Congress of the United States
Washington, DC 20515

June 23, 2026

The Honorable Paul S. Atkins
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chairman Atkins:

We write to request the Securities and Exchange Commission's (the "Commission") views on brokerage services and investment advice provided via agentic artificial intelligence (AI). Retail brokerage platforms have begun allowing users to give AI agents the ability to automate investment decisions and trade stocks on users' behalf. While generative AI and associated agents have the potential to help investors make faster and better-informed decisions, the facilitation of agentic trading by retail brokerage platforms raises serious questions for investor protection, broker-dealer responsibilities, market integrity, and the accountability of AI developers.

Customers are now able to connect AI agents from third parties to trading accounts through SEC-registered brokerage platforms. Agentic trading is already available for stocks, cryptocurrency, and options. It may continue to expand to include a broad range of additional products like event contracts and futures. Disclosures accompanying such offerings have stated that brokerage platforms may not guarantee the accuracy, completeness, or suitability of any agent output, nor do they control, supervise, monitor, recommend, or audit these agents. Such disclosures warn that agentic trading involves "significant risk," and acknowledge that AI agents may make errors, misinterpret instructions, act on incomplete or outdated information, and behave unexpectedly.

These disclaimers raise urgent questions about the regulatory treatment of agentic trading tools and create uncertainty regarding legal responsibility among brokers, AI developers and retail investors. It is unclear how this characterization of AI agents as a third-party tool affects the application of long-standing investor protections that are reasonably expected by retail investors trading on a registered brokerage platform. It is also uncertain whether existing models are designed with appropriate safeguards to prevent investor harm, especially where brokerage platforms do not audit AI models for compliance with relevant securities laws. The AI firms developing and deploying these agents have thus far operated largely outside the securities regulatory framework, even though their systems are making or enabling consequential investment decisions on behalf of retail investors.

Generative AI systems are trained on vast amounts of data, which may contain useful information for investors, but also biased or conflicted information that may favor certain issuers, sectors, investment products, narratives, or trading strategies. The output of these systems can be unpredictable, difficult to reproduce, and difficult to audit. Without proper

context, models may also fail to understand an individual investor's financial situation, risk tolerance, investment horizon, liquidity needs, or other relevant facts, leading to transactions that are not in investors' best interest.

The use of generative AI models by large numbers of market participants may also pose risks extending beyond the individual investor. If AI agents are trained on similar data, are programmed to prefer particular financial products, or respond similarly to market signals, they may produce correlated trading decisions. This herding behavior may increase volatility, amplify market stress, or undermine the integrity of U.S. financial markets. These risks may be especially pronounced when agents can execute trades autonomously, rapidly, and at scale.

The Commission's 2023 Conflicts of Interest Associated with the Use of Predictive Data Analytics by Broker-Dealers and Investment Advisers proposal provides valuable insight into the challenges posed by AI-driven investor interactions as well as the Commission's authority to regulate the risks posed by such technology. Specifically, the rule contemplated issues related to bias and conflicts of interest that may be inherent to a particular model design.[1] We encourage the Commission to revisit the issues raised by that proposal, and promptly address the new and distinct risks posed by generative AI systems and agentic trading.

Accordingly, we request that the Commission provide written responses to the following questions by July 31, 2026:

1. To what extent has the Commission consulted with retail brokerage platforms regarding their decisions to allow agentic trading of equities on its platform and has the Commission similarly consulted with AI firms whose models are being deployed for this purpose?
2. Did the Commission provide any brokerage platform or AI developer with formal approval, no-action relief, exemptive relief, or interpretive guidance regarding the launch of agentic trading?
3. What guardrails, if any, does the Commission require or recommend for the delivery of agentic trading on registered brokerage platforms to protect investors and the integrity of financial markets?
4. What obligations and liability exposure, if any, does the Commission believe AI developers bear when their agents facilitate autonomous trading on behalf of retail investors?
5. Has the Commission required or recommended guardrails such as funding limits, position limits, order-size limits, trade approval procedures, transaction logs, customer dispute processes, or restrictions on model access to customer data?
6. Does an investor's decision to use a third-party AI agent on a registered brokerage platform alter, limit, or absolve the broker-dealer of any obligations as registered broker-dealers under the federal securities laws, including obligations related to Regulation Best Interest, supervision, books and records, best execution, customer disclosures, cybersecurity, privacy, order handling, and investor protection?

