

CIRCLE INTERNET GROUP, INC.

Proposal and Comment Information

Title: Request for Information and Comment on Reserve Bank Payment Account Prototype, OP-1877

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Submitter Information

Organization Name: Circle Internet Group, Inc.

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Circle Internet Group provides the attached comment letter.



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February 6, 2026

Benjamin W. McDonough
Deputy Secretary, Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
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Re: Docket No. OP-1877: Request for Information and Comment on Reserve Bank Payment Account Prototype

Circle appreciates the opportunity to provide comments to the Board of Governors of the Federal Reserve System ("Board") regarding its Request for Information and Comment on Reserve Bank Payment Account Prototype. We support the Board's continuous efforts to reevaluate and modernize the national payments system, including this important prototype proposal which would expand limited-access account services to important swaths of the national payments system. Central to Circle's vision for the financial sector is the belief that reducing friction and expanding access to critical financial infrastructure promotes competitive services, benefits American consumers, and ultimately builds a more resilient U.S. financial sector. We see this proposal as one important facet of modernizing and reducing risk in the national settlement system and bringing it into alignment with other global fast payments systems.

Circle submits the accompanying responses to the request for information and comment, an executive summary of which we have provided below. We look forward to continued engagement with the Board to ensure that the prototype, if implemented, achieves the desired policy goals of a more efficient, inclusive, and sound national payments system.

EXECUTIVE SUMMARY

- The Payment Account prototype would **materially strengthen U.S. payments by giving payments-focused, legally eligible institutions a risk-controlled, prefunded pathway to Federal Reserve services**. This would offer particular benefits to the now ubiquitous 24/7/365 retail-facing payments systems as a complement to existing wholesale services like FedNow.
- The Payment Account prototype would **increase the resiliency of the overall payment system**. As payment volumes continue to scale, there will be more pressure on correspondent banking channels, which can add brittleness to the payment system. The Payment Account prototype would help address this risk.
- The Payment Account would also **play an important first step in carrying forward Congress' vision under the GENIUS Act**, which allows issuers to maintain money at a Federal Reserve Bank as part of a narrow pool of eligible reserve assets.¹ Beyond being

¹ GENIUS Act, §4(a)(1)(A)(i)

consistent with the Act, **access to Federal Reserve services will play an important role to the operational and liquidity management of permitted payment stablecoin issuers (“PPSIs”)**, which we encourage the Board to take into account as it tailors services for large issuers.

- A Payment Account pathway would **align the U.S. with peer jurisdictions such as the UK and EU** and advance competition and operational resiliency without loosening prudential safeguards or implicating the transmission of monetary policy. At a systemic level, it would provide meaningful incentives for eligible payments institutions across the U.S. to strengthen operational and risk management to meet the required standards of access.
- For payment stablecoins, direct prefunded settlement capacity would **complement existing bank settlement functionality and reduce two-way counterparty risk** with intermediary banks, supporting more reliable and timely fiat crediting to end-customers’ bank accounts and offering optionality that can reduce sectoral consolidation in a narrow subset of banks.
- Circle generally supports balance limits, but **we encourage the Board to preserve flexibility and avoid rigid limits that do not scale with sectoral growth or that bind high-throughput firms during peak windows** (e.g., weekend, quarter-end, stress periods). From a stablecoin issuance perspective, we support percentage-based overnight limits over fixed caps and see the illustrative benchmark of 10% of circulating payment stablecoin supply as appropriate.
- As the Board evaluates the prototype construct, we offer the **following recommendations to strengthen its design and functionality**:
 - Allow for overnight balances to support open-of-business liquidity;
 - Align the Payment Account’s “daytime” window with the proposed expansion of core service hours towards 22/6;
 - Expand eligible services to include prefunded FedACH — subject to the development of automated controls to prevent overdraft — given FedACH’s importance in nationwide payroll, government, and other disbursements; and
 - Provide legally eligible institutions affiliated with a PPSI access to Fedwire Securities transfer-against-payment to improve post-trade mobility of Treasury securities used to support payment stablecoin reserve management (which would also support Federal Reserve balance sheet management).
- Lastly, consistent with Governor Michael Barr’s statement around illicit finance controls, access by eligible non-federally supervised institutions has the potential to introduce anti-money laundering and countering the financing of terrorism (“AML/CFT”) frameworks that are subject to diverging supervisory standards into the Federal Reserve System. **At a systemic level, however, this does not inherently increase illicit financial risk to the national payments system but would potentially bring more payments activity by state-supervised firms within the risk-management scope of both the Board and federally supervised counterparties.** If the Board determines that additional measures are needed to directly supervise such entities, we encourage it to formalize such conditionality via public comment and apply any conditions uniformly across account types and Reserve Banks.

