



October 19, 2026

VIA ELECTRONIC SUBMISSION

Internal Revenue Service
Attn: CC:PA:01:PR (CC-00349938-26), Room 5503
P.O. Box 7604
Ben Franklin Station
Washington, D.C. 20044

Re: Treasury/IRS Notice of Proposed Rulemaking Guidance on Eligible Investments for Trump Accounts (RIN 1545–BS14)

To Whom It May Concern:

The Securities Industry Financial Markets Association (“SIFMA”)¹ supports the goal of Trump Accounts and Treasury's efforts to effectively implement the statutory requirements. Helping Americans build long-term savings, including for retirement, is among the most important roles of the U.S. capital markets, and Trump Accounts can significantly contribute to this objective. As Treasury works to implement Trump Accounts, we support practical solutions and welcome working with Treasury and other stakeholders toward achieving this goal.

I. Executive Summary

The proposed regulation provides guidance on eligible investments for Trump Accounts and asks for both general comments and specific comments with respect to trustee fees, correction procedures, and philanthropic stock contributions.

Our recommendations include:

- Streamline investment eligibility by creating a safe harbor for investments meeting statutory requirements as determined by trustees.
- Improve correction procedures by easing consequences and adding Trump Accounts to EPCRS.

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).

- Clarify disclosure requirements to apply to responsible parties during the growth period.

II. Streamline investment eligibility by creating a safe harbor for investments meeting statutory requirements as determined by trustees

The proposed regulations create a detailed framework for determining whether an investment qualifies as an eligible investment, including standards relating to index tracking, leverage, securities lending, and qualified indices. Trustees should be authorized to use the specific framework Treasury has created to determine whether an investment meets the eligibility requirements.

We recommend that Treasury establish a safe harbor under which a trustee may treat a mutual fund or ETF as an eligible investment if it meets the requirements and definitions of section 1.530A-3(b) – (f) as proposed. Such a safe harbor would significantly reduce operational complexity while ensuring that trustees may confidently offer a range of qualifying investment options.² The safe harbor should expressly permit trustees and custodians to rely in good faith on public information, including but not limited to prospectuses and other SEC filings, index methodologies, exchange information, and recognized third-party data sources. Trustees and custodians should not be required to independently recalculate fund expenses, conduct real-time reviews of underlying holdings, or perform legal or quantitative analyses beyond a reasonable review of available information.

The proposed regulation should also clarify that investments approved by Treasury for use by the initial trustee are automatically deemed to be eligible investments and do not require a separate determination by trustees. Receiving trustees should likewise be permitted to rely on a transferring trustee's determination of investment eligibility for assets transferred in-kind to a rollover Trump Account. Receiving-trustee reliance should also extend beyond investment eligibility to other information reasonably necessary to administer a rollover Trump Account, including the account's status, contribution history, basis information, prior reporting, and beneficiary and responsible-party information. A receiving trustee that reasonably relies in good faith on records and information provided by a transferring trustee or other authorized source should not be required to independently verify the account's historical activity. In addition, a receiving trustee should not be responsible for compliance failures that occurred before the transfer, absent actual knowledge of the failure.

III. Improve correction procedures by easing consequences for account owners and adding Trump Accounts to EPCRS

The proposed regulations require that trustees ensure the prompt sale and reinvestment of proceeds in the event an investment fund ceases to be an eligible investment. A sale and reinvestment will be considered prompt if it occurs within 30 calendar days of the investment

² As part of this safe harbor, we would ask that Treasury recognize the State Street SPDR Portfolio S&P 1500 Composite Stock Market ETF tracks the S&P Composite 1500, for which there are no futures contracts. However, that index uses component indexes which do have regulated futures markets. Since the Composite index tracks component indexes that do meet the criteria of having regulated futures contracts, but the Composite index that the ETF tracks itself does not meet that criteria, we would ask that the safe harbor have the same criteria for new investments.

ceasing to be eligible. If the sale and reinvestment occurs later, the account ceases to be a Trump account and an IRA. Under the proposal, even minor and inadvertent errors could call into question the status of the account and create disproportionate tax consequences for account beneficiaries.

