



October 20, 2026

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

Re: Regulation Crypto Assets (File No. S7-2026-27; Release Nos. 33-11434, 34-106150; RIN 3235-AN38)

Dear Secretary Countryman:

The [National Cryptocurrency Association](https://www.nca.org) (NCA) commends the Commission's effort to seek broad stakeholder input on proposed Regulation Crypto Assets, and welcomes the opportunity to bring the perspectives of everyday American crypto holders to a rule that will shape how offerings involving new crypto assets are made to them, and what they are told.

NCA is a nonprofit organization – protocol, company, and politically neutral – dedicated to helping everyday Americans understand and use cryptocurrency with confidence.

More than 67 million Americans, roughly 1 in 4 adults, now hold crypto, a population that grew by approximately 12 million in the past year alone.¹ Interest continues to grow, with more than 33 million Americans who do not currently hold crypto likely to buy it this year.² More than half earn less than \$150,000 a year, and 87% don't just own crypto, they use it, sending money to family and friends (41%) and shopping and paying (40%).³

To fill gaps in the data, NCA commissioned two pieces of research, published in the Crypto Offerings in the U.S. report, which is attached to this letter:

1. An investor survey fielded by The Harris Poll
 - The Harris Poll (Harris) surveyed 1,004 U.S. crypto holders, including 405 accredited holders and 401 who bought into a new token offering in the past 12 months, from October 5 to 9, 2026, about their experiences with new offerings, what information they rely on, and how they would respond to the proposed framework.⁴
 - Harris figures are reported by the population surveyed (all crypto holders, new-offering participants, or accredited and non-accredited holders), and Harris answers about future behavior are stated intentions rather than observed behavior.
 - Harris oversampled new-offering participants and accredited holders to answer the Commission's questions about them; figures for all holders are weighted. All

¹ [NCA, 2026 State of Crypto Holders Report](#), p. 2-3

² [NCA, 2026 Crypto Readiness Report](#), p. 4

³ [NCA, 2026 State of Crypto Holders Report](#), p. 3, 10, 24

⁴ NCA, Crypto Offerings in the U.S. October 2026, p. 6-7

survey measures are self-reported, including the income, net worth, and professional credentials used to determine accredited status.⁵

2. An economic analysis of token offerings by Pragmatic Policy Group (PPG).
 - PPG built an issuer-level picture of the token offering market from 2022 through October 2026, combining Commission filings with public token sales that were never filed, modeled how the proposed exemptions and alternatives would have applied to it, and drew on the Harris results to assess investor participation and amounts.⁶
 - PPG figures are identified as observed market data or modeled estimates, and response assumptions are drawn by analogy from U.S. equity-market evidence, so its estimates of additional offerings and capital are scenarios rather than forecasts.⁷
 - PPG's offering counts include meme coins and stablecoins, which its data sources do not separate and which likely fall outside the rule, so they are upper bounds; PPG estimates meme coins at about 2.4% of offerings.⁸

The status quo is not sustainable: Much of the new-offering activity holders reach happens outside any tailored U.S. framework, through unfiled sales or offshore structures.⁹ In those conditions, half of new-offering participants (50%) reported losing money in the past 12 months to hacks, abandoned projects, or fraud.¹⁰ The Commission's proposal is designed to address the conditions in which these losses occurred and to give Americans the opportunity to take part in new token offerings that come with disclosure, accountability, and recourse. It also responds to an information gap: fewer than half (48%) of holders are very or extremely confident that available information is enough to make informed decisions.¹¹ Holders are asking for a fix: about 8 in 10 say clear SEC rules would increase their confidence.¹²

A note on terms: Under the proposal, what is offered and sold as a security is the covered investment contract; the crypto asset that is the subject of that contract is not itself a security. In this letter, "holders" means Americans who own crypto assets. "Purchasers" and "new-offering participants" mean people who bought into an offering that may have been a covered investment contract. References to a "token offering" or "new offering" mean an offering of a likely covered investment contract involving that token. The Harris survey asked respondents in everyday language about "newly launched cryptocurrencies or token offerings," and where this letter reports those answers it uses the survey's wording, which should be read with the same understanding. The same applies to the PPG analysis.

NCA's comments address the questions on which our research and educational work offer direct evidence:

- Definitions that set the rule's scope (Rule 100).
- Disclosures investors will rely on (Rule 103).
- Bad-actor bar (Rule 104).
- Startup exemption and who can use it (Rule 200).

⁵ NCA, Crypto Offerings in the U.S. October 2026, p. 6-7, 42

⁶ NCA, Crypto Offerings in the U.S. October 2026, p. 24-25

⁷ NCA, Crypto Offerings in the U.S. October 2026, p. 24-25

⁸ NCA, Crypto Offerings in the U.S. October 2026, p. 47

⁹ NCA, Crypto Offerings in the U.S. October 2026, p. 26, 40

¹⁰ NCA, Crypto Offerings in the U.S. October 2026, p. 15. Losses by cause (security breaches 32%, abandoned projects 28%, fraud 23%) are shares of all recent buyers, and respondents could choose more than one cause, so they add up to more than 50%.

¹¹ NCA, Crypto Offerings in the U.S. October 2026, p. 13

¹² NCA, Crypto Offerings in the U.S. October 2026, p. 9

- Fundraising exemption (Rules 300 to 307).
- What happens for holders when a project finishes or stops its promised work (Rule 400).
- State preemption and whether buyers can tell if an issuer is current on its filings (Rule 500).
- Consumer and market data the Commission should use in its economic analysis, including its request for comment on small entities.

Summary of Key Recommendations

- Adopt Rule 103's plain-language disclosure requirements, add where and how the token can be traded, and align the plain-language standard with Rule 421(d) (Questions 26 to 33).
- Make disclosures available where buyers encounter offerings, in a standard machine-readable format, and file startup disclosures on EDGAR so there is a record of what was disclosed (Questions 32, 65, 66, and 88 to 90).
- Require marked updates after material changes and set defined deadlines for correcting filings (Questions 63, 68, and 69).
- Adopt the bad-actor disqualification provision (Questions 37 and 41).
- Adopt the startup and fundraising exemptions as disclosed, supervised paths open to everyday investors (Questions 43 and 75).
- Ensure investors have recourse against issuers, including through a U.S. address for service of process, and keep the startup exemption open to non-U.S. issuers that accept U.S. rules (Questions 49, 50, 61, and 86).
- Exclude airdrops, user rewards, and promoter payments that raise no money from the \$5 million cap, and require disclosure of tokens paid to promoters (Questions 46 and 54).
- Keep the startup cap at \$5 million (Question 53).
- Apply the 10% limit for non-accredited investors to the startup exemption, measured across purchases over 12 months, and weigh the diversion effects shown in the Harris data (Questions 55 and 152).
- Add network-level event reporting, including material security incidents (Question 116).
- Adopt the safe harbor for issuers that completed or permanently stopped their promised work, with a plain-language notice and accounting of funds to holders (Questions 124, 128 to 131, and 133).
- Provide a public status indicator so buyers can confirm whether an issuer is current on its filings (Questions 141 to 143).
- Base the final economic analysis on a range of affected issuers that includes token sales made without a filing, using NCA's investor data and PPG's market and cost analysis (Questions 145 to 154).

I. Definitions (Rule 100)

Question 8 - Whether the definition of "crypto asset" fits today's technology and future uses

The Commission asks whether its definitions of "crypto asset," "associated crypto network," and "associated crypto application" are accurate today, flexible enough for future technology, and neither too broad nor too narrow. NCA supports a broad, technology-neutral definition because holders use crypto for many purposes at once: 87% don't just own crypto, they use it, and 41% describe crypto as an investment, a payment method, and a technology platform simultaneously, with uses that include sending money to family and friends (41%), shopping (40%), gaming (28%), and property tokenization (19%).¹³

¹³ [NCA, 2026 State of Crypto Holders Report](#), p. 22-26

NCA's own research applies the Commission's definition as its scope, counting stablecoins, major cryptocurrencies, and other tokens held directly, on an exchange, or in a wallet.¹⁴ The definitions should also be explainable to ordinary buyers: 31% of non-holders say they need a better understanding of the differences between types of crypto.¹⁵

Recommendations: The Commission should adopt a broad, technology-neutral definition of "crypto asset" and explain the defined terms in plain language so that ordinary buyers can recognize what the rule covers. This is consistent with NCA's position to the FDIC that definitions should not strip consumers of protections based on how they hold an asset.¹⁶

Question 9 - How to convert money raised in foreign currency when measuring offering size

The Commission asks whether its definitions of "aggregate offering price" and "aggregate sales" are the right way to measure an offering against the \$5 million and \$75 million limits, whether it should set a specific date and method for converting cash received in a foreign currency, and whether issuers should disclose how they converted it.

The limits are stated in U.S. dollars, but token offerings draw buyers around the world, and exchange rates move. Without a fixed conversion date and method, an issuer near a limit could fall on either side of it depending on a choice the rule leaves open, and two issuers raising the same amount could report different totals. For investors, the problem is comparability: if issuers convert differently and do not say how, buyers cannot compare offerings on the same basis.

Recommendations: The proposed definitions already require conversion at an exchange rate in effect on, or at a reasonable time before, the date of the sale.¹⁷ The Commission should keep that standard, define what counts as a reasonable time before the sale so issuers apply it the same way, and require issuers to disclose the conversion method and exchange-rate source they used, so issuers can measure against the limits with certainty and investors can compare offerings on the same basis.

II. Disclosure Requirements (Rule 103)

Question 26 - Whether to adopt the crypto-specific disclosure rule

Rule 103 would require issuers under both exemptions to describe, in plain language, the offering, the token, management and conflicts of interest, development plans, security and source code, token economics and insider holdings, governance, and key risks. The Commission asks whether to adopt it as proposed. NCA supports Rule 103.

When asked directly, 80% of crypto holders agreed that requiring issuers to provide standardized information about a cryptocurrency offering would help them make a more informed investment decision, the most agreed-upon statement among the seven Harris tested.¹⁸ When asked to name the benefits of the proposed framework, 22% selected "more standardized disclosures" and 29% selected "greater transparency about projects" among their top three, behind "stronger investor protections" (41%) and "reduced risk of fraud or scams" (38%).¹⁹ One in three (33%) say greater transparency and disclosure requirements for issuers would make them more likely to invest in a

¹⁴ NCA, Crypto Offerings in the U.S. October 2026, p. 6-7, 43

¹⁵ [NCA, Crypto in America: Confidence Pulse July 2025](#), p. 2

¹⁶ [NCA Comments, GENIUS Act Requirements and Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers and Insured Depository Institutions, RIN 3064-AG19](#), p. 2

¹⁷ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54607](#)

¹⁸ NCA, Crypto Offerings in the U.S. October 2026, p. 9

¹⁹ NCA, Crypto Offerings in the U.S. October 2026, p. 10

new token offering.²⁰ Taken together, investors see disclosure as the means to protection from fraud and risk, not as an end in itself.

That matches what NCA has found across its research. Holders name greater transparency from crypto companies as a trust signal more than any other option (49%), and 39% name government oversight and regulatory clarity.²¹ Among non-holders, 70% say they need more trustworthy information before considering crypto, and 41% say they don't know who or what is behind it.²² Rule 103(a) already requires disclosure in clear, concise, and understandable language without overreliance on technical jargon,²³ which matches the plain-language standard NCA has asked other regulators to require.²⁴

Recommendations: The Commission should adopt Rule 103 and, in the non-exclusive examples NCA recommends under Questions 29 and 30, show issuers how to make the risks investors face and the protections they have easy to find, since those are the outcomes holders say they value most.

Questions 27 and 28 – Disclosures to change or add

The Commission asks whether any Rule 103 requirements should be dropped or changed, and whether other disclosures should be added.