QUESTION RESPONSES

1. Would the design of the Payment Account prototype support payment activities of eligible institutions?

Yes. The Payment Account prototype would materially uplevel the national payments system by giving legally eligible, payments-focused institutions a tightly risk-controlled, settlement-only pathway onto Fedwire, FedNow, and the National Settlement Service (“NSS”) for facilitating safer settlement. For consumer-facing institutions, direct access to central bank rails under a prefunded, no-overdraft construct would reduce friction and reconciliation delays and deliver faster, safer settlement. For business-oriented payments providers, it would expand settlement optionality and strengthen orchestration between commercial and wholesale systems, improving reliability, reducing dependency on multilayer correspondent chains, and enhancing market integrity.

The prototype would also align the United States with established practices in the United Kingdom, European Union, and elsewhere, where payments firms can obtain limited central bank account access to support settlement. In its own discussion around expanding access to the UK real-time payments system, the Bank of England has noted that providing access to central bank payment services “eliminates settlement and counterparty risk, promoting greater trust among market participants and overall market stability” while enabling greater competition and innovation in payments.² Implemented under the Board’s Guidelines for Evaluating Account and Services Requests (“Account Access Guidelines”), the proposed model promotes competition and resiliency while preserving Federal Reserve Bank risk management through automated reject controls, prohibition on daylight overdrafts, and limits on end-of-day balances.

For payment stablecoins in particular, the prototype would directly support the core payments and settlement function that comes with issuing and redeeming payment stablecoins and is fully consistent with the reserve management framework outlined in the GENIUS Act. It likewise supports greater efficiency within the payments space by better aligning fiat settlement options with the 24/7/365 operational profile of the technology. In looking closer at the key attributes of a payment stablecoin, the liquidity and ability to settle (i.e., issuing from and redeeming to fiat) are central facets of its utility and are always a principal consideration in the reserve portfolio, operating infrastructure, and technology of a stablecoin. Settlement often occurs through mutual bank relationships with customers — which we expect to continue even with access to a Payment Account — while some mint and redeem activity settles indirectly through intermediary banks. Providing a direct, prefunded settlement option for issuers would reduce two-way counterparty risk between the issuers and such intermediary banks and support more timely deposit of fiat into customers’ bank accounts, strengthening consumer protection and confidence in payment stablecoins.

The net result is a more efficient and resilient payments sector with less exposure to settlement risk across what has become a multi-trillion-dollar transaction space. A standardized, payments-only access channel would enable more seamless interaction and clearer risk-management between banks and payments firms during normal conditions, while offering further settlement optionality that can help reduce two-way risk transmission during stress periods — all of which support a safer, less balkanized payments system.

² Bank of England, “Response to the discussion paper on reviewing access to RTGS accounts for settlement,” [8 April, 2025](#).

2. What payment activities or use cases would a Payment Account best facilitate (or be unable to facilitate)?

The proposed Payment Account would most significantly extend the availability of efficient and safer settlement to high-throughput retail, business-to-consumer, and small and medium-sized enterprise payment activity that currently relies on retail nonbank payments platforms. In a prefunded, no-overdraft construct, retail payment providers could execute real-time and net settlement for a range of use cases such as merchant acquiring, marketplace payouts, treasury disbursements, and payroll, with greater speed and control. By settling directly on Fedwire, FedNow, and NSS, eligible institutions reduce reconciliation delays and dependency on multilayer correspondent chains, enhancing consumer protection and overall payments market integrity.

For PPSIs, the Payment Account would better support issuance and redemption flows as well as wholesale commercial and other high-value settlements that benefit from direct, prefunded access to central bank rails. As noted above, this would not substitute operational deposit accounts held at settlement banks that serve clients and distribution partners. Rather, it adds complementary capacity to support client settlement and scale payment activity, particularly during periods of broader sectoral stress, for example, when banks restrict or tighten limits on settlement throughput. This can mitigate two-way counterparty exposures between PPSIs and intermediary financial institutions and help ensure timely fiat credits to end-customers' bank accounts, derisking both payments and banking sectors.

We offer a few other use cases:

- The payment account can also serve as a neutral settlement bridge across other forms of regulated tokenized money and assets, facilitating conversion between tokenized deposits, payment stablecoins, and tokenized instruments issued by supervised banks and eligible financial institutions.
- Payment Accounts for legally eligible PPSIs or their affiliates that support retail facing payment services can enable end-to-end 24/7/365 settlement, serving as a key complement to existing fast, non-retail payment services like FedNow. This would provide particular benefits for gig-economy and peer-to-peer transactions.
- Finally, access to the Fedwire Securities Service — if extended to Fedwire Securities transfer against payment (a.k.a. delivery versus payment) — would improve post-trade mobility of Treasury securities that serve as reserve assets for PPSIs, making it easier for PPSIs to allocate, pledge, and manage short-dated Treasuries in close coordination with cash movements settled over Fedwire or FedNow. This would have meaningful benefits for the PPSI reserve management while creating a more liquid and responsive market for PPSIs to purchase Federal Reserve-held Treasuries, supporting Reserve Bank balance sheet management.