[1] https://www.sec.gov/rules-regulations/2025/06/s7-12-23

7. Under what circumstances would an AI agent or its developer be required to register as a broker, dealer, investment adviser, or associated person under the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, or other applicable securities laws?
8. Will AI agents that facilitate trades on behalf of brokerage users, or the persons providing or controlling such AI agents, be required to act in the best interest of the user, disclose conflicts of interest, maintain records of transactions and recommendations, safeguard customer information, or assume fiduciary or other legal duties with respect to user funds and investment decisions?
9. What analysis has the Commission conducted regarding the ability of specific generative AI models or model types to comply with relevant securities laws and regulations, including requirements related to suitability or best interest, disclosure, supervision, books and records, anti-fraud obligations, market manipulation, and customer privacy?
10. Are AI developers subject to rules or laws governing the sale or use of customer information, including personally identifiable information, portfolio composition, investment preferences or other sensitive information about an investor that may be made available through a connection to their AI system?
11. Has the Commission evaluated whether AI agents trained on similar data or optimized toward similar objectives could contribute to herding behavior, increased volatility, market manipulation, or other risks to market integrity?
12. Has the Commission assessed the risk that AI agents could act on hallucinated information, outdated information, manipulated information, prompt-injection attacks, or social media rumors?
13. To what extent are the Commission's statutory authorities sufficient to address risks associated with agentic trading, and are legislative actions by Congress needed to effectively address those risks?

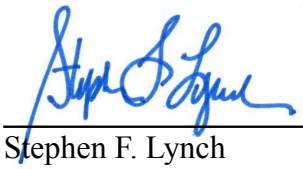
Generative artificial intelligence may help investors access information, compare strategies, and make better-informed financial decisions. However, without the proper safeguards, the move may have significant implications for retail investors. It is essential that this technology be delivered in a manner that preserves the protections investors expect in regulated financial markets, and not as a tool to conceal conflicts of interest, evade broker-dealer responsibilities, manipulate markets, or provide unsound investment advice.

Thank you for your attention to this matter. We look forward to your response.

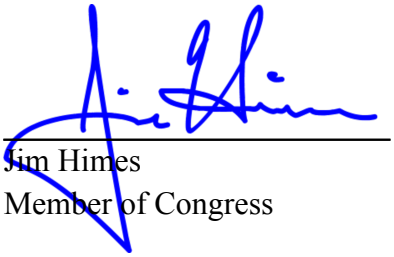
Sincerely,

Bill Foster
Member of Congress
Ranking Member,
Subcommittee on Financial Institutions

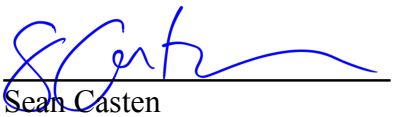
Brad Sherman
Member of Congress
Ranking Member,
Subcommittee on Capital Markets



Stephen F. Lynch
Member of Congress
Ranking Member,
Subcommittee on Digital Assets, Financial Technology, and Artificial Intelligence

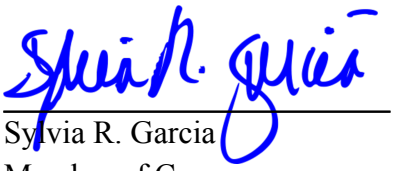


Jim Himes
Member of Congress

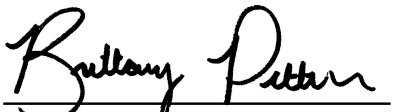


Sean Casten
Member of Congress

Rashida Tlaib
Member of Congress



Sylvia R. Garcia
Member of Congress



Brittany Pettersen
Member of Congress

CC:
The Honorable Hester M. Peirce, Commissioner, U.S. Securities and Exchange Commission
The Honorable Mark T. Uyeda, Commissioner, U.S. Securities and Exchange Commission