Holders' stated needs line up with what Rule 103 already covers. Asked to pick the three most important pieces of information when considering a new token offering, holders most often chose risks and investor protections (34%), with trading information (29%) and security protections (27%) also ranked in the top five. Responses were spread across eleven items, with none chosen by a majority; the full ranking is in *Crypto Offerings in the U.S.*²⁵ Concern about scams and security is high: 72% of holders are concerned, and 43% of non-holders cite security and fraud as a barrier.²⁶

Recommendations: The Commission should adopt Rule 103 as proposed, adding only where and how the token can be traded (see Question 31). The plain-language, principles-based approach fits what holders report, and the improvements NCA recommends under Questions 29, 30, and 32 (non-exclusive examples and machine-readable disclosures linked from sale pages) improve comparability without adding required content.

Questions 29 and 30 – Flexible principles versus detailed rules, examples, or guidance

The Commission asks whether to replace its flexible, principles-based disclosure requirements with more detailed rules, or keep them and add examples or guidance showing what a good answer looks like.

The Harris results point to keeping the principles and improving comparability: 80% of holders agree standardized information would help them make a more informed decision.²⁷ The Commission's own alternatives analysis notes that more prescriptive rules could improve comparability across issuers, which it says could especially help retail investors.²⁸

²⁰ NCA, *Crypto Offerings in the U.S.* October 2026, p. 11, 46

²¹ [NCA, 2026 State of Crypto Holders Report](#), p. 46

²² [NCA, Crypto in America: Confidence Pulse July 2025](#), p. 1

²³ [Regulation Crypto Assets](#), 91 Fed. Reg. 54510 (Aug. 21, 2026), at 54524

²⁴ [NCA Statement for the Record, House Committee on Financial Services Field Hearing \(July 17, 2026\)](#), p. 2

²⁵ NCA, *Crypto Offerings in the U.S.* October 2026, p. 12

²⁶ [NCA, 2026 State of Crypto Holders Report](#), p. 46; [NCA, Crypto in America: Confidence Pulse July 2025](#), p. 1

²⁷ NCA, *Crypto Offerings in the U.S.* October 2026, p. 9

²⁸ [Regulation Crypto Assets](#), 91 Fed. Reg. 54510 (Aug. 21, 2026), at 54587

Recommendations: The Commission should keep the principles-based approach and supplement it with non-exclusive examples of responsive disclosure, designed to capture the comparability benefit the Commission identifies, so disclosures stay tailored to each project but become easier for retail investors to compare.

Question 31 – Offering terms to add, remove, or revise

Rule 103(b)(2) would require the number of units, price, offering period, purchaser restrictions, distribution agreements, net proceeds and expenses, use of proceeds, and where offering materials can be found. The Commission asks whether to add, remove, or revise any of these.

Where and how the token can be bought, sold, or traded was chosen in the top three by 29% of crypto holders, one of the top five information priorities Harris tested.²⁹ And 27% of holders who have not bought into a new offering say they prefer to wait until tokens trade publicly, so where a token will trade shapes who takes part.³⁰ Yet the proposed offering terms do not say where buyers can resell, even though buyers could resell right away.³¹

Recommendations: The Commission should add to the required offering terms any known or planned trading venues and any redemption options, so buyers know where and how they can exit before they purchase. See also NCA's comments on Question 153.

Question 32 – How issuers should deliver disclosures to investors

The Commission asks whether to require specific ways for issuers to publish or deliver Rule 103 disclosures. Investors lean on third-party sources more than on issuer-published ones. The most trusted sources when deciding whether to invest in a newly launched token offering are:

- New-offering participants: financial advisors (48%), market data and token tracking websites (41%), information provided directly by the project team (41%), and crypto-focused news outlets (38%).³²
- Other holders: financial advisors (45%), crypto-focused news outlets (38%), market data and token tracking websites (36%), friends or family (28%), and social communities such as Reddit, X, or Discord (24%).³³

Project websites rate near the bottom: 29% among new-offering participants (ninth of eleven) and 15% among other holders (eleventh of eleven).³⁴

Recommendations: The Commission should require issuers to publish Rule 103 disclosures in a standard, machine-readable format, so that market data and token tracking sites can display them. Issuers should also link to the disclosures from any sale page they control.

Question 33 – Whether retail investors will understand and use the disclosures

The Commission asks whether ordinary investors will be able to understand the required disclosures and use them to make decisions, and how to revise the requirements if not. The baseline the rule would need to improve is clear. Fewer than half (48%) of crypto holders are very or extremely confident that currently available information about newly launched cryptocurrencies and tokens is sufficient to make informed investment decisions; confidence is lowest among non-accredited holders (34%) and highest among accredited holders (59%).³⁵

²⁹ NCA, Crypto Offerings in the U.S. October 2026, p. 12

³⁰ NCA, Crypto Offerings in the U.S. October 2026, p. 14

³¹ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54526](#)

³² NCA, Crypto Offerings in the U.S. October 2026, p. 44

³³ NCA, Crypto Offerings in the U.S. October 2026, p. 44

³⁴ NCA, Crypto Offerings in the U.S. October 2026, p. 13, 44

³⁵ NCA, Crypto Offerings in the U.S. October 2026, p. 13, 45

The top anticipated reaction to the framework is deeper engagement, not avoidance: 31% of holders say they would spend more time reading disclosures and documentation, the most common way respondents say the framework would change their investment decisions.³⁶

Holders are not a technical audience, as only 11% of new holders work in tech.³⁷ Among non-holders, 55% say researching crypto feels overwhelming, 49% say they lack understanding of how it works, and 30% want easy-to-understand resources on using it safely.³⁸

Recommendations: The Commission should adopt Rule 103(a)'s plain-language standard and align it with the plain-English principles in Rule 421(d) of Regulation C: short sentences, concrete everyday words, the active voice, and tables or bullet lists for complex material, with no legal jargon, highly technical terms, or multiple negatives.³⁹ This is consistent with NCA's support for financial-literacy work focused on rural and majority-minority communities.⁴⁰

Questions 34, 35, and 81 – Insider selling and lockups

The Commission asks whether insiders such as founders, executives, and early backers create extra risk, whether disclosing their resale limits is enough, or whether the rule should require a minimum holding period, such as one year or until development milestones are met. Question 81 asks a related question about insiders selling in the fundraising exemption.

Harris asked holders about this in two different ways. Asked to choose the three most important pieces of information when considering a new token offering, 16% chose when the team and early investors can sell their tokens, tenth of eleven.⁴¹ Asked about policy, 73% agree that project teams and early investors should be required to hold their tokens for a minimum period after a sale, rising to 79% of new-offering participants.⁴² The results are not inconsistent: holders do not rank insider timing among their top information items, but they strongly support protection against insiders selling early.

Covered investment contracts sold under the exemptions are not restricted securities, so buyers and insiders can sell immediately.⁴³ Rule 103 already requires disclosure of insider holdings, lockups, release schedules, and insider resale restrictions.⁴⁴

Recommendations: Because Rule 103 already requires this information, the Commission should show insider holdings, lockup terms, and unlock dates prominently in the examples recommended under Questions 29 and 30, so buyers can see when supply from insiders may enter the market before they purchase.

Question 36 – Making risk disclosures specific instead of boilerplate

The Commission asks how to make sure risk-factor disclosures cover only real, material risks and avoid generic language. Harris asked holders how concerned they are about specific risks in new offerings. The share very or extremely concerned:

1. Fraud or scams (63%)

³⁶ NCA, Crypto Offerings in the U.S. October 2026, p. 16, 45

³⁷ [NCA, 2026 State of Crypto Holders Report](#), p. 8

³⁸ [NCA, Crypto in America: Confidence Pulse July 2025](#), p. 1-2

³⁹ [17 C.F.R. § 230.421\(d\)](#)

⁴⁰ [NCA Statement for the Record, House Committee on Financial Services Field Hearing \(July 17, 2026\)](#), p. 2

⁴¹ NCA, Crypto Offerings in the U.S. October 2026, p. 12

⁴² NCA, Crypto Offerings in the U.S. October 2026, p. 22, 45

⁴³ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54526](#)

⁴⁴ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54525-26](#)

2. Security breaches, hacks, or theft (57%)
3. Misleading or inaccurate information about the project (54%)
4. The project failing to deliver on its stated goals or roadmap (51%)
5. Lack of transparency about how funds are used (48%)
6. Regulatory or legal issues affecting the project (45%)⁴⁵

Accredited holders are more concerned than non-accredited holders about security breaches (61% vs. 51%) and regulatory issues (50% vs. 39%).⁴⁶

Recommendations: The Commission should require that risk factors begin with the specific risks that apply to the offering, such as those holders most often cite. A risk factor that is generic, meaning it could apply to any crypto asset and does not explain how the risk affects this issuer and its purchasers, should be treated as non-responsive and as not satisfying the rule.

III. Bad-Actor Disqualification (Rule 104)

Questions 37 and 41 – Barring bad actors

The Commission would bar issuers and insiders with certain past violations from using the exemptions, using the same “bad actor” list as Regulation A, and asks whether to adopt this and whether to add or remove triggering events.

The Regulation A list screens on a person’s legal record, including criminal convictions, court injunctions, and orders from securities and other regulators.⁴⁷ Holders’ concerns show why that screen matters for exemptions designed for retail participation. Fraud or scams are the top concern about new offerings (63%), and a lower risk of fraud or scams is the factor holders most often say would make them more likely to invest (45%, rising to 50% of non-accredited holders).⁴⁸ Concern about scams and security is also high among holders generally (72%) and among non-holders (43%).⁴⁹

Recommendations: NCA supports applying the Regulation A disqualification standard to the exemptions, so that persons with disqualifying securities-law violations cannot use exemptions designed for retail participation. A disqualification screen reaches only persons with a prior record, which is why NCA’s recommendations on disclosure and recourse (see Questions 27, 28, and 61) matter as well. NCA does not propose specific additions or removals from the list of triggering events.

IV. Startup Exemption (Rule 200)

Question 43 – Whether to create the \$5 million startup exemption

The Commission asks whether to let early-stage projects raise up to \$5 million over up to four years without full registration, as long as they file notices and post plain-language disclosures. NCA supports creating the exemption.

The Commission’s own data shows current paths mostly exclude everyday investors: crypto-related offerings under Regulation D involved “almost no non-accredited investors.”⁵⁰

⁴⁵ NCA, Crypto Offerings in the U.S. October 2026, p. 15

⁴⁶ NCA, Crypto Offerings in the U.S. October 2026, p. 46

⁴⁷ [Regulation Crypto Assets](#), 91 Fed. Reg. 54510 (Aug. 21, 2026), at 54528; 17 C.F.R. § 230.262(a)

⁴⁸ NCA, Crypto Offerings in the U.S. October 2026, p. 11, 15

⁴⁹ [NCA, 2026 State of Crypto Holders Report](#), p. 46; [NCA, Crypto in America: Confidence Pulse July 2025](#), p. 1

⁵⁰ [Regulation Crypto Assets](#), 91 Fed. Reg. 54510 (Aug. 21, 2026), at 54567

More than half of holders report household income under \$150,000.⁵¹ PPG found that 85% of the 6,893 token offerings it identified from 2022 through October 2026 raised \$5 million or less, and that U.S.-led issuers fell within the \$5 million limit 185 times over that period, counting each issuer once for each year it raised money (modeled estimate).⁵²

On the investor side, the main reasons holders stay out of new offerings today are risk and confidence rather than access. Among holders who did not buy into a new offering in the past 12 months:

- 35% say these investments are too risky.
- 34% are concerned about fraud or scams.
- 26% say there is not enough reliable information to evaluate them.

Access barriers are smaller but real: 15% cite minimum investment amounts that are too high, 9% offerings open only to accredited investors, and 6% offerings not open to U.S. investors.⁵³

NCA has told Congress that without clear rules, legitimate projects incorporate offshore and the cost of figuring out the rules falls hardest on businesses with the fewest resources.⁵⁴ The startup exemption gives those projects a U.S. path, gives everyday investors a way in that existing exemptions do not, and its disclosures address the risk and information concerns that keep most holders out today.