3. What barriers to innovation in payments would a Payment Account eliminate or alleviate?

The Payment Account would reduce sectoral dependence on what has traditionally been a narrow set of correspondent banks for core settlement, reducing complexity and consolidation of day-to-day settlement, simultaneously mitigating cutoff frictions, fees, and operational opacity

that slow the now ubiquitous 24/7/365 retail payment market. The proposed prototype would allow eligible institutions to settle with finality in real time or on a net basis with fewer correspondent hops, lowering credit exposures to settlement banks and reducing the potential for systemic stress as payments volumes scale.

The Payment Account system would also reduce policy uncertainty that has inhibited responsible investment in new payment services. By establishing a clear, risk-tiered access path under the Account Access Guidelines, the proposed system would provide eligible payment institutions a predictable route to tightly controlled settlement capabilities. This transparency incentivizes risk-management within the financial technology space, directing capital (at a macro level) toward compliant, consumer-safe models rather than complex settlement chains or overreliance on a narrow subset of banks.

In addition, Payment Accounts would lessen balance-sheet dependencies for both banks and eligible payment service providers, reducing bank demand for reserves. This in turn can help Federal Reserve Banks reduce the need to expand reserves to accommodate payment demands. Banks can reduce concentrated third-party payments exposures, while payment firms reduce bilateral bank credit risk. Proposed prefunding simplifies liquidity management and ensures that transactions settle as payments — without potential impacts on credit creation — for eligible payments firms. Over time, these dynamics would yield a more robust banking and payments system with clearer risk ownership, fewer settlement bottlenecks, and better protection for end consumers.

Finally, we encourage the Board to consider several factors that may warrant expanding services offered to Payment Account participants:

- 1) As the Federal Reserve Board advances 22/6 operating hours for Fedwire and NSS, it is important that the Board align the Payment Account's "daytime" window with the expanded hours of core services as they evolve. Alignment would better support existing "round-the-clock" retail payments by reducing cutoff frictions without altering the prototype's risk controls.
- 2) We recognize that FedACH payments have not been considered during the initial prototype phase, in part reflecting the lack of automated overdraft and rejection controls. We believe, however, that it is important that the Board invest in the development of necessary automation of controls in FedACH to ensure that the lack of such functionality is not the key inhibitor to a more efficient settlement system, particularly given FedACH's importance in nationwide payroll, government, and other disbursements.
- 3) With these and other services, we encourage the Board to ensure that Reserve Banks retain discretion to tailor Payment Account features and access, whether by allowing additional non-standard services to eligible institutions that demonstrate sufficient need and controls or by further restricting access.

4. Would the design of the Payment Account prototype potentially increase the range of risks to the payment system identified in the Guidelines? If so, in what ways?

As noted previously, we see the provision of a narrow, risk-managed settlement account to eligible payments institutions as playing a key overall role in de-risking both the payments and

banking sectors, with particular benefits to Americans who now depend on continuous, 24/7/365 services. In evaluating the prototype proposal, though, the principal risk we have identified is that overly rigid balance caps and an inability to hold sufficient overnight balances could themselves impair payments activity during periods when flexibility is most needed, such as in stress scenarios or in the event that gross payments by Payment Account holders scale. Fixed limits, in particular, would carry risk as they do not scale with observable liquidity needs, potentially throttling otherwise safe, prefunded settlement and constraining regulatory efforts to stabilize the payments system during stress periods. The Board should therefore consider a defined, supervisory path to adjust caps and permit limited flexibility for expanded limits and overnight balances, such as on a temporary basis during stress, with clear triggers, documentation, and post-event reviews. This will preserve discipline while minimizing second-order effects and disruptions to consumer payments.

