



May 7, 2026

VIA ELECTRONIC SUBMISSION

Internal Revenue Service
Attn: CC:PA:01:PR (REG-117270-25)
Room 5503
P.O. Box 7604
Ben Franklin Station
Washington, D.C. 20044

Re: Treasury/IRS Trump Accounts Proposed Rule (REG-117270-25)

To Whom It May Concern:

The Securities Industry Financial Markets Association (“SIFMA”)¹ believes that tax-advantaged savings programs, such as Trump accounts, are essential tools to help savers build wealth. Helping Americans build long-term savings, including for retirement, is among the most important roles of the U.S. capital markets. Trump accounts can jumpstart the financial future for American children through the power of compound interest and provide key opportunities to promote saving and investment in capital markets starting in childhood to build financial foundations for a lifetime.

As Treasury works to implement Trump accounts, we support practical, workable solutions for operationalizing these accounts and welcome working with Treasury and other stakeholders toward achieving this goal.

I. Executive Summary

Our suggestions reply to specific questions regarding potential changes to non-bank trustee requirements and aim to clarify account elections and responsible party authority and streamline transfers and promote portability. They include:

¹SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry’s one million employees, we advocate on legislation, regulation and business policy affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA).

- Modify non-bank trustee net worth and fiduciary experience requirements as suggested by Treasury.
- Clarify account elections and responsible party authority.
- Streamline transfers and promote portability.

II. Support modifications to non-bank trustee requirements to reflect modern custodial models.

The proposed rule specifically requests comments on:

- whether the adequacy of net worth requirement in § 1.408–2(e)(5)(ii) should be changed to treat certain debt as equity (for example, for broker-dealers, debt meeting the conditions specified in the rule may be treated as capital pursuant to the Securities and Exchange Commission rule in 17 CFR 240.15c3–1),
- whether the special rule for a governmental unit seeking to be a nonbank trustee in § 1.408–2(e)(8) should be expanded to include other types of IRAs (including Trump accounts) beyond a deemed IRA that is part of the governmental unit’s own qualified employer plan, and
- whether the fiduciary experience requirement in § 1.408–2(e)(2)(iii) should take into account the fiduciary experience of subcontractors of the applicant.

A. Net Worth Requirements

We support Treasury’s decision to revisit the “adequacy of net worth” requirements for non-bank trustees and agree that the current framework should be updated.

However, rather than modifying the current requirement by treating certain forms of debt as equity, we believe a more effective and principled approach would be to recognize that a non-bank trustee that is an SEC-registered broker-dealer and is subject to, and in compliance with, Securities Exchange Act Rule 15c3-1 (the “SEC Net Capital Rule”) and Securities Exchange Act Rule 15c3-3 (the “SEC Customer Protection Rule”) is already subject to a comprehensive financial responsibility and customer protection regime governing broker-dealer capital adequacy, liquidity, and the safeguarding of customer assets, and therefore should not be required to separately satisfy the adequacy of net worth requirement under Treas. Reg. § 1.408-2(e)(5)(ii).

We recommend that Treasury:

- Provide that non-bank trustees that are SEC-registered broker-dealers subject to, and in compliance with, the SEC Net Capital Rule and the SEC Customer Protection Rule are not required to separately satisfy the adequacy of net worth requirements; and
- Provide flexibility for non-bank trustees that are subsidiaries of bank holding companies or securities holding companies by:
 - Exempting them from the net worth requirement,
 - Lowering the applicable threshold, or
 - Allowing inclusion of parent-level equity in the calculation.

These approaches preserve safeguards while avoiding structural inefficiencies.

B. Fiduciary Experience of Subcontractors

We recommend Treasury account for the fiduciary experience of appropriately governed subcontractors when reviewing the fiduciary experience requirement. Many customer-facing platforms operate by partnering with established clearing firms, IRA custodians, and trust companies that provide custody, recordkeeping, tax reporting, and IRA administration, while the platform manages enrollment, disclosures, and the user experience. This model is well established in the IRA, brokerage, and retirement plan ecosystems and preserves a clear chain of accountability. Permitting fiduciary experience to be satisfied through such subcontracted service providers would:

- Enable a broader range of rollover destinations;
- Promote portability and consumer choice;
- Align Trump accounts with existing tax-advantaged savings frameworks; and
- Encourage innovation while maintaining strong oversight and responsibility at the trustee level.

Absent this clarification, many otherwise well-qualified platforms may be unnecessarily excluded, limiting access and reducing competitive pressure on fees and service quality.

III. Clarify Account Elections and Responsible Party Authority

Several aspects of the proposed rules would benefit from additional clarification regarding account elections and responsible party authority. To simplify elections and ensure operability in certain cases, we recommend the following:

- Explain how Treasury will identify unauthorized elections and assign a responsible party when taxpayer data is unavailable for cross-verification and how priority rules will be enforced.
- Consider combining account election and activation into a single, seamless process through the online portal once the initial trustee is operational, including automatic election of pilot contributions for eligible children.
- Allow a corporate trustee to serve as the responsible party in instances where other entities (such as a State or other government entity) elect to establish an account after a dormancy period.
- Clarify whether responsible party powers, including selecting among eligible investments, requesting a transfer for a qualified rollover contribution, requesting a transfer for a qualified ABLER rollover contribution, and selecting a successor responsible party, extend beyond the growth period. If so, do responsible party powers include withdrawals or Roth IRA conversions prior to the beneficiary reaching the age of majority?

IV. Streamline Transfers and Promote Portability

Portability of Trump accounts is critically important to allow families to work with the trusted provider of their choice and reduce the amount of future lost or forgotten accounts. We support a transfer process that is as friction-less as possible. We recommend that Treasury require the initial trustee to support automated rollover requests initiated via secure APIs to eliminate annual paperwork, reduce delays and operational risk, and allow responsible parties to migrate accounts seamlessly to providers of their choice.

V. Conclusion

Accepting our recommendations outlined above would significantly enhance operational feasibility, expand consumer choice, and ensure that Trump accounts are implemented in a manner consistent with existing, well-functioning tax-advantaged savings systems.

Please do not hesitate to contact me at lbleier@sifma.org or (202) 962-7329 or Nicole Swift at nswift@sifma.org or (202) 962-7317 if you have any questions.

Sincerely,

Lisa J. Bleier

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