Recommendations: The Commission should adopt the startup exemption in Rule 200 as a path that is open to everyday investors, with the plain-language disclosures in Rule 103 as its core protection.

Questions 46 and 54 – Airdrops, user rewards, and tokens paid for services

The startup exemption covers airdrops and tokens given as rewards for using, operating, governing, or securing a network, along with tokens given for services like development or promotion, and all of these count toward the \$5 million cap. The Commission asks whether it needs guidance on valuing airdrops, a separate airdrop exemption, or a narrower or broader definition of what counts.⁵⁵

Airdrops and rewards already reach a meaningful share of holders. In the past 12 months, 31% of holders received a newly issued token through an airdrop or as a reward from a project, protocol, application, or network. That includes 42% of accredited holders, compared with 17% of non-accredited holders. Among new-offering participants, the share was 44%, compared with 19% of other holders.⁵⁶ NCA has pointed to networks that reward ordinary people for building coverage as uses that stall under legal uncertainty.⁵⁷

The \$5 million cap limits money raised from purchasers. An airdrop, a reward for using or securing a network, or a payment of tokens to a promoter raises no money, and counting it at market value could use up a project's cap on distributions that raised no capital. Promoter payments carry a separate risk, because many buyers rely on social channels: 35% of new-offering participants trust YouTube creators or influencers, and 33% trust social

⁵¹ [NCA, 2026 State of Crypto Holders Report](#), p. 10

⁵² NCA, Crypto Offerings in the U.S. October 2026, p. 26, 28-29

⁵³ NCA, Crypto Offerings in the U.S. October 2026, p. 14

⁵⁴ [NCA Statement for the Record, House Committee on Financial Services Field Hearing \(July 17, 2026\)](#), p. 2; [NCA Statement for the Record, House Committee on Small Business Hearing \(September 15, 2026\)](#), p. 2

⁵⁵ [Regulation Crypto Assets](#), 91 Fed. Reg. 54510 (Aug. 21, 2026), at 54519, 54530-31

⁵⁶ NCA, Crypto Offerings in the U.S. October 2026, p. 42

⁵⁷ [NCA Statement for the Record, House Committee on Financial Services Field Hearing \(July 17, 2026\)](#), p. 2

communities like Reddit, X, or Discord.⁵⁸ That is why promoter payments should be disclosed even though they do not count toward the cap, so buyers can see who is being compensated to promote an offering.

Recommendations: The Commission should provide that airdrops, rewards for using, operating, governing, or securing a network, and tokens paid to promoters do not count toward the \$5 million cap when the recipient pays no money to the issuer, while keeping them within the exemption's other conditions. It should also require disclosure of tokens paid to promoters, so buyers can see who is being compensated to promote an offering. If the Commission keeps airdrops and rewards within the cap, it should specify how to value them, such as at the price the issuer charged purchasers in the same offering or, if there were no sales, at a good-faith valuation disclosed in the offering document, and should consider a separate allowance so that rewards do not crowd out capital raising.

Questions 47 and 62 - The four-year time limit and the promise to deliver

The startup exemption would last up to four years. The Commission asks whether that limit is right and whether issuers should certify that they intend to complete their promised work within four years.

Investors' concern is projects that never deliver: 51% of holders are concerned about a project failing to deliver on its stated goals or roadmap, and 28% of new-offering participants lost money because a project was abandoned or never delivered.⁵⁹

Recommendations: The Commission should keep the four-year limit, which gives holders a fixed date by which the issuer must account for its promised work (see Questions 70 and 71). It should also require issuers to certify at the outset that they intend to complete the promised work within that period and to describe the work. The certification should be one of present intent, not a guarantee of delivery, so that a project that makes a genuine effort but runs late does not lose the exemption, while an issuer that never intended to deliver is exposed to antifraud liability. The description gives holders, and the transition report, a clear standard to measure against. The annual amendment the proposal already requires should open with a short plain-language progress update.⁶⁰

Questions 49, 50, and 86 - Whether issuers must be based in the U.S.

The fundraising exemption is limited to U.S.-organized issuers run mainly from the U.S. The startup exemption has no such limit. The Commission asks whether to add a U.S. requirement to the startup exemption and whether to open the fundraising exemption to Canadian or other foreign issuers.

U.S. investors are already reaching offerings outside U.S. protections: 82% of new-offering participants used at least one method to access an offering not open to U.S. investors, including an account registered outside the U.S. (49%), participating through another person or a third party (48%), or a VPN (47%).⁶¹ That goes directly to the Commission's concern in Question 50 about protecting U.S. investors. Where new-offering participants' projects are based:

- Today: 68% say every new offering they bought into was U.S.-based, 30% a mix, and 1% only offerings based outside the U.S.

⁵⁸ NCA, Crypto Offerings in the U.S. October 2026, p. 44

⁵⁹ NCA, Crypto Offerings in the U.S. October 2026, p. 15

⁶⁰ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54534](#)

⁶¹ NCA, Crypto Offerings in the U.S. October 2026, p. 19

- Under the framework as described: 65% expect to invest only in U.S.-based projects, 32% a mix, and 3% only outside the U.S.⁶²

Keeping buyers in the U.S. will depend on how workable the U.S. route is. Among holders who say they would be more likely to invest, or would invest more, under the framework, 28% say some of that money would otherwise go to offerings based outside the U.S., rising to 39% of new-offering participants.⁶³

PPG's market data points the same way. U.S.-led issuers ran 143 offerings in 2025 and 46 in 2026 to date, with reported amounts of \$2.5 billion this year, including announced targets (observed).⁶⁴ Headquarters could not be identified for 84% of offerings, and where location is known, non-U.S. teams outnumber U.S.-led teams in every year (observed).⁶⁵ Third-party data compiled by PPG shows the pattern:

- The U.S. share of crypto developers fell from 40% in 2018 to 19% in 2024.
- 19% of token sales listed in 2018 excluded U.S. residents.
- Cayman Islands foundation companies, a common legal home for token projects, more than doubled from 790 at the end of 2023 to 1,662 at the end of 2025.
- U.S.-headquartered firms raised between 47% and 73.5% of crypto venture capital in each quarter from mid-2025 to mid-2026.⁶⁶

In PPG's reading, many teams keep a U.S. company to raise equity and issue the token offshore; the legal literature points to the Cayman Islands, British Virgin Islands, Switzerland, Singapore, and Dubai as common launch locations.⁶⁷

PPG estimates that, had the rules applied from 2022 through October 2026, U.S.-led teams moving token sales onshore would have added 197 to 881 U.S. offerings and \$191 million to \$692 million in capital. Foreign teams opening startup-size sales to U.S. buyers would have added another 148 to 527 offerings and \$38 million to \$136 million (modeled estimate).⁶⁸ That second channel depends on the startup exemption remaining open to non-U.S. issuers.⁶⁹

On Question 86, PPG's comparison with seven other jurisdictions finds that the fundraising exemption would be the only route reviewed in which a regulator approves each offering before sale. Its offering statement would cost 1.4 to 2.9 times an EU white paper in outside fees. Its U.S.-based requirement means a U.S.-led team using an offshore foundation would have to restructure to use it.⁷⁰ PPG also found the startup exemption would be cheaper than the EU and UK routes for raises of about \$1 million to \$5 million: about \$23,760, against \$39,120 to \$83,830 per issuance in the EU and about \$27,730 plus \$15,850 a year in the UK.⁷¹

The consumer stakes are recourse and access. NCA has told Congress that the major failures that hurt holders happened offshore and left customers standing in line as unsecured creditors.⁷² Public opinion favors bringing the activity home: 69% of Americans support strengthening American leadership in digital financial technology.⁷³

⁶² NCA, Crypto Offerings in the U.S. October 2026, p. 18

⁶³ NCA, Crypto Offerings in the U.S. October 2026, p. 17, 19

⁶⁴ NCA, Crypto Offerings in the U.S. October 2026, p. 26-27

⁶⁵ NCA, Crypto Offerings in the U.S. October 2026, p. 26-27

⁶⁶ NCA, Crypto Offerings in the U.S. October 2026, p. 40, 47

⁶⁷ NCA, Crypto Offerings in the U.S. October 2026, p. 40

⁶⁸ NCA, Crypto Offerings in the U.S. October 2026, p. 30-31

⁶⁹ NCA, Crypto Offerings in the U.S. October 2026, p. 48

⁷⁰ NCA, Crypto Offerings in the U.S. October 2026, p. 40, 47

⁷¹ NCA, Crypto Offerings in the U.S. October 2026, p. 40-41

⁷² [NCA Statement for the Record, House Committee on Financial Services Field Hearing \(July 17, 2026\)](#), p. 2

⁷³ [NCA, Crypto in America: Policy Pulse August 2025](#), p. 1

Recommendations: NCA recommends keeping the startup exemption open to non-U.S. issuers, on the condition that any issuer selling to U.S. investors accepts U.S. rules: it must file the same notice and plain-language disclosures, be subject to the bad-actor disqualification, and appoint a U.S. agent for service of process (see Question 61). This brings offerings that U.S. holders already reach offshore into a disclosed, supervised framework, and it preserves the offerings and capital PPG estimates non-U.S. teams would bring to U.S. investors. NCA takes no position on the domicile or corporate-structure test for the fundraising exemption (Question 86).

Question 53 - The \$5 million startup cap

The Commission asks whether \$5 million is the right cap and what a higher or lower cap would mean for investor protection and capital formation.

PPG's data describes where today's offerings fall. Of 6,893 global offerings, 72% raised under \$1 million and 85% raised \$5 million or less (observed).⁷⁴ Among the 106 U.S.-led issuers active in 2025, 61 would have fallen within the \$5 million startup band under the proposed limits; lowering the limit to \$1 million would reduce that to 49, and raising it to \$10 million would increase it to 71 (modeled estimate), so the results are sensitive to the startup limit.⁷⁵ The near-term pipeline points the same way, though it is a partial view rather than a forecast: of 100 planned U.S.-based token sales, the 15 offerings that reported fundraising targets all aim to raise \$5 million or less, and none had a confirmed launch date.⁷⁶

For comparison, the Commission based its estimate of 99 startup offerings a year on 2024 crypto offerings of \$5 million or less under Regulation D and Regulation Crowdfunding.⁷⁷ PPG estimates the startup exemption's first-year cost at about \$23,760 per project, roughly 2.4% of a \$1 million raise (modeled estimate).⁷⁸

Recommendations: The Commission should keep the cap at \$5 million and not lower it. PPG's modeling shows that a \$1 million cap would reduce the U.S.-led issuers within the startup band from 61 to 49, about one in five, pushing those projects toward the costlier fundraising exemption. A \$5 million cap already covers 85% of global offerings, and the exemption's estimated first-year cost of about \$23,760 is roughly 2.4% of a \$1 million raise and under 0.5% of a \$5 million raise, so compliance stays proportionate across the range. NCA takes no position on raising the cap above \$5 million. NCA supports the periodic inflation adjustment process in proposed Rule 102, which would require adjustments at least once every five years.⁷⁹

Question 55 - Investment limits for individuals under the startup exemption

The fundraising exemption caps non-accredited investors at 10% of the greater of their annual income or net worth. The startup exemption has no individual cap. The Commission asks whether it should, and at what level.