With respect to the identified risk categories, we offer the following feedback to support the Board's analysis:

- **Risks to the overall payment system:** The Payment Account construct should be understood as a net-risk reduction tool given that it will increase liquidity and settlement efficiency across the payments space and for eligible payments institutions. In particular, as payment stablecoin volume increases, expanding access to crucial payment rails will reduce pressure on correspondent banking channels and improve the resiliency of the overall payment system in a safe manner. And by relying on prefunded settlement supporting retail-facing flows, Payment Accounts will increase liquidity efficiency and reduce reliance on multilayer intermediary chains that can amplify the impacts of operational outages or cutoff frictions that can snowball during stress events. It also increases optionality for both legally eligible payments firms and banking partners when stress elevates burdens on settlement banks, mitigating the risk that shocks in the banking sector transmit into retail payments, as the 2023 banking crisis illustrated.
- **Risks to financial stability:** Payment Accounts offer a relief valve that reduces mutual reliance between banking and payments during periods of higher throughput and increases predictability for banks that deposit flows will involve operational deposits, as compared to payments throughput that is not available for broader bank funding. Banks benefit from fewer non-sticky, non-operational balances cycling intraday, while eligible payment firms are incentivized to prefund and internalize liquidity risk.
- **Risks to overall economy from illicit activities:** As Governor Barr alluded to in his December 19, 2025 statement, the potential for risks from illicit activity is not a matter of regulation — as all existing three eligibility tiers must comply with the Bank Secrecy Act (“BSA”) and AML/CFT framework — but a matter of supervision. As such, eligible entities that face federal prudential and BSA supervision do not constitute a meaningful risk in this regard. At a systemic level, we think it is worth reemphasizing that increased interconnectivity and settlement efficiency via a Payments Account would not inherently elevate illicit financial risk to the payments system but would instead bring more payments-related activity within the risk-management scope of both the Board and federally-supervised counterparties. While the Board is right to give special attention to its control structure over eligible institutions, Account access will incentivize better risk management across both applicants and accountholders. Over time, that will have the systemic effect of reducing opportunities for illicit finance in the U.S. payments space.

- **Risks to the implementation of monetary policy:** As designed, the prefunding model coupled with prohibitions on daylight overdrafts and lack of access to discount window credit materially constrain the possibility of money creation and limit Payment Account use to fully funded payments. Access to the Fedwire Securities Service — if expanded to transfer against payment — can further support safe liquidity management in Treasury instruments held at eligible custodians, improving settlement discipline without altering credit conditions. These features align the Payment Account’s design with monetary policy implementation objectives.
- **Impact on Federal Reserve balance sheets:** Expanding limited access account services would reduce reserve demands by bank intermediaries, which could help Reserve Banks reduce the strains on balance sheet expansion due to overall payment demand. The absence of remuneration on balances and the prohibition on Reserve Bank credit substantially limit impacts from Payment Accounts on Reserve Bank balance sheets. As noted above, access to pre-funded use of the Fedwire Securities Service can also create more direct paths for PPSIs to support Federal Reserve balance sheet adjustment.

At a general risk management level, additional safeguards could further reduce residual risks while preserving utility. For example, standardized cyber and operational expectations aligned to recognized frameworks (e.g., NIST), intraday liquidity stress testing; timely incident and latency reporting; and enhanced supervisory data on volumes, rejects, and outages could provide the Board and Reserve Banks with additional data and promote inter-district consistency.

Finally, for PPSIs, parity of permitted services across issuer types — bank and nonbank — is critical to avoid regulatory arbitrage and financial risk transmission across banking and payment sectors. Indirect access by a bank-subsidiary PPSI through a parent bank’s Master Account, for example, could expose the parent to additional liquidity risk, potentially straining access to overnight credit and creating unanticipated Reserve Bank exposures. The Board should reinforce a firewall consistent with the GENIUS Act framework and Regulation W to clarify that PPSIs may not use or structure Federal Reserve System access to enable services not permitted to a Payment Account holder (such as indirect access to the discount window). To this end, the policy objectives should be: (1) preventing undue concentration of a PPSI’s reserve deposits at an affiliated insured depository institution (“IDI”); and (2) preventing the IDI from paying above market interest to the affiliated PPSIs.

5. What are the benefits and challenges of imposing an overnight balance limit on a Payment Account? Are there adjustments to the proposed formula for setting the balance limit that the Board should consider if it decides to establish a Payment Account?

We recognize and support the policy objectives behind an overnight balance limit to: a) discourage balance hoarding; b) limit any footprint on Reserve Bank balance sheets; and c) reinforce that the Account is a payments-only utility. At the same time, a one-size-fits-all cap can bind high-throughput firms — especially over weekends, holidays, and peak cycles — introducing frictions or fragmentation precisely as volumes scale or are in greatest consumer demand. Rigid limits risk curtailing otherwise safe, prefunded payment activity and could add settlement risk as market adoption grows, undermining consumer outcomes and the prototype’s goals.

To maximize utility without expanding risk, the Board should allow dynamic, risk-based limits calibrated to observable settlement flows, with predefined, temporary adjustments for holidays.

quarter-ends, and exigent circumstances. In this respect, we encourage Reserve Banks to be given discretion to adjust an institution's overnight balance limit on a more permanent basis for particular Account holders. A transparent supervisory mechanism for such limit changes — anchored in data, triggers, and post-event review — would preserve Account-