NATIONAL ASSOCIATION OF Manufacturers

November 6, 2026

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: Innovation Exemption: Order Granting Temporary Conditional Exemptive Relief, Pursuant to Section 36(a)(1) of the Securities Exchange Act of 1934, from the Definition of "Exchange" in Section 3(a)(1) of the Exchange Act for the Use of Certain Distributed Ledger Trading Venues for Tokenized NMS Stocks and from the Definition of "Dealer" in Section 3(a)(5) of the Exchange Act for Certain Liquidity Providers for Tokenized NMS Stocks, and Request for Comment (File No. 4-927)

Dear Ms. Countryman:

On behalf of the 13 million people who make things in America, the National Association of Manufacturers ("NAM") is writing to share our suggestions for improving the Commission's Exemptive Order ("Order") regarding the tokenization of NMS stocks.

As the largest manufacturing association in the U.S., the NAM's membership includes businesses of all sizes, across all industrial sectors, and in all 50 states. Manufacturers collectively contribute $2.94 trillion to the U.S. economy—and right-sized, commonsense rules for trading the securities of public companies and protecting their investors are critical to sustaining the manufacturing strength that underpins our nation's prosperity.

Given the significant risks[1] for public companies and investors posed by third-party tokenization, the NAM urges the Commission to delay the operation of tokenized securities venues ("TSVs") until it can conduct a formal notice-and-comment rulemaking process. TSVs are already sending tokenization notices to corporate issuers, and there are numerous logistical concerns that the Commission should resolve before the trading of third-party tokenized shares begins. In light of the SEC's plan to run a five-year tokenization program, it is essential to address these important concerns early on to ensure that companies and their investors are fully protected during this period.

[1] *See, e.g.,* Letter from Rep. Brad Sherman, Rep. Bill Foster, and four other House lawmakers to Chairman Paul Atkins (22 October 2026) at 2, *available at* correspondence-to-chairman-atkins-re-sec-innovation-exemption-compressed.pdf. (The lawmakers' letter warned that tokenization "would impose new monitoring, legal, investor-relations, and compliance costs on issuers while providing them with limited ability to control how their shares are represented and traded.")

I. Affirmative Issuer Consent Should Be Required

Most fundamentally, the NAM has significant concerns over the Commission's determination that a TSV may tokenize a public company's stock without obtaining its *affirmative consent*. Within America's free markets, corporate issuers have the right to select the exchanges where their shares are listed, change their state of incorporation, and hire their preferred transfer agents, proxy solicitors, law firms, governance consultants, and other intermediaries to help them engage with investors. Under the leadership of Chairman Paul Atkins, this Commission has sought to advance issuer choice and flexibility by allowing public companies to adopt arbitration bylaws for securities claims and proposing a rule to allow issuers to opt for semi-annual reporting. Why should tokenization be treated differently from these other important investor-facing functions?

The Order's 30-day period for companies to object to tokenization requests is not sufficient, given the likelihood that an unsolicited emailed request by a cryptocurrency-affiliated TSV would get blocked by corporate spam filters. Similarly, a physical TSV notice sent to a corporate mailroom, which may receive hundreds (or even thousands) of mailings each day, may not be forwarded to the appropriate decision-makers in senior management until late in that 30-day period. If these requests come in during a particularly busy time for senior management (such during the preparation of the company's Form 10-K or immediately before the annual shareholder meeting), there is a greater chance that these requests could be overlooked.[2] Even if a tokenization notice reaches senior officers promptly, most public companies will need more time to evaluate the risks and benefits of tokenization, consult with members of the company's board, evaluate a TSV's reputation and compliance record (especially if the TSV is not affiliated with a NYSE-regulated broker or if the TSV is not well-known to the issuer), pose any logistical questions to the TSV, and carefully weigh a tokenization request against those that may be submitted by other TSVs.[3]

While a public company may decide later that the benefits of tokenization outweigh the risks, the company should not be forced to make that evaluation within an arbitrary 30-day period. Without

[2] The delivery confirmation procedure outlined in footnote 64 of the Order ("A TSV can obtain confirmation of whether and when an issuer received an Issuer Notice by, for example, requesting a return receipt/proof of delivery or a receipt notification depending on whether the Issuer Notice was sent to the issuer's physical or email address.") should be revised, given the reality that corporate mailroom employee may confirm receipt of a TSV notice that may not get forwarded to senior management until a number of days later.

[3] Other commenters have expressed similar concerns about the feasibility of a 30-day review period. *See, e.g.,* Comment Letter of Better Markets, Inc. on File No. 4-927 (22 October 2026) at 11-12, *available at* https://www.sec.gov/comments/4-927/4927-1105419-3888686.pdf. ("The process as specified in the Order leaves open substantial questions, including whether issuers will have sufficient time to receive tokenization requests, conduct due diligence on unaffiliated third parties and TSVs who wish to tokenize their stock, route information to the appropriate decision-makers at the issuer firms (including, in some cases, potentially requiring a vote of the Board of Directors) and communicate a decision to the TSV. . . . It seems impossible that 30 days would be sufficient to vet proposals, especially if they come in multiples. As such, we recommend that the Commission require affirmative consent of the issuer in order for trading in tokenized stocks to begin.").

more time to consider the benefits and risks of tokenization and evaluate the merits of competing TSVs, it appears likely that most companies will object to these requests at first.[4]