The Harris data supports a limit:

- Two-thirds of holders (66%) agree that limiting how much non-accredited investors can put into a single offering is an appropriate protection, including 63% of non-accredited holders, the people it would constrain.⁸⁰

⁷⁴ NCA, Crypto Offerings in the U.S. October 2026, p. 26, 28, 47

⁷⁵ NCA, Crypto Offerings in the U.S. October 2026, p. 38-39

⁷⁶ NCA, Crypto Offerings in the U.S. October 2026, p. 28

⁷⁷ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54592](#)

⁷⁸ NCA, Crypto Offerings in the U.S. October 2026, p. 35, 48

⁷⁹ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54522-23](#)

⁸⁰ NCA, Crypto Offerings in the U.S. October 2026, p. 21, 45

- Exposure is real. Among non-accredited new-offering participants, 26% put more than 10% of their income or net worth into their largest single offering in the past 12 months.⁸¹
- Under the framework, 16% of non-accredited holders (21% of all holders) plan to put more than 10% of the greater of their income or net worth into new offerings over the next 12 months.⁸²
- Asked how they would respond to a limit, non-accredited holders said they would divide their investment across multiple offerings (29%), invest up to the limit even if they would otherwise have invested more (25%), or invest more in smaller startup offerings that do not have the limit (18%).⁸³

Recommendations: The Commission should apply to non-accredited investors in the startup exemption the same 10% threshold that applies in the fundraising exemption (10% of the greater of annual income or net worth), measured in total across startup-exemption purchases over a 12-month period. An aggregate measure protects an investor's overall exposure to new offerings and cannot be avoided by splitting purchases across offerings. The Commission already uses this design in Regulation Crowdfunding, which limits non-accredited investors to 5% to 10% of their income or net worth across all offerings in a 12-month period, capped at \$124,000.⁸⁴ Issuers should be able to rely on an investor's representation that a purchase is within the limit unless they know it is untrue, without verification requirements that raise costs for small projects. Applying the same threshold in both exemptions also avoids pushing investment toward the exemption without a limit, which 18% of non-accredited holders say they would do.⁸⁵

Question 61 – An address investors can reach when the issuer has no main office

Form NOR would require the issuer's principal executive office address only if it has one. The Commission asks whether an issuer without an office should instead provide a different address, such as the address of its agent for service of process.

Holders' concerns show why recourse matters: fraud or scams (63%) and misleading information (54%) top the list of concerns about new offerings, and 50% of new-offering participants lost money in the past 12 months.⁸⁶ Startup issuers may be individuals or informal groups with no office,⁸⁷ so without an alternative, a Form NOR could identify no place where the issuer can be reached.

This is the recourse point NCA raises under Questions 49, 50, and 86: major failures that hurt holders happened out of reach of U.S. investors.⁸⁸

Recommendations: The Commission should require every issuer relying on the startup exemption to provide a U.S. address for service of process when it has no principal executive office, so investors and the Commission have someone to pursue. The same requirement should apply to Form TR and the fundraising forms (Questions 73, 98, and 122 ask the same question).

Question 63 – How quickly issuers must correct mistakes in their notice

Startup issuers would have to amend Form NOR to fix a material mistake or reflect a material change "as soon as practicable." The Commission asks whether to set a specific deadline instead,

⁸¹ NCA, Crypto Offerings in the U.S. October 2026, p. 20

⁸² NCA, Crypto Offerings in the U.S. October 2026, p. 20

⁸³ NCA, Crypto Offerings in the U.S. October 2026, p. 21

⁸⁴ NCA, Crypto Offerings in the U.S. October 2026, p. 20; [17 C.F.R. § 227.100\(a\)\(2\)](#)

⁸⁵ NCA, Crypto Offerings in the U.S. October 2026, p. 21

⁸⁶ NCA, Crypto Offerings in the U.S. October 2026, p. 15

⁸⁷ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at 54531

⁸⁸ [NCA Statement for the Record, House Committee on Financial Services Field Hearing \(July 17, 2026\)](#), p. 2

such as 24 hours or four business days. Holders are concerned about misleading or inaccurate information (54%),⁸⁹ and the information in Form NOR is what points investors to the issuer's disclosures in the first place: the issuer's identity, the token's name, and the website where Rule 103 disclosures live.⁹⁰

Recommendations: The Commission should set a defined deadline, such as four business days, consistent with current event reporting, rather than "as soon as practicable," so investors and the Commission can tell whether an issuer is in compliance. This pairs with NCA's comments on Questions 68 and 69.

Question 64 - Balancing issuer burden and investor protection in startup disclosures

The Commission asks whether the startup exemption's disclosure requirements strike the right balance between limiting issuer costs and keeping investors protected and informed.

Fewer than half (48%) of crypto holders are very or extremely confident that currently available information is sufficient to make informed decisions, and the gap is widest for the investors the startup exemption is most likely to reach: 34% of non-accredited holders are confident, compared with 59% of accredited holders, and 34% of holders who have not participated in a new offering, compared with 64% of those who have.⁹¹

Among the disclosure items holders rank highest are risks and investor protections (34%), where and how the token can be bought, sold, or traded (29%), and security audits, technical reviews, and cybersecurity protections (27%).⁹² The startup exemption does not require financial statements, so plain-language disclosure of use of proceeds and progress carries more weight for investors. Disclosure burdens can also push small issuers out of a market: when the OTC Bulletin Board began requiring companies to report to the SEC, many smaller firms left rather than comply.⁹³

Recommendations: The Commission should keep the startup exemption's disclosure requirements light enough for small issuers, consistent with NCA's position that compliance costs fall hardest on the smallest firms,⁹⁴ as long as the items investors rank highest (risks and protections, where the token can be traded, and security) remain required. See NCA's comments on Questions 27 and 28.

Questions 65 and 66 - Filing disclosures with the SEC versus posting them on a website

Startup issuers could post their disclosures on their own website instead of filing them with the SEC. The Commission asks whether to require EDGAR filing so investors and the Commission can later prove what was disclosed at the time of sale, and whether website disclosures must stay up for the full four years.

Investors rank project websites low among sources they rely on: among new-offering participants, project websites rate ninth of eleven trusted sources (29%) and project white papers or technical documentation eighth (32%); among other holders, project websites rate last (15%) and white papers eighth (19%).⁹⁵ Website content can also be edited or removed after a sale. Without a record that does not depend on the issuer, neither investors nor the Commission can establish what buyers were told at the time of sale, which weakens recourse when a project fails.

⁸⁹ NCA, Crypto Offerings in the U.S. October 2026, p. 15

⁹⁰ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at 54531

⁹¹ NCA, Crypto Offerings in the U.S. October 2026, p. 13, 45

⁹² NCA, Crypto Offerings in the U.S. October 2026, p. 12

⁹³ NCA, Crypto Offerings in the U.S. October 2026, p. 36-37

⁹⁴ [NCA Statement for the Record, House Committee on Small Business Hearing \(September 15, 2026\)](#), p. 2

⁹⁵ NCA, Crypto Offerings in the U.S. October 2026, p. 13, 44

Recommendations: The Commission should require that startup-exemption disclosures be filed on EDGAR as an exhibit to Form NOR, with each annual update filed as an amendment, and remain accessible for the full exemption period, so investors and the Commission can establish what was disclosed at the time of sale.

Questions 68 and 69 - Keeping disclosures current and showing what changed

The Commission proposes annual updates and asks whether updates should instead be triggered by material changes, and whether issuers should mark changes and keep prior versions available. More than half of holders (54%) are concerned about misleading or inaccurate information about a project,⁹⁶ and transparency from crypto companies is the trust signal named by the largest share of holders (49%).⁹⁷ An annual update can leave investors relying on stale information for most of a year.

Recommendations: The Commission should require an update within the deadline NCA recommends under Question 63 whenever a material change occurs, in addition to the annual update, so disclosures stay current between annual reviews. Each update should identify what changed, in a short plain-language note or a marked version. If disclosures are filed on EDGAR, as NCA recommends under Questions 65 and 66, prior versions will remain available, so investors can see what they were told and when it changed.

Question 70 - The transition report at the end of the startup period

Within four years, startup issuers would file a transition report (Form TR) stating whether they completed their promised work. The Commission asks whether to require it. A final accounting matters to investors: 28% of new-offering participants lost money because a project was abandoned or never delivered.⁹⁸ The report is a modest burden: the Commission estimates that filing Form TR would cost a startup issuer about \$12,700.⁹⁹

Recommendations: The Commission should require the transition report. It gives holders a fixed date by which the issuer must say whether it completed its promised work (see Question 47), and it gives holders and the Commission a record to measure the issuer's earlier representations against. Form TR should open with the plain-language statement described under Questions 128 to 130, and include the items recommended under Question 71.

Question 71 - What the transition report should contain

The Commission asks whether any information in Form TR should be dropped, and whether anything should be added. Holders' concerns line up with what a final report should cover: 51% are concerned about a project failing to deliver on its roadmap, 48% about lack of transparency on how funds are used, and 28% of new-offering participants lost money because a project was abandoned or never delivered.¹⁰⁰ Form TR as proposed requires a description of the covered investment contract, a certification or status update, and supporting analysis.¹⁰¹

Recommendations: The Commission should add two items written for holders rather than lawyers: (1) a plain-language summary of what the issuer promised, what it completed, and what it did not; and (2) an accounting of the funds raised under the exemption and how they were used. Form TR should also open with the plain-language statement described under Questions 128 to

⁹⁶ NCA, Crypto Offerings in the U.S. October 2026, p. 15

⁹⁷ [NCA, 2026 State of Crypto Holders Report](#), p. 46

⁹⁸ NCA, Crypto Offerings in the U.S. October 2026, p. 15

⁹⁹ NCA, Crypto Offerings in the U.S. October 2026, p. 39; [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54579](#)

¹⁰⁰ NCA, Crypto Offerings in the U.S. October 2026, p. 15

¹⁰¹ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54532-33](#)

130. These connect to NCA's comments on Questions 70, 128 to 130, and 133, and are consistent with NCA's call for affirmative plain-language disclosure.

V. Fundraising Exemption (Rules 300 to 307)

Question 75 - Whether to create the \$75 million fundraising exemption

The Commission asks whether to create a larger exemption modeled on Regulation A (up to \$20 million a year in Tier 1 and \$75 million a year in Tier 2), with Commission review before sales, financial statements, and ongoing reporting. NCA supports creating it. Holders say a clear framework would bring them in:

- Two-thirds (66%) of crypto holders say they are more likely to invest in newly launched cryptocurrencies or token offerings if the framework were adopted, and only 10% are less likely; accredited holders are more likely still (70%, versus 61% of non-accredited holders).¹⁰²
- More than three in four (77%) agree they would be more likely to invest in an offering that followed an SEC-compliant framework, rising to 79% of accredited holders and 83% of new-offering participants.¹⁰³
- Most holders (78%) are confident the Commission can protect investors in new token offerings, rising to 89% of new-offering participants and 83% of accredited holders.¹⁰⁴

PPG found 111 U.S.-led issuer-years from 2022 through October 2026 that fell within the \$75 million 12-month limit, 81 of them in Tier 1, counting each issuer once for each year it raised money (modeled estimate).¹⁰⁵ The existing Regulation A path has not worked for token offerings:

- The Commission found that only 14 issuers completed qualified crypto-related offerings under Regulation A from 2015 to 2024.¹⁰⁶
- The first two token offerings qualified under Regulation A, in 2019, each expected more than \$2 million in offering costs, under rules not designed for tokens. Tailored disclosure would bring that cost down: PPG estimates the fundraising exemption's offering statement at about \$113,883 in outside fees, close to what other Regulation A Tier 2 issuers expect to pay today (a \$100,000 median), and its full first-year cost, including staff time and the first year of reports, at about \$449,922 (modeled estimate).¹⁰⁷

Regulation A itself shows what a workable path can do: after the Commission expanded it in 2015, qualified offerings rose from 8 or 9 a year to between 85 and 102 a year.¹⁰⁸

Recommendations: The Commission should adopt the fundraising exemption as a disclosed, supervised path for larger offerings that is open to everyday investors, so that holders who say they are more likely to invest under a clear framework can do so inside U.S. protections. To work where Regulation A has not, the exemption must be fit for purpose and keep costs in proportion to the offerings it serves. The fundraising exemption would be the only route PPG reviewed that requires regulator approval before each sale, so its competitiveness will depend on how quickly the Commission qualifies offerings.¹⁰⁹ See NCA's comments on Questions 102, 104, 110, and 116.

