reshaping capital markets and urges that any executive, industry, legislative, or regulatory action preserve strong state and federal oversight over securities intermediaries and state police powers.

I. Foundational Principle: A Security Remains a Security

A foundational principle must guide our collective inquiry: a security remains a security regardless of the technological format used to issue, record, represent, or transfer it. Section 505 of the Digital Asset Market Clarity Act confirms that instruments with the economic characteristics of a security are securities,² and recent joint guidance from the U.S. Securities and Exchange Commission (“SEC”) and the Commodity Futures Trading Commission (“CFTC”) reinforces that this status does not change simply because a blockchain is involved.³ Even digital securities that offer non-financial benefits remain subject to securities laws for regulatory purposes. Any ambiguity on this point could weaken the exercise of state police powers to protect investors and investigate bad actors.

II. Single-License and Intermediary Oversight: Protecting Investors While Allowing Innovation

¹ NASAA’s membership includes state securities and commodities regulators in the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and Guam, as well as regulators from Canada and México.

² See [S. Amdt. ___ to H.R. 3633, the Digital Asset Market Clarity Act](#) (accessed Mar. 24, 2026), at 218-226. In addition, on March 12, 2026, 31 state securities regulators sent a letter to Congress that, among other items, elaborates on the importance of ensuring that tokenized securities are treated as securities. See NASAA, [Thirty-one State Regulators Urge Congress to Preserve their Role as Fraud Fighters in the Federal Market Structure Proposals](#) (Mar. 12, 2026).

³ See SEC, [Application of the Federal Securities Laws to Certain Types of Crypto Assets and Certain Transactions Involving Crypto Assets](#) (Mar. 18, 2026), at 24 (“A security is a security regardless of whether it is issued, or otherwise represented, offchain or onchain.”).

NASAA has serious concerns about proposals that would create a “single-license” or other overly broad federal licensing or exemptive framework for intermediaries trading digital asset commodities, securities, and potentially other products, sometimes referred to as integrated alternative trading systems, super-apps, or multi-service platforms. While innovation in market infrastructure should be encouraged, it cannot come at the expense of essential investor protections. State regulators play a critical role in licensing, oversight, and enforcement in their jurisdictions, and any federal regime must preserve state authority rather than displace it.

Recent federal commentary — including the White House report entitled, “Strengthening American Leadership in Digital Financial Technology,”⁴ and public statements by federal regulators — illustrate how policymakers are thinking about these issues. The White House report calls for a tailored, fit-for-purpose registration regime under the SEC or CFTC that reflects the activities of digital asset intermediaries while remaining consistent with existing financial market frameworks.⁵ This approach envisages principles-based requirements no more onerous than safeguards applied to existing registrants and contemplates allowing registrants to offer multiple services within a single user interface, provided that appropriate structural safeguards, governance mechanisms, and disclosures mitigate conflicts of interest. The report also encourages exploration of vertically integrated business models that could reduce frictions and enhance user experience. For example, combining exchange services with custody functions could allow for real-time settlement with cryptographically verifiable assets, and combining exchange and broker services could reduce operational complexity by permitting straight-through processing on a single technology stack, so long as customer property remains segregated from proprietary funds.⁶

Consistent with the White House report, SEC leaders have broadly articulated a vision for “super-apps” — integrated digital asset platforms that could facilitate trading, lending, staking, custody, and other services under a unified regulatory framework. They have suggested that coherent, clear rules of the road can support such platforms by reducing duplicative regulatory burdens and enabling innovation while protecting investors, and that the SEC should pursue a framework that supports the development of these multi-service models, including flexibility in custody arrangements and consistent oversight.⁷

NASAA supports careful regulatory exploration of these ideas that are structured in a way that preserves robust investor protections and does not displace state oversight — elements critical to sustaining investor trust and use of new technologies. A federal framework that allows

⁴ See White House, [Strengthening American Leadership in Digital Financial Technology](#) (Jul. 2025).

⁵ *Id.* at 55 (“SEC and CFTC registrants should be permitted to engage in multiple business lines under the most efficient licensing structure possible, ensuring a clear and simple regulatory framework for digital asset market activities.”).

⁶ *Id.* at 53 (“The Working Group encourages regulatory exploration of more vertically integrated business models in the digital asset space.”).

⁷ See, e.g., SEC, [American Leadership in the Digital Finance Revolution](#) (Jul. 31, 2025). (“I am often asked, ‘What do you mean by a super-app?’ Plain and simple: securities intermediaries should be able to offer a broad range of products and services under one roof with a single license... without requiring fifty-plus state licenses or multiple federal licenses. Nothing in the federal securities laws prohibits SEC-registered trading venues from listing non-securities on their platforms today, and I have directed the Commission staff to develop further guidance and proposals ultimately to make this ‘super-app’ vision a reality. Maybe they’ll call it ‘Reg Super-App.’”).

multiple functions under one regulatory umbrella must remain compatible with state police and regulatory powers, ensuring that investors retain meaningful protections, including anti-fraud enforcement, regardless of the technology or business model involved. States often serve as the first line of defense for local investors and bring on-the-ground enforcement expertise that is indispensable to the U.S. securities regulatory ecosystem.

III. NASAA’s Support for H.R. ____, Modernizing Markets Through Tokenization Act of 2026, and H.R. ____, the Capital Markets Technology Modernization Act of 2026

With respect to H.R. ____, the Modernizing Markets Through Tokenization Act of 2026,⁸ NASAA supports the initiative to direct a joint SEC-CFTC study assessing whether additional guidance or rules are necessary for tokenized securities and derivative products. To be effective, the study must meaningfully involve state securities regulators, whose practical experience in both traditional and digital markets offers valuable insight into compliance challenges and enforcement priorities. The study should also explicitly evaluate regulatory parity, ensuring that tokenized instruments are fully covered under federal and state securities laws and that state police powers remain intact. NASAA would be pleased to provide technical assistance in implementing these legislative recommendations.

NASAA also supports H.R. ____, the Capital Markets Technology Modernization Act of 2026,⁹ which would allow blockchain-based records to satisfy books and records requirements. We stand ready to engage with the SEC and other stakeholders, including through comments on related SEC proposals required or otherwise prompted by this legislation. Importantly, we encourage a thoughtful rulemaking process that balances innovation with investor protection.

IV. Conclusion and Recommendations

NASAA urges all of our policy partners to ensure that any follow-up actions from this hearing preserve regulatory parity between tokenized and non-tokenized securities, maintain state oversight and police powers, and protect comprehensive enforcement authority regardless of the technology used. With some added focus on foundational principles, we can foster responsible innovation in the United States while safeguarding investors and preserving the integrity of U.S. capital markets. Should you or your colleagues have any questions, please do not hesitate to contact Kristen Hutchens, NASAA’s Director of Policy and Government Affairs, and Policy Counsel, at khutchens@nasaa.org.

Sincerely,



Marni Rock Gibson
NASAA President

⁸ See [H.R. ____, the Modernizing Markets Through Tokenization Act of 2026](#) (accessed Mar. 24, 2026).

⁹ See [H.R. ____, the Capital Markets Technology Modernization Act of 2026](#) (accessed Mar. 24, 2026).