SIFMA recommends that Treasury adopt safe harbor correction procedures modeled on existing retirement-plan correction principles. Specifically, where a trustee that is in compliance with the requirements in proposed section 1.503A-3(g) discovers that assets were invested in a non-qualifying investment, the account should remain a Trump Account if the error is corrected within a reasonable time period. This would provide equal action timelines for trustees for disposition of both cash and ineligible investments and ease the consequences on account owners. In addition, corrections should be prospective and focused on restoring compliance.

This correction framework should supplement, rather than replace, a trustee's obligation to comply with the monitoring requirements of proposed section 1.530A-3(g). Trustees should maintain reasonable written monitoring policies and conduct periodic reviews, including at least annually, but should not be required to engage in continuous monitoring. For this purpose, actual knowledge should not be attributed to a trustee merely because information concerning a fund, index, or other investment is publicly available. Rather, a trustee should be treated as having actual knowledge when the relevant information is identified through its reasonable compliance procedures. Once a trustee identifies through its periodic review or otherwise acquires actual knowledge that an account holds cash or an investment that does not satisfy the applicable requirements, the same reasonable, discovery-based correction period should apply. Trustees should not be subject to different correction standards or timelines depending on whether the issue involves cash, an investment that has ceased to qualify, or another temporary compliance failure.

We further recommend that Treasury expressly incorporate Trump Accounts into the Employee Plans Compliance Resolution System ("EPCRS") or establish a comparable correction program. Existing correction frameworks have successfully promoted voluntary compliance across the retirement system, allowing technical failures to be corrected without creating adverse tax consequences for participants. Trump Account beneficiaries should also benefit from such voluntary corrections.

The correction framework should also permit a trustee or intermediary, where appropriate, to restore earnings that would have accrued but for a correctable operational or administrative error, without treating the restoration as a contribution or excess contribution. Treasury should also provide simplified or de minimis correction methods for administrative errors, such as residual cash balances, delayed reinvestments, fractional shares, and other low-risk administrative failures. A correction completed in accordance with these procedures should preserve the account's status.

The final regulations should address circumstances in which a trustee, custodian, broker-dealer, or other intermediary is required to sell an investment that has ceased to qualify as an eligible investment and reinvest the proceeds, but the account holder or responsible party does not provide timely investment instructions. In those circumstances, the intermediary may need to

complete the transaction solely to satisfy the requirements of section 530A and preserve the account's tax-favored status, rather than to make an investment recommendation or exercise discretionary investment authority.

Treasury and the IRS should coordinate with the SEC and FINRA, as appropriate, to clarify that a disposition and reinvestment undertaken pursuant to the final regulations and reasonable written compliance procedures will not, solely by reason of that required action, be treated as a recommendation subject to Regulation Best Interest or as the exercise of discretionary authority. The final regulations should permit the proceeds to be invested in a designated default eligible investment when timely instructions are not received and should provide a safe harbor for intermediaries acting in good faith to complete such required compliance transactions.

IV. Clarify disclosure requirements to apply to responsible parties during the growth period

The proposal requires several disclosures to be sent directly to account beneficiaries. For example, trustees must disclose to account beneficiaries the default eligible investment; how dividends are invested; how proceeds of the sale of an ineligible investment were reinvested; and information on administrative errors, including the duration of the error, the assets that were held during the error period, and the amount reinvested in an eligible investment at the end of the error period.

Since account beneficiaries generally will be minors during the growth period, SIFMA recommends that Treasury clarify that required disclosures, notices, and compliance communications may be provided to the responsible party associated with the account rather than directly to the minor beneficiary. Requiring delivery to responsible parties would better align with the statutory structure under which responsible parties make account-related decisions on behalf of minors.

Treasury and the IRS should clarify that required disclosures, notices, and compliance communications may be delivered to the responsible party through existing paper or electronic communication channels and, where appropriate, incorporated into ordinary account agreements, statements, confirmations, or transaction notices. Delivery to the responsible party in accordance with otherwise applicable disclosure and electronic-delivery requirements should satisfy the applicable Trump Account delivery obligation and should not require duplicative delivery to the minor beneficiary.

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 us at lbleier@sifma.org or nswift@sifma.org if you have any questions.

Sincerely,

Lisa J. Bleier

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