¹⁰² NCA, Crypto Offerings in the U.S. October 2026, p. 8, 45

¹⁰³ NCA, Crypto Offerings in the U.S. October 2026, p. 9, 45

¹⁰⁴ NCA, Crypto Offerings in the U.S. October 2026, p. 9, 45

¹⁰⁵ NCA, Crypto Offerings in the U.S. October 2026, p. 28-29

¹⁰⁶ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54568](#)

¹⁰⁷ NCA, Crypto Offerings in the U.S. October 2026, p. 35, 47

¹⁰⁸ NCA, Crypto Offerings in the U.S. October 2026, p. 36-37

¹⁰⁹ NCA, Crypto Offerings in the U.S. October 2026, p. 40

Question 78 – Crypto-native ways to market offerings, such as wallet preregistration

The Commission asks whether its rules on solicitations, indications of interest, and “testing the waters” should be adjusted for crypto, for example by treating wallet preregistration as a sign of interest.

Buyers find offerings through social channels: 35% of new-offering participants trust YouTube creators or influencers, and 33% trust social communities like Reddit, X, or Discord.¹¹⁰ Social promotion carries specific risks: research on crypto pump-and-dump schemes, cited by PPG, finds sharp price and trading spikes followed by quick reversals that move money from later buyers to insiders.¹¹¹

Recommendations: The Commission should treat wallet preregistration and similar non-binding signals of interest as indications of interest, on the same conditions that apply to solicitations of interest under Rule 255:¹¹² no money or tokens may be accepted, the signal must create no obligation, commitment, or guaranteed allocation, and the materials must carry the standard legend. Once an offering statement is filed, crypto-native solicitations should link to it, so interest generated on social channels leads buyers to the official information. Compensation paid to promoters of these solicitations should be disclosed (see Questions 46 and 54).

Question 82 – The Tier 1 and Tier 2 caps (\$20 million and \$75 million)

The Commission asks whether the caps are right and whether Tier 1 should be \$25 million instead of \$20 million.

PPG’s data shows where U.S.-led issuers fall. Of the 106 U.S.-led issuers active in 2025, 34 would fall in Tier 1 or Tier 2 and 9 would raise more than the \$75 million Tier 2 limit (modeled estimate).¹¹³ PPG tested moving both limits together. Lowering them to \$15 million and \$60 million changes none of those counts, and raising them to \$25 million and \$90 million moves one issuer from above Tier 2 into the tiers. PPG did not test a change to Tier 1 alone.¹¹⁴ The Commission based its estimate of 31 fundraising offerings a year on 2024 crypto offerings between \$5 million and \$75 million,¹¹⁵ against PPG’s count of 41 fundraising-size U.S. projects in 2024.¹¹⁶

Recommendations: NCA does not recommend specific tier limits. PPG’s results show issuer counts barely move across the alternatives it tested, so the data gives no reason to change the proposed limits. The sensitivity in PPG’s analysis is at the startup limit (see Question 53).

Questions 88 to 90 – Delivering offering documents, including electronic and blockchain-based delivery

The Commission asks whether to keep Regulation A-style delivery rules, whether an EDGAR filing alone should count as delivery, and whether to clarify how electronic or blockchain-based delivery can work.

¹¹⁰ NCA, Crypto Offerings in the U.S. October 2026, p. 44

¹¹¹ NCA, Crypto Offerings in the U.S. October 2026, p. 48

¹¹² [17 C.F.R. § 230.255](#)

¹¹³ NCA, Crypto Offerings in the U.S. October 2026, p. 38–39

¹¹⁴ NCA, Crypto Offerings in the U.S. October 2026, p. 38–39, 48

¹¹⁵ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54592](#)

¹¹⁶ NCA, Crypto Offerings in the U.S. October 2026, p. 34

Regulation A treats access as delivery: a notice with a link to the filed circular satisfies the requirement.¹¹⁷ Token buyers, however, rely on other channels. Among new-offering participants, the most trusted sources are financial advisors (48%), market data and token tracking websites (41%), information provided directly by the project team (41%), and crypto-focused news outlets (38%), and other holders rank advisors, news outlets, and market data sites near the top as well (see Question 32).¹¹⁸ A filing that sits on EDGAR does not put the disclosure in any of those channels.

Recommendations: The Commission should keep the Regulation A model, under which a notice with an active link to the filed disclosures satisfies delivery, and clarify two points. First, an EDGAR filing with no notice or link should not count as delivery. Second, delivery should be treated as made when the buyer is shown an active link to the filed disclosures, before confirming the purchase, in the interface where the purchase is completed, including a website, wallet, or smart-contract interface the issuer controls. This keeps delivery simple for issuers and gives buyers the information going in, not after.¹¹⁹

Question 102 – Tailoring the financial discussion to network development

The Commission asks whether the required financial discussion should focus on funding of the network or application being built, rather than the issuer company’s financial condition. What worries holders is whether the money will be enough to finish the work: 51% of holders are concerned about a project failing to deliver on its roadmap, 48% about lack of transparency on how funds are used, and 28% of new-offering participants lost money in the past 12 months because a project was abandoned or never delivered.¹²⁰ A conventional discussion of earnings and the balance sheet says little about those risks for a project that is still building its network.

Recommendations: The Commission should require the financial discussion to focus on funding the promised work, while keeping the issuer-level facts that bear on whether it gets finished. At a minimum, the discussion should state: (1) how the money raised will fund development, by broad category and milestone; (2) how long the funds are expected to last at the planned rate of spending, and what the issuer will do if they run out before the work is complete; and (3) the types of assets in which the issuer holds its reserves, and how much is held in each. The discussion should be in plain language, should not require an audit, and should be specific enough that the later accounting of funds in the transition report (see Question 71) can be measured against it.

Questions 104 and 110 – Financial statements and independent review

Under the proposal, Tier 1 statements would not need to be audited, and Tier 2 statements would.¹²¹ The Commission asks whether its financial statement requirements are right, and whether Tier 1 statements should be reviewed or audited by an independent accountant. One in three holders (34%) say independent review, verification, or oversight of an offering would make them more likely to invest, rising to 38% of accredited holders and 41% of new-offering participants.¹²²

Recommendations: The Commission should keep the proposed approach under which Tier 1 financial statements are not required to be audited, and, building on the proposal’s requirement that unaudited statements be labeled as such, should require each offering statement to state

¹¹⁷ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54542](#)

¹¹⁸ NCA, *Crypto Offerings in the U.S.* October 2026, p. 13, 44

¹¹⁹ [NCA Statement for the Record, House Committee on Financial Services Field Hearing \(July 17, 2026\)](#), p. 2

¹²⁰ NCA, *Crypto Offerings in the U.S.* October 2026, p. 15

¹²¹ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54547](#)

¹²² NCA, *Crypto Offerings in the U.S.* October 2026, p. 11, 46

plainly, on its first page, whether the financial statements are audited, reviewed by an independent accountant, or neither. Issuers that obtain an independent review or audit should be able to say so. This tells buyers plainly what has and has not been verified without raising the cost of the lighter-touch tier, and Tier 2 keeps its audit requirement. NCA leaves the technical audit standard to accounting experts.

Question 116 - Reporting events that affect the network, not just the company

Current event reports (Form 1-UC) are triggered mostly by company events, such as a change in control of the issuer. The Commission asks whether triggers should focus on the network or application instead, such as a change in control of the network.

Many of the events holders worry about happen at the network level, not the company level: more than half (57%) are concerned about security breaches, hacks, or theft, and 32% of new-offering participants lost money to one in the past 12 months.¹²³

Recommendations: The Commission should add network-level triggers to Form 1-UC, alongside the company-level ones, covering at least (1) security incidents affecting the network, the application, or assets the issuer holds that a reasonable holder would consider important, such as an exploit that causes a loss of funds or halts transfers, and (2) a change in who holds administrative or upgrade authority over the network, such as signers of a multisignature wallet or holders of admin keys, where the issuer or its affiliates hold that authority. The report should be due within a defined number of business days after the issuer learns of the event, and the requirement should be limited to events the issuer knows or reasonably should know about, so that issuers are not required to report what they cannot see.

Questions 117 and 118 - Ongoing reporting for Tier 1 and what semiannual reports cover

The Commission proposes ongoing reports for both tiers, while Regulation A requires them only for Tier 2. It asks whether to keep that, and whether semiannual reports should include financial statements or focus on progress toward the issuer's promises. Holders are concerned about a project failing to deliver (51%) and about lack of transparency on how funds are used (48%).¹²⁴

Ongoing reporting matters more here than under Regulation A, for three reasons. Regulation A leaves Tier 1 issuers out of ongoing reporting partly because Tier 1 offerings remain subject to state registration and review; under Regulation Crypto Assets, state registration would be preempted for both tiers, so federal reporting would be the only ongoing source of information for Tier 1 investors. Buyers of covered investment contracts are also relying on the issuer to complete promised work, which makes progress reporting central to the investment. And because these securities can be resold immediately, later buyers need current information as well; secondary-market preemption lasts only while the issuer keeps up its filings.¹²⁵

Recommendations: The Commission should require ongoing reporting for both tiers. Semiannual reports should be short and lead with a plain-language update on progress toward the promised work and an accounting of funds spent against plan (see Questions 71 and 102), with financial statements required in the annual report rather than the semiannual reports.

¹²³ NCA, Crypto Offerings in the U.S. October 2026, p. 15

¹²⁴ NCA, Crypto Offerings in the U.S. October 2026, p. 15

¹²⁵ [17 C.F.R. § 230.256](#); [Regulation Crypto Assets](#), 91 Fed. Reg. 54510 (Aug. 21, 2026), at [54526](#), [54555](#)

Question 123 – When ongoing reporting can stop

An issuer could suspend its ongoing reports once a class of securities is held by fewer than 300 record holders. The Commission asks whether 300 is the right threshold for covered investment contracts and whether to define “held of record” by reference to its existing rule.

When reporting stops, the purchasers who remain lose their updates, and those holders rely on them: 51% of holders are concerned about a project failing to deliver, 48% about lack of transparency on use of funds,¹²⁶ and transparency is the trust signal named by the largest share of holders (49%).¹²⁷ Because tokens can be held through exchanges and other custodians rather than directly, a count of record holders may understate how many people are parties to the covered investment contract.

The Commission assumes 10% of fundraising issuers suspend reporting and 25% end it each year, but PPG found no data on how quickly token issuers stop reporting, so the effect of the threshold on holders is untested.¹²⁸

Recommendations: NCA does not propose a number other than 300. The Commission should:

1. Count beneficial holders, not only holders of record, so that tokens held through exchanges and custodians are counted by the people they are held for, and allow issuers to rely on a custodian’s certification or a reasonable, documented counting method.
2. Not allow an issuer to suspend ongoing reports while its promised work is incomplete. An issuer that finishes or stops the work has the safe harbor and transition report as its route out (see Questions 128 to 130 and 133).
3. Require that any suspension be preceded by a final plain-language notice to holders explaining that reporting is ending and where the issuer’s last filings can be found.

VI. Investment Contract Safe Harbor (Rule 400)

Questions 124 and 131 – Whether to adopt the safe harbor for when a token is no longer part of an investment contract

Rule 400 would let an issuer that has finished or permanently stopped its promised work file a certification with supporting analysis, after which the token would no longer be treated as part of an investment contract. The Commission asks whether to adopt it and whether a more objective standard should be used.

