

SEC Staff Provides Clarity on Broker-Dealer Registration for Certain Crypto Asset Securities User Interfaces

April 15, 2026

On April 13, 2026, the Staff of the SEC's Division of Trading and Markets issued a statement ("Statement") setting out its views on when a person that creates, offers, and/or operates certain user interfaces used to prepare transactions in crypto asset securities (a "Covered User Interface Provider") may do so without registering as a broker-dealer under Section 15(a) of the Securities Exchange Act of 1934. The Statement is the latest in a series of federal regulatory developments aimed at reconciling crypto industry practices within the existing securities and derivatives regulatory framework, following the SEC and CFTC's joint guidance on the status of certain crypto assets and the CFTC's recent no-action relief for a crypto wallet technology vendor. Commissioner Hester M. Peirce issued a separate statement commending the Staff but calling for a more permanent approach.

Key Takeaways

The Statement reinforces that Covered User Interface Providers primarily provide technological infrastructure — software that enables users to formulate and transmit securities transactions using blockchain technology — rather than acting as securities brokers. It situates these activities within the framework of prior no-action relief for technology providers while adapting that reasoning to the context of crypto asset securities and decentralized systems.

The Statement delineates the boundary between permissible infrastructure activity and conduct that would trigger broker registration. It identifies a range of prohibited activities — such as making recommendations, soliciting transactions, handling orders or assets, or receiving payment for order flow — while permitting others, including the provision of market data and the receipt of either a flat fee or transaction-based compensation from users. The allowance of transaction-based compensation reflects a departure from prior Staff positions and may expand viable business models for interface providers.

The Statement is an interim measure that will automatically be considered withdrawn five years from its release date absent further Commission action. It has no legal force or effect and does not address other potential obligations under federal securities laws, including national securities exchange registration or antifraud liability.

What the Staff Means by "Covered User Interface"

The Statement defines a "Covered User Interface" as an interface (e.g., website, browser extension, or app) designed to assist users engaging in user-initiated crypto asset securities transactions via the user's self-custodial wallet, including by converting user-selected transaction parameters into blockchain-executable commands for signature and transmission. Covered User Interfaces may also provide (i) market data, including potential execution routes, asset prices, and estimated transaction costs; and (ii) educational material to help users formulate and establish transaction parameters on a transaction-by-transaction or default basis.

Staff "Non-Objection" Posture—if Conditions are Met

The Staff states that, in specified circumstances, it "will not object" to a Covered User Interface Provider creating, offering, and/or operating a Covered User Interface without registering as a broker-dealer.

Those circumstances are detailed and include (among other things): (i) users' ability to customize transaction parameters and provision of related educational material; (ii) no solicitation of investors for specific crypto asset

securities transactions; (iii) to the extent only one potential execution route is displayed, the ability to see additional routes; (iv) if more than one execution route is displayed, objective routing display and sorting tools without “best price”/qualitative commentary; (v) use of software that operates based on “pre-disclosed and objective parameters that are independently verifiable”; (vi) no discretion or decision-making beyond the described functions; (vii) user fees limited to a “fixed charge” that is execution venue/route/counterparty agnostic; (viii) venue onboarding/audit controls based on objective factors; and (ix) extensive, prominent disclosures regarding among other things, fees, material conflicts of interest, limitations associated with the Covered User Interface, default transaction parameters, and a disclaimer that the Covered User Interface Provider is not registered with or regulated by the SEC with respect to the interface.

Express Carve-outs / Limits

The Staff emphasizes the Statement is limited to Covered User Interface Providers, and does not extend to providers that, among other activities, negotiate terms, recommend investments, arrange financing, process trade documentation, handle customer funds/securities, execute or settle transactions, or take or route orders.

Interim Nature; No Legal Force

The Staff describes the Statement as an “interim step” that will be withdrawn effective five years from April 13, 2026, absent intervening Commission action, and reiterates that it is a staff statement with “no legal force or effect.”

Commissioner Peirce’s Statement

Commissioner Hester M. Peirce issued a separate statement commending the Staff but calling for a more permanent regulatory approach. She observed that “crypto is forcing the Commission to confront its inner demons” and urged the Commission to seek public feedback to inform future rulemaking on the definition of “broker” as applied to new technologies — not just in the crypto context.

Parallel CFTC Developments

The Statement follows the CFTC’s issuance on March 17, 2026 of No-Action Letter No. 26-09, which granted relief to Phantom Technologies, Inc. to facilitate user access to CFTC-regulated derivatives via its self-custodial wallet front-end interface without registering as an introducing broker. While the SEC’s Statement and the CFTC’s no-action letter address similar interface and wallet functionality, the two frameworks impose materially different conditions and reflect distinct regulatory approaches. The CFTC relief, for instance, requires relationships with registered intermediaries (FCMs or IBs as “Collaborators”), joint and several liability undertakings between the applicant and each Collaborator, compliance with NFA communications rules, and — notably — individualized no-action relief rather than a generally available framework. Covered User Interface Providers that also facilitate access to CFTC-regulated products will need to assess carefully the regulatory implications across both regimes.

Practical Takeaways

For developers and operators of self-custodial wallet interfaces and related transaction-preparation tools, the Statement provides a checklist-style framework focused on user-directed trading instructions, objective and verifiable routing/market data functionality, neutral (fixed) compensation, robust controls around venues/defaults, and prominent disclosures. Covered User Interface Providers should consider whether their interface features (and marketing) could be characterized as solicitation of securities transactions, securities advice, order routing, execution/settlement, or custody of user securities and funds—activities the Staff indicates fall outside the scope of the Statement. Providers operating across both SEC and CFTC jurisdictions should carefully evaluate the differing conditions imposed by each regime.

The Staff seeks public input and comments on all aspects of the Statement. Comments may be submitted electronically via the SEC’s online submission form or by email to rule-comments@sec.gov, referencing File Number 4-894.

For More Information

We are available at any time to answer questions, discuss scenarios, and provide guidance. If you would like further information concerning the matters discussed in this article, please contact any of the following attorneys or the Chapman attorney with whom you regularly work:

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