STATEMENT

Tokenization Trending: Statement on the Division of Trading and Market's No-Action Letter Related to DTC's Development of Securities Tokenization Services

Commissioner Hester M. Peirce (/about/sec-commissioners/hester-m-peirce)

Dec. 11, 2025

Today, the staff of the Division of Trading and Markets issued a no-action letter to The Depository Trust Company (/files/tm/no-action/dtc-nal-121125.pdf) ("DTC"). The letter relates to DTC's development and launch of a preliminary version of its voluntary securities tokenization program on supported blockchains that meet DTC's technology standards. This program will enable the tokenization of security entitlements to certain eligible securities that DTC's participants hold through DTC ("tokenized entitlements"). Any DTC participant with a registered wallet will be able to transfer its tokenized entitlement directly to the registered wallet of another DTC participant. DTC's software system will track each transfer to record tokenization entitlements for DTC's official books and records.

Although this program is a pilot subject to various operational limitations, it marks a significant incremental step in moving markets onchain. DTC plays a central role in our securities markets. I am looking forward to seeing how DTC's

participants benefit from this program and the extent to which DTC's tokenization model can enhance the functioning of our securities markets.

DTC's tokenized entitlement model is a promising step along the tokenization journey, but other market participants are exploring alternate experimental avenues. As I have said repeatedly, the Commission's crypto work is iterative. We welcome and expect other market participants' continuing efforts to innovate and experiment. Their experiments may involve other securities tokenization models. Investor choice is critical, particularly at this early stage when the market is testing what works. For example, some issuers have begun tokenizing their own securities, which may make it easier for investors to hold and transact in securities directly, rather than through an intermediary. As I previously cautioned, market participants should be aware that different tokenization structures may raise distinct regulatory considerations.[1]

I want to thank Director Jamie Selway and his staff in the Division of Trading and Markets for their diligent work on issuing this important no-action letter.

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[1] Commissioner Hester M. Peirce, Enchanting, but Not Magical: A Statement on the Tokenization of Securities (July 9, 2025), https://www.sec.gov/newsroom/speeches-statements/peirce-statement-tokenized-securities-070925 (https://www.sec.gov/newsroom/speeches-statements/peirce-statement-tokenized-securities-070925)

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