NCA supports the safe harbor. Two-thirds of crypto holders (67%) agree the lack of clear U.S. rules discourages companies from launching in the U.S., and 37% say clearer rules would make them more likely to invest in a new offering.¹²⁹ PPG uses the Commission’s estimate of 475 safe-harbor filers a year and expects every eligible fundraising issuer to file, since a filing of about \$13,650 would end reporting that costs about \$503,580 a year on the Commission’s method; for other issuers, the value of legal certainty decides.¹³⁰

On Question 131, PPG estimates that adding an independent legal review and a technical audit to the analysis Form TR already requires would add about \$21,350 per filer, roughly doubling the

¹²⁶ NCA, Crypto Offerings in the U.S. October 2026, p. 15

¹²⁷ [NCA, 2026 State of Crypto Holders Report](#), p. 46

¹²⁸ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54598-99](#); NCA, Crypto Offerings in the U.S. October 2026, p. 48

¹²⁹ NCA, Crypto Offerings in the U.S. October 2026, p. 9, 11

¹³⁰ NCA, Crypto Offerings in the U.S. October 2026, p. 34, 39, 48

cost for issuers that use only the safe harbor to \$40,781, which may reduce take-up (modeled estimate).¹³¹ Eligibility is addressed under Question 133.

Recommendations: The Commission should adopt Rule 400. The Commission should keep the proposed requirement for a certification supported by written analysis, and should not add requirements (and costs) for an independent legal review or a technical audit.

Questions 128 to 130 - What the safe harbor filing should include, and avoiding investor confusion

The Commission asks whether investors benefit from the Form TR filing, whether the safe harbor should have its own form to avoid confusion with the startup and fundraising transition reports, and whether issuers should explain their reasoning or simply certify.

Recommendations: Yes, investors benefit from the filing. The Commission should keep the proposed requirement that the issuer support its certification with an analysis a reasonable investor can follow, and should require that analysis in plain language. Form TR should open with a plain-language statement of which of three things the filing does: reports on an unfinished project, ends or suspends ongoing reporting, or claims the Rule 400 safe harbor. When the filing claims the safe harbor, the statement should say plainly that the token is no longer treated as part of an investment contract and which disclosure obligations end. Part I of Form TR should also list a U.S. agent for service of process when the issuer has no principal executive office in the United States (see Question 61).

Question 133 - Limiting the safe harbor to issuers that actually delivered

As proposed, an issuer could use the safe harbor if it either completed its promised work or permanently stopped it. The Commission asks whether to limit the safe harbor to issuers that fulfilled their promises.

Abandonment is a real risk for holders: 28% of new-offering participants lost money in the past 12 months because a project was abandoned or never delivered.¹³² But the safe harbor does not cause those losses, and withholding it from abandoned projects would not recover anything for holders. Once an issuer has permanently stopped its promised work, purchasers can no longer reasonably expect it, which is the Commission's own basis for treating the investment contract as ended.¹³³ Keeping an abandoned project in ongoing reporting would burden an issuer that may have no resources left, and it would give issuers a reason not to announce abandonment at all. What protects holders is a clear public announcement, an accounting of the money, and antifraud liability for anything intentionally misstated.

Recommendations: The Commission should keep Rule 400 available both to issuers that completed their promised work and to issuers that permanently stopped it. It should make clear, as the proposal does, that the safe harbor depends on the accuracy of the Form TR filing: a filing that misstates, intentionally or otherwise, whether the work was completed or stopped does not secure the safe harbor, and an intentional misstatement, including about how the funds were used, remains subject to the antifraud provisions of the federal securities laws.¹³⁴ For an issuer that stopped its work, Form TR should include the plain-language statement described under Questions 128 to 130 and the accounting of funds recommended under Question 71.

¹³¹ NCA, Crypto Offerings in the U.S. October 2026, p. 38–39

¹³² NCA, Crypto Offerings in the U.S. October 2026, p. 15

¹³³ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54553–54](#)

¹³⁴ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54554](#)

VII. State Preemption and Qualified Purchasers (Rule 500)

Questions 136, 138, and 139 – Who counts as a “qualified purchaser” for state-law preemption

To spare issuers from registering in every state, the Commission would treat all buyers in these offerings as “qualified purchasers,” which preempts state registration. It asks whether to instead limit this to buyers who meet income, net worth, or investment thresholds, or to offerings sold through registered broker-dealers.

NCA’s evidence here concerns consumer access, not the legal framework. Wealth thresholds would exclude many holders. Harris finds that at least 44% of crypto holders do not qualify as accredited investors, based on self-reported income, net worth, and professional credentials.¹³⁵ Holders surveyed also want more ways in: 38% say more opportunities to invest through trusted platforms or exchanges would make them more likely to invest, rising to 49% of new-offering participants.¹³⁶

Recommendations: NCA takes no position on the preemption mechanism or on how the Commission should define “qualified purchaser.” NCA asks only that whatever approach the Commission adopts, not shut everyday investors out of offerings that already carry federal disclosure, investment limits, and bad-actor protections, and not weaken the protections those investors rely on.

Question 140 – Whether resale preemption should depend on how a token was first sold

Preemption for resales would apply to covered investment contracts whether first sold under Regulation Crypto Assets or another federal exemption. The Commission asks whether to limit it to tokens first sold under Regulation Crypto Assets, and if so, how buyers could tell the difference, especially for fungible tokens.

Investors already lean on third-party sources to understand what they are buying: market data and token tracking websites are among the most trusted sources for new-offering participants (41%) and other holders (36%),¹³⁷ and fewer than half (48%) of holders are very or extremely confident that available information about new tokens is sufficient to make informed decisions.¹³⁸

Recommendations: NCA takes no position on the scope of preemption (see Questions 136, 138, and 139), but notes that any scope tied to how a token was first sold would require buyers to tell which units came from which sale, which fungible tokens do not allow.

Questions 141 to 143 – Whether buyers can tell if an issuer is current on its filings

Preemption for resales would depend on the issuer staying current on its filings. The Commission asks whether ordinary market participants can actually tell, and whether to use a different standard. Holders and the platforms they use should not be left guessing whether an issuer is current on its filings.

Recommendations: The Commission should make each issuer’s filing status easy to check, for example with a plain status indicator on EDGAR, so holders and the platforms they use can confirm whether preemption applies.

¹³⁵ NCA, Crypto Offerings in the U.S. October 2026, p. 42

¹³⁶ NCA, Crypto Offerings in the U.S. October 2026, p. 11, 46

¹³⁷ NCA, Crypto Offerings in the U.S. October 2026, p. 44

¹³⁸ NCA, Crypto Offerings in the U.S. October 2026, p. 13

VIII. Economic Analysis

Question 145 - Which companies would use the rules

The Commission asks what kinds of companies (by size, industry, age, and similar traits) would use the rules, and whether they would raise money or mainly use the safe harbor. NCA's research suggests that the companies that would use the rules are small, most would use the startup exemption, and many do not appear in the filings the Commission used to build its estimate.

Size: Most token offerings are small. Of 6,893 token offerings worldwide from 2022 through October 2026, 85% raised \$5 million or less (observed).¹³⁹ U.S.-led offerings follow the same pattern. Of the 340 with a reported amount, 64% raised \$5 million or less, 22% between \$5 million and \$20 million, 9% between \$20 million and \$75 million, and 4% more than \$75 million (observed).¹⁴⁰ The pipeline points the same way, though it is a partial view rather than a forecast: every planned U.S. sale with an announced target, 15 in all, aims to raise \$5 million or less, and none had a confirmed launch date (observed).¹⁴¹

The startup exemption would be the main route: Of the 106 U.S.-led issuers active in 2025, 61 would fall within the startup limit, 34 within the two fundraising tiers, 9 above both, and 2 with no reported amount (modeled estimate).¹⁴²

The Commission's count leaves out unfiled sales: The Commission estimates 99 startup and 31 fundraising offerings a year, based only on offerings filed with it.¹⁴³ PPG adds token sales made without any filing. In 2024 alone, it estimates 271 U.S. teams sold tokens without a Commission filing.¹⁴⁴ On that basis, PPG counts up to 273 startup-size and 41 fundraising-size U.S. projects in 2024, nearly three times the Commission's startup figure (modeled estimate).¹⁴⁵ That figure is an upper bound: most unfiled sales have no identifiable team location, and PPG counts them as U.S.-based at the share it found among sales it could trace. Counting only teams with a confirmed U.S. location gives 48 and 29, so the Commission's figures fall within PPG's range.¹⁴⁶

Where they are based: Many teams issue tokens offshore, including U.S. teams. Where headquarters location is known, non-U.S. teams outnumber U.S.-led teams in every year from 2022 to 2026 (observed), and PPG's reading is that many U.S. teams keep a U.S. company to raise equity and issue the token offshore. Offshore legal homes for token projects are also growing: Cayman Islands foundation companies more than doubled from 790 at the end of 2023 to 1,662 at the end of 2025.¹⁴⁷ That figure covers all Cayman foundation companies, not only those set up by U.S. teams or for token projects. Headquarters cannot be identified for 84% of offerings, because those sales carry no Commission filing or other record of where the team is based (observed).¹⁴⁸ See Questions 49, 50, and 86.

Raising money or using the safe harbor: Issuers would do both, often in sequence. Startup and fundraising issuers would raise money under the exemptions and then use the safe harbor once

¹³⁹ NCA, Crypto Offerings in the U.S. October 2026, p. 26, 28

¹⁴⁰ NCA, Crypto Offerings in the U.S. October 2026, p. 47

¹⁴¹ NCA, Crypto Offerings in the U.S. October 2026, p. 28

¹⁴² NCA, Crypto Offerings in the U.S. October 2026, p. 38-39

¹⁴³ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54592](#)

¹⁴⁴ NCA, Crypto Offerings in the U.S. October 2026, p. 48

¹⁴⁵ NCA, Crypto Offerings in the U.S. October 2026, p. 34, 48

¹⁴⁶ NCA, Crypto Offerings in the U.S. October 2026, p. 34, 48

¹⁴⁷ NCA, Crypto Offerings in the U.S. October 2026, p. 40

¹⁴⁸ NCA, Crypto Offerings in the U.S. October 2026, p. 26

their promised work is complete. Issuers that raised money earlier through Regulation D or offshore structures would come to the rules only for the safe harbor.

- Fundraising issuers: every eligible fundraising issuer has a clear cost reason to use the safe harbor. A filing of about \$13,650 ends reporting that costs about \$503,580 a year on the Commission's method, roughly 37 times the cost of filing.¹⁴⁹
- Startup issuers: they must file Form TR within four years anyway, and if their work is complete, that filing secures the safe harbor at no added cost.¹⁵⁰
- Other issuers: those that raised money through Regulation D or offshore structures have little reporting to save, so legal certainty, not cost, will decide whether they file. The Commission assumes 475 issuers a year would use the safe harbor. PPG used that figure in its cost estimate for comparability.¹⁵¹

Industry and age: PPG did not classify issuers by industry or company age, and NCA is not aware of a data set that records either consistently for token issuers.

Recommendations: The Commission should:

1. Revise its estimate of affected issuers to include token sales made without a filing. On PPG's upper-bound count, the startup-size population nearly triples in 2024 (273 against 99); counting only confirmed U.S. teams gives 48.
2. Treat the startup exemption as the primary route and keep its requirements proportionate for small issuers, since most issuers by number would use it.
3. Expect eligible fundraising issuers to use the safe harbor. NCA also believes that for other issuers, legal certainty rather than cost will drive take-up.