Accordingly, the NAM encourages the SEC to modify the Order to provide that tokenization may not proceed until an issuer provides its *affirmative consent in writing*. Alternatively, the Commission should allow public companies to file a universal objection to tokenization with the SEC, which would spare companies the burden of responding to multiple TSV requests within a short period. The Commission should publish an updated list on its website of those issuers that have opted out of tokenization, which would allow TSVs to better focus their solicitation efforts. If the Commission declines to take such an approach, it should extend the current 30-day objection period to at least 90 days after a senior company officer (such as the corporate secretary or the general counsel) confirms receipt of a TSV's notice. As the U.S. TSV market matures and best practices emerge, companies eventually may need less time to evaluate tokenization requests, but that is not the reality now. [5]

The NAM also is concerned that TSVs will be allowed to trade a corporate issuer's self-tokenized shares without providing notice or obtaining consent from the company.[6] Most companies that will opt to sponsor the tokenization of their own shares presumably will do so because they prefer to have greater control and visibility over that process, and the Commission should allow them to direct where their tokens are traded.[7]

II. More Clarity on TSV Obligations Is Needed to Protect Companies and Investors

As SIFMA[8] and other commenters have noted, the Order fails to adequately address various unresolved questions that are essential to ensure that holders of tokenized stock receive the same rights as investors who hold traditional shares. For instance, the Commission needs to

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[4] According to news reports, more than 50 public companies have objected to third-party tokenization so far. Apple, Home Depot, Meta Platforms, Goldman Sachs, McDonald's, Western Digital, Alphabet, CoreWeave, UnitedHealth, Broadcom, and Applied Digital are among those that have objected. *See Fortune,* "Apple and Home Depot join list of objectors to tokenized stock plan pushed by NYSE owner" (5 November 2026), *available at* https://fortune.com/2026/11/05/apple-home-depot-list-objectors-tokenized-stock-plan-nyse-owner/.

[5] Regardless of whether the SEC decides to require affirmative consent for third-party tokenization, the Commission should allow public companies to withdraw consent for tokenization in the event of noncompliance by a TSV, complaints of investor harm or confusion, or if the company opts to tokenize its own shares.

[6] *See, e.g.,* Morgan Lewis, "How Public Companies Should Prepare for Tokenized Securities" (7 October 2026), *available at* https://www.morganlewis.com/pubs/2026/10/how-public-companies-should-prepare-for-tokenized-securities.

[7] For instance, Canton Strategic Holdings, Inc., the first U.S. company to tokenize its equity shares, recently reached an agreement for its tokenized shares to trade on TSV LLC's trading venue. Canton retained Fairmint, Inc., an on-chain transfer agent, to do the tokenization. Given the novelty of these tokenization arrangements, coordination with the public company and its transfer agent are essential. *See* PR Newswire, "Canton Strategic Holdings Announces Intent to Become First Tokenized U.S. Equity" (29 October 2026), *available at* https://www.prnewswire.com/news-releases/canton-strategic-holdings-announces-intent-to-become-first-tokenized-us-equity-302923652.html.

[8] *See* Comment Letter of SIFMA re Innovation Exemption (19 October 2026), *available at* https://www.sifma.org/wp-content/uploads/2026/10/SIFMA-Innovation-Exemption-Initial-Letter-10-19-2026.pdf.

address the process for transmitting corporate dividends through TSVs to the beneficial owners of tokenized stocks and explain what recourse those investors would have if they do not receive those dividends on time. Would a public company be potentially liable to these investors if a TSV fails to deliver dividends if the company did not object to the initial tokenization request? Would TSVs be required to indemnify companies in such cases? The Order also should clarify how proxy voting materials will be transmitted to holders of tokenized stock and the obligation of the TSV to work with the company's transfer agent. Finally, what remedy would token holders have if their proxy votes are not transmitted on a timely basis? The Commission should provide more clarity on these questions and other concerns raised by market participants before third-party tokenization proceeds.

While the Commission has expressed a reluctance to set up a formal registration regime for TSVs, the NAM asks the Commission to consider directing TSVs to provide more comprehensive public notices. In addition to the disclosures set forth in Section III of the Order, TSVs should identify their officers and any investors (who own more than a 5% stake in the TSV), disclose all other public companies that have agreed to have their shares tokenized by the TSV, explain their procedures for processing corporate dividends and proxy voting materials, and disclose whether the Commission, the Commodity Futures Trading Commission, Finra, or state securities regulators that have taken any disciplinary action against the TSV's officers or investors. To ensure that investors and companies can easily find that information, those disclosures should be filed with the SEC (and subject to the Commission's anti-fraud rules) and not just published on a TSV's website.[9]

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[9] The NAM thanks the Commission for recently posting FAQs on tokenization and a list of active and prospective TSVs. *See* Frequently Asked Questions on the Innovation Exemption, *available at* https://www.sec.gov/rules-regulations/staff-guidance/trading-markets-frequently-asked-questions/frequently-asked-questions-innovation-exemption.

The NAM appreciates the Commission's interest in tokenization and other market innovations and its efforts to improve the regulatory environment for public companies. Manufacturers look forward to working with the Commission on this topic.

Sincerely,



C. Edward Allen
Senior Director, Corporate Finance Policy



Jake Kuhns
Vice President, Domestic Policy

CC: Chairman Atkins
Commissioner Uyeda
Director Moloney