Question 146 - Whether the new exemptions would draw issuers from existing ones

The Commission asks how likely companies now using Regulation D, Regulation A, or Regulation Crowdfunding would be to switch, and how the costs and benefits compare. PPG compared the proposed routes with today's options for a \$1 million raise (modeled estimate):

- Startup exemption: about \$23,760 including the issuer's own staff time, or \$13,335 in outside fees alone.
- Regulation Crowdfunding: about \$66,000 in platform fees.
- Regulation D token sale: \$100,000 to \$250,000 in legal fees, mainly reaching accredited investors.
- Offshore structure: about \$62,000 in the first year, with U.S. buyers excluded.¹⁵²

The Commission's baseline counts 581 issuers that made crypto-related offerings under Regulation D (with the first offerings in 2017), 14 under Regulation A (from mid-2015 through 2024), and 41 under Regulation Crowdfunding (2016 through 2024), and notes the Regulation D offerings involved almost no non-accredited investors.¹⁵³

Recommendations: The Commission should expect the startup exemption to draw issuers from Regulation D, Regulation Crowdfunding, and offshore structures, and should count the benefit as opening these offerings to everyday investors with disclosure, at a first-year cost that PPG estimates is below each of those routes. The Commission should not assume issuers would switch

¹⁴⁹ NCA, Crypto Offerings in the U.S. October 2026, p. 39, 48

¹⁵⁰ NCA, Crypto Offerings in the U.S. October 2026, p. 39

¹⁵¹ NCA, Crypto Offerings in the U.S. October 2026, p. 34, 48

¹⁵² NCA, Crypto Offerings in the U.S. October 2026, p. 34-35

¹⁵³ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54566-68](#), [54570](#)

from Regulation A. Regulation A is not a comparable route for covered investment contracts, because it covers only equity, debt, and equity-convertible securities, not an investment contract involving a crypto asset.¹⁵⁴ NCA has also told Congress that unclear rules impose disproportionate costs on smaller projects.¹⁵⁵

Questions 147 to 149 – Issuer costs and benefits of each path

The Commission asks for estimates of the costs and benefits to issuers of using the startup exemption, the fundraising exemption, and the safe harbor. PPG reproduced the Commission's cost method and changed two inputs:

- It priced issuers' own staff time at what U.S. employers pay (\$187.50 an hour) rather than the Commission's \$635 blended rate for outside professionals.¹⁵⁶
- It counted all U.S.-based teams that sold tokens in 2024, including those that did not file with the Commission (273 startup-size and 41 fundraising-size projects, against the Commission's 99 and 31).¹⁵⁷ PPG cannot see the unfiled projects' assets, so the startup count is an upper bound.

On that basis, PPG estimates (modeled estimate):

- Total first-year cost: \$27.8 million a year, or \$18.9 million after savings, against \$42.8 million on the Commission's estimate. PPG's total is lower even though it counts nearly three times as many startup projects, because its per-project cost is about half the Commission's.¹⁵⁸
- Per project: \$23,760 for a startup project, \$449,922 for a fundraising project, and \$9,094 for a safe harbor filing, against the Commission's \$48,641, \$973,145, and \$19,431. Both estimates include an audit in every fundraising offering statement, although only Tier 2 offerings need one, so costs for Tier 1 issuers are likely overstated.¹⁵⁹
- Savings the Commission leaves at zero: about \$8.9 million a year (range \$2.6 million to \$20.4 million), chiefly from U.S. teams no longer needing an offshore structure. This assumes half of the 271 teams that sold tokens without a Commission filing in 2024 would drop their offshore structure.¹⁶⁰
- Costs neither estimate includes: recurring annual reporting for fundraising issuers. PPG has not quantified the total but gives an indication of about \$12.5 million a year on its estimate, or \$20.8 million on the Commission's, averaged over ten years.¹⁶¹

After savings, a startup project would on average save slightly more than it spends, while a fundraising project would pay about \$430,000 in its first year.¹⁶²

Recommendations: The Commission should consider PPG's alternative estimate alongside its own, in particular the lower cost of staff time, the larger population of issuers, the savings from

¹⁵⁴ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54537](#); [17 C.F.R. § 230.261\(c\)](#)

¹⁵⁵ [NCA Statement for the Record, House Committee on Financial Services Field Hearing \(July 17, 2026\)](#), p. 2; [NCA Statement for the Record, House Committee on Small Business Hearing \(September 15, 2026\)](#), p. 2

¹⁵⁶ NCA, Crypto Offerings in the U.S. October 2026, p. 24-25, 35; [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54592](#)

¹⁵⁷ NCA, Crypto Offerings in the U.S. October 2026, p. 34, 48

¹⁵⁸ NCA, Crypto Offerings in the U.S. October 2026, p. 34

¹⁵⁹ NCA, Crypto Offerings in the U.S. October 2026, p. 35, 48

¹⁶⁰ NCA, Crypto Offerings in the U.S. October 2026, p. 34-35

¹⁶¹ NCA, Crypto Offerings in the U.S. October 2026, p. 48

¹⁶² NCA, Crypto Offerings in the U.S. October 2026, p. 34

no longer needing offshore structures, and the recurring reporting costs that both estimates omit. Unclear rules impose real costs that fall hardest on small firms.¹⁶³

Question 150 – Whether disclosures help investors understand risks and costs

The Commission asks whether the disclosures would give investors a reasonable understanding of the risks and costs, and what else would reduce risk.

Today, fewer than half (48%) of crypto holders are very or extremely confident that current information is sufficient (59% of accredited versus 34% of non-accredited holders; 64% of new-offering participants versus 34% of others).¹⁶⁴ Under the framework, 31% say they would spend more time reading disclosures and documentation (36% of new-offering participants) and 28% say they would be more selective.¹⁶⁵ Among the benefits holders selected in their top three, 38% chose reduced risk of fraud or scams and 31% chose better information for evaluating investment opportunities.¹⁶⁶ And 79% agree that clear SEC rules would increase their confidence, rising to 84% of new-offering participants.¹⁶⁷

Holders want more information and protection, not less participation: 77% say crypto has had a positive impact on their lives, while 72% remain concerned about scams and security.¹⁶⁸ Among non-holders, 70% need more trustworthy information first.¹⁶⁹ Evidence from other markets supports the value of disclosure. When the 1964 Securities Acts Amendments extended disclosure requirements to large over-the-counter companies, shares in the most affected companies rose 11.5% to 22.1% more than those of comparable listed companies. A study of 2,113 initial coin offerings found that ventures that disclosed more raised money more easily (both cited by PPG).¹⁷⁰

Recommendations: The Commission should adopt the disclosure requirements and pair them with investor education, including Commission guidance on how to spot and report fraud, consistent with NCA’s free learning resources and prior recommendations, so that disclosure reaches investors as something they can act on.¹⁷¹

Question 151 – Economic effect of state preemption

The Commission asks how preempting state registration would affect costs, investor protection, and capital formation, including the cost of complying with state “blue sky” laws. The Commission’s release cites \$80,000 to \$100,000 in legal fees for registering in every state;¹⁷² PPG estimates \$130,000 to \$170,000 (in 2013 dollars) once filing fees are included, though the Commission does not total the savings because the number of offerings that would register in many states is unknown.¹⁷³

On the investor side, 7% of holders who have not participated in a new offering cite offerings not being open to residents of their state, and 9% cite offerings open only to accredited investors.¹⁷⁴

¹⁶³ [NCA Statement for the Record, House Committee on Small Business Hearing \(September 15, 2026\)](#), p. 2

¹⁶⁴ NCA, Crypto Offerings in the U.S. October 2026, p. 13, 45

¹⁶⁵ NCA, Crypto Offerings in the U.S. October 2026, p. 16, 45

¹⁶⁶ NCA, Crypto Offerings in the U.S. October 2026, p. 10

¹⁶⁷ NCA, Crypto Offerings in the U.S. October 2026, p. 9, 45

¹⁶⁸ [NCA, 2026 State of Crypto Holders Report](#), p. 46

¹⁶⁹ [NCA, Crypto in America: Confidence Pulse July 2025](#), p. 1

¹⁷⁰ NCA, Crypto Offerings in the U.S. October 2026, p. 48

¹⁷¹ [NCA Statement for the Record, House Committee on Financial Services Field Hearing \(July 17, 2026\)](#), p. 2; [NCA Statement for the Record, House Committee on Small Business Hearing \(September 15, 2026\)](#), p. 3

¹⁷² [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at 54585

¹⁷³ NCA, Crypto Offerings in the U.S. October 2026, p. 48

¹⁷⁴ NCA, Crypto Offerings in the U.S. October 2026, p. 14

These figures speak to access, not to the cost of state compliance for issuers or to secondary-market liquidity.

Recommendations: NCA takes no position on the preemption mechanism (see Questions 136, 138, and 139). Whatever approach it adopts, the Commission should estimate in its final economic analysis the state registration and filing costs that preemption would avoid, rather than leaving them untotaled, and weigh them alongside the access effects shown in the survey data.

Question 152 – Economic effect of the investment limits

The Commission asks how the 10% investment cap for non-accredited investors in the fundraising exemption would affect issuers and investors, and whether it protects investors or limits their choices. The Harris data cuts both ways.

On the protection side, 66% of holders agree that limiting how much non-accredited investors can put into a single offering is an appropriate protection, including 63% of non-accredited holders, the people the limit applies to; 12% of non-accredited holders disagree.¹⁷⁵ Asked which outcomes of the framework they value most, holders put stronger investor protections first (41%) and more opportunities to participate in new offerings last (18%).¹⁷⁶ Among holders who say they would be more likely to invest, or would invest more, under the framework, the money would come mainly from cash savings (57%) and new income or savings they would not otherwise invest (39%), with only 12% citing borrowing.¹⁷⁷

On the choice side, the limit would reach a meaningful share of active buyers. Among non-accredited new-offering participants, 26% put more than 10% of their income or net worth into their largest single offering in the past 12 months, and under the framework, 16% of non-accredited holders plan to invest an amount above the 10% threshold in new offerings over the next 12 months (21% of all holders).¹⁷⁸ Asked how the limit would affect them, 68% of non-accredited holders say it would change how they invest in new offerings. They would:

- Divide their money across several offerings (29%)
- Invest up to the limit even though they would have put in more (25%)
- Put more into startup offerings with no limit (18%)
- Invest less in new offerings overall (17%)
- Consider offerings based outside the U.S. (16%)
- Stop investing in new offerings (9%)

Another 23% say the limit would not affect them because they would invest less than it, and 8% are not sure.¹⁷⁹

Because the limit applies per offering and 93% of new-offering participants already spread their money across two or more new offerings, many could stay under it by splitting purchases.¹⁸⁰ For context, 18% of holders hold \$1,000 or less in crypto, 16% hold \$1,000 to \$4,999, 28% hold \$5,000 to \$24,999, 20% hold \$25,000 to \$99,999, and 17% hold more than \$100,000.¹⁸¹

¹⁷⁵ NCA, Crypto Offerings in the U.S. October 2026, p. 21

¹⁷⁶ NCA, Crypto Offerings in the U.S. October 2026, p. 10

¹⁷⁷ NCA, Crypto Offerings in the U.S. October 2026, p. 17

¹⁷⁸ NCA, Crypto Offerings in the U.S. October 2026, p. 20

¹⁷⁹ NCA, Crypto Offerings in the U.S. October 2026, p. 21

¹⁸⁰ NCA, Crypto Offerings in the U.S. October 2026, p. 20

¹⁸¹ NCA, Crypto Offerings in the U.S. October 2026, p. 43

The limit protects against concentrated losses, but for some investors it would redirect money toward offerings with fewer protections, including offshore offerings, rather than reduce their exposure.

Recommendations: The Commission should keep the 10% limit for non-accredited investors in the fundraising exemption and apply the same threshold to the startup exemption, measured in total over a 12-month period, as NCA recommends under Question 55. That closes the gap that would push money toward an uncapped exemption (18%). The Commission should also consider whether a per-offering measure achieves its purpose in the fundraising exemption, given how easily purchases can be split. To reduce the number who respond by looking offshore (16%), the Commission should keep the limit simple for issuers to administer, allowing reliance on an investor's representation, and pair it with the trading and exit information NCA recommends under Questions 27, 28, 31, and 153.

Question 153 - How investors would exit and whether a market would exist

The Commission asks how investors would sell, whether a ready market would exist, who would provide liquidity, and what discounts investors might face. Where and how the token can be bought, sold, or traded is a top-five information priority, rated in the top three by 29% of holders.¹⁸² Among new-offering participants:

- 58% are still holding some or all of their tokens by choice.
- 34% sold some or all on a centralized exchange after they were listed.
- 28% sold some or all on a decentralized exchange.
- 23% were unable to sell some or all for a period because of a lockup or vesting schedule.
- 23% hold tokens that have not been listed or are otherwise unavailable to sell.¹⁸³

On who supplies liquidity, holders' experience points to trading venues rather than the issuer. Whether a ready market exists depends largely on whether a token is listed, which is why the offering terms should disclose known or planned trading venues.

Asked how long they could hold before needing to sell, 14% would need to sell immediately, 24% within three months, 22% within three to six months, 14% within six to 12 months, and 18% could hold 12 months or more.¹⁸⁴

Because covered investment contracts sold under the exemptions would not be restricted securities, purchasers could resell immediately.¹⁸⁵

Recommendations: The Commission should keep the proposed resale treatment, under which these securities are not restricted, because 38% of holders would need to sell within three months and the studies it cites put the cost of a resale restriction at 5% to 25%.¹⁸⁶ It should require the offering terms to state known or planned trading venues and any redemption options (see Question 31) and insider lockups and unlock dates (see Question 34), so investors can see their exit before they buy, and should not assume a ready market for every token.

Question 154 - Market size, economic impact, and policy alternatives

¹⁸² NCA, Crypto Offerings in the U.S. October 2026, p. 12

¹⁸³ NCA, Crypto Offerings in the U.S. October 2026, p. 23

¹⁸⁴ NCA, Crypto Offerings in the U.S. October 2026, p. 23

¹⁸⁵ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at 54526

¹⁸⁶ NCA, Crypto Offerings in the U.S. October 2026, p. 22-23, 48; [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at 54581

The Commission asks for data on (a) the expected size of the market compared with today, (b) overall economic impact, (c) any other part of its economic analysis, and (d) the impact of the policy alternatives it considered.

Market size (issuers): The Commission says it lacks reliable data and assumes 130 offerings a year (99 startup and 31 fundraising).¹⁸⁷ PPG identified 6,893 global offerings by 4,132 unique issuers from 2022 through October 2026, with U.S.-led issuers running 143 offerings in 2025 and 46 in 2026 to date (observed).¹⁸⁸ Counting every U.S.-based team that sold tokens in 2024, including sales never filed with the Commission, PPG finds up to 273 startup-size and 41 fundraising-size projects; counting only teams with a confirmed U.S. location gives 48 and 29 (modeled estimate).¹⁸⁹ That puts the number between 77 and 314 projects a year, with the Commission's 130 inside that range. The range is wide because most issuers' headquarters cannot be identified.¹⁹⁰

PPG's figures differ from the Commission's because they measure more of the market, not because the two disagree on the same data. Where both count the same thing, they match: PPG reproduces the Commission's count of Regulation D crypto offerings (681 against 682, raising \$4.7 billion).¹⁹¹ The differences come from three choices:

- Scope: The Commission counts only offerings filed with it. PPG adds public token sales made without any filing, which account for most of the offerings it identified.¹⁹²
- Location: The team's location is unknown for most unfilled sales. PPG counts them as U.S.-based at the 30.3% rate it found in a sample of sales it could trace, so its 273 startup-size projects are an upper bound; counting only confirmed U.S. teams gives 48.¹⁹³
- Timing: The Commission's 99 and 31 combine 2024 Regulation D filings with Regulation Crowdfunding and Regulation A filings from 2015 and 2016; PPG uses 2024 for every source, which gives 83 filed offerings.¹⁹⁴

On cost, PPG keeps the Commission's hours and method but prices issuers' own staff time at \$187.50 an hour, what U.S. employers pay, rather than the \$635 outside-adviser rate the Commission applies to every hour.¹⁹⁵

Market size (investors): 67 million Americans hold crypto today, up 12 million in a year, and more than 33 million non-holders are likely to buy in 2026.¹⁹⁶ Harris's weighted results indicate that 47% of holders are new-offering participants (about 31 million).¹⁹⁷ They are repeat buyers: 46% invested in two to three offerings in the past 12 months and 36% in four to five (under the framework, 44% plan two to three and 31% plan four to five; stated intention).¹⁹⁸

Economic impact: PPG estimates that had the rules applied from 2022 through October 2026, the U.S. would have gained about 382 to 1,518 additional token offerings (84 to 337 a year) and \$325

¹⁸⁷ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54565](#), [54592](#)

¹⁸⁸ NCA, Crypto Offerings in the U.S. October 2026, p. 26-27

¹⁸⁹ NCA, Crypto Offerings in the U.S. October 2026, p. 34, 48

¹⁹⁰ NCA, Crypto Offerings in the U.S. October 2026, p. 26

¹⁹¹ NCA, Crypto Offerings in the U.S. October 2026, p. 34

¹⁹² NCA, Crypto Offerings in the U.S. October 2026, p. 24-25, 34

¹⁹³ NCA, Crypto Offerings in the U.S. October 2026, p. 48

¹⁹⁴ NCA, Crypto Offerings in the U.S. October 2026, p. 34

¹⁹⁵ NCA, Crypto Offerings in the U.S. October 2026, p. 24-25; [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at [54592](#)

¹⁹⁶ [NCA, 2026 State of Crypto Holders Report](#), p. 2-3; [NCA, 2026 Crypto Readiness Report](#), p. 4

¹⁹⁷ NCA, Crypto Offerings in the U.S. October 2026, p. 42

¹⁹⁸ NCA, Crypto Offerings in the U.S. October 2026, p. 43

million to \$1.1 billion in additional capital raised, with a central case of about \$695 million, about 60% of it from U.S.-led teams moving token sales back onshore (modeled estimate).¹⁹⁹ Lower costs would also bring projects that would not otherwise launch: 37 to 111 new offerings raising \$96 million to \$288 million (modeled estimate). PPG rates the evidence as good for efficiency gains, moderate for competition and capital formation, and weak for jobs.²⁰⁰ Holders expect the same: 76% agree a well-designed framework would support innovation and investment in the U.S. crypto market.²⁰¹

Among holders who say they would be more likely to invest, or would invest more, under the framework, that money would come from cash savings (57%), new income or savings they would not otherwise invest (39%), selling or reducing other crypto holdings (34%), selling stocks, bonds, mutual funds, or ETFs (32%), and money they would otherwise invest in offerings based outside the U.S. (28%) (stated intention; holders could select more than one).²⁰²

Over the next 12 months, PPG finds the framework changes planned participation and amounts only modestly: among holders who bought into a new offering in the past 12 months, 98% still plan to invest (99.8% today) and the median planned investment stays around \$21,000; among those who did not, 86% plan to invest (84% today) and the median rises from about \$6,200 to \$7,600 (stated intention).²⁰³ These intentions come before investors have seen the framework work, and longer-term effects are uncertain. PPG has not estimated effects on jobs, output, or tax revenue.²⁰⁴

Policy alternatives: PPG finds the issuer count sensitive to the startup limit (61 U.S.-led issuers at \$5 million, 49 at \$1 million, 71 at \$10 million) but not to the alternative fundraising limits tested (\$15 million and \$60 million, or \$25 million and \$90 million), and estimates that a narrower safe harbor with an independent legal review and technical audit would add about \$21,350 in costs per filer, mainly affecting issuers that use only the safe harbor (modeled estimate).²⁰⁵

On the Commission's alternative of treating these securities as restricted, 38% of holders would hold three months or less before needing to sell, including 14% who would need to sell immediately, and only 18% would hold a year or more (stated intention).²⁰⁶

The studies the Commission cites put the discount on securities that cannot be resold at about 5% to 25%, or \$50,000 to \$250,000 on a \$1 million raise, a cost issuers would avoid under the proposal as written.²⁰⁷

Recommendations: The Commission should use NCA's investor data and PPG's market and cost analysis in its final economic analysis. In particular, it should:

1. Replace its single estimate of 130 offerings a year with a range that includes token sales made without a filing (77 to 314 U.S. projects a year on PPG's counts).

¹⁹⁹ NCA, Crypto Offerings in the U.S. October 2026, p. 30-31

²⁰⁰ NCA, Crypto Offerings in the U.S. October 2026, p. 30-31, 36-37

²⁰¹ NCA, Crypto Offerings in the U.S. October 2026, p. 19

²⁰² NCA, Crypto Offerings in the U.S. October 2026, p. 17

²⁰³ NCA, Crypto Offerings in the U.S. October 2026, p. 32-33

²⁰⁴ NCA, Crypto Offerings in the U.S. October 2026, p. 36-37

²⁰⁵ NCA, Crypto Offerings in the U.S. October 2026, p. 38-39

²⁰⁶ NCA, Crypto Offerings in the U.S. October 2026, p. 22-23

²⁰⁷ NCA, Crypto Offerings in the U.S. October 2026, p. 48; [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at 54581

2. Count both the capital that would move onshore and the new projects lower costs would bring, presented as modeled scenarios rather than forecasts.
3. Reflect the policy-alternative findings: keep the startup limit at \$5 million, since issuer counts are sensitive to that limit and lowering it would push projects toward the costlier fundraising exemption (see Question 53); keep the proposed resale treatment rather than restricting these securities (see Question 153); and not add an independent legal review or technical audit requirement to the safe harbor (see Questions 124 and 131).

IX. Small Entities (Regulatory Flexibility Act)

Small-Entity Request – Effects on small businesses

Separate from the numbered questions, the Commission asks how many small entities would be affected, how the rules could further lower their burden, and how to measure the impact. The Commission counts an issuer as small if it has \$5 million or less in total assets and is raising \$5 million or less, and expects at least 89 such issuers to use the rules each year.²⁰⁸

PPG's count is higher, up to 273 U.S.-led projects a year, because it includes projects that raised \$5 million or less without filing with the Commission; PPG cannot see those projects' assets, so this is an upper bound. For them, the startup exemption would be the cheapest route, at about \$23,760 in first-year cost (modeled estimate).²⁰⁹

NCA has told Congress that the cost of navigating unclear rules is disproportionately high for businesses with the fewest resources.²¹⁰

Recommendations: The Commission should keep startup disclosures simple and publish plain-language compliance guides for small issuers, so the smallest projects can use the path designed for them.

X. Conclusion

Regulation Crypto Assets will determine how everyday Americans are offered, informed about, and protected in offerings involving new crypto assets. NCA's research points to a clear set of priorities:

- Plain-language disclosures that make the risks investors face easy to find.
- Delivery of those disclosures where buyers actually look.
- A startup path that is open to everyday investors and reachable when something goes wrong.
- Prompt reporting of the events most likely to affect holders.
- A defined and transparent point at which a token is no longer subject to an investment contract, for projects that deliver, with protection for holders of projects that do not.
- Filing-status information clear enough that buyers can tell whether an issuer is current.

Half of the Americans who bought into a new token offering in the past year lost money, through hacks, abandoned projects, or fraud,²¹¹ and only 48% of holders are very or extremely confident that available information is enough to make informed decisions.²¹² Nearly eight in ten say clear SEC rules would increase that confidence.²¹³

²⁰⁸ [Regulation Crypto Assets, 91 Fed. Reg. 54510 \(Aug. 21, 2026\)](#), at 54605

²⁰⁹ NCA, Crypto Offerings in the U.S. October 2026, p. 34

²¹⁰ [NCA Statement for the Record, House Committee on Small Business Hearing \(September 15, 2026\)](#), p. 2

²¹¹ NCA, Crypto Offerings in the U.S. October 2026, p. 15

²¹² NCA, Crypto Offerings in the U.S. October 2026, p. 13

²¹³ NCA, Crypto Offerings in the U.S. October 2026, p. 9

NCA respectfully urges the Commission to give this evidence substantial weight as it moves toward a final rule.

We appreciate the Commission's consideration of these comments and welcome the opportunity to discuss NCA's research and recommendations further. Inquiries may be directed to Ali Tager, VP of External Affairs (ali@nca.org).

Respectfully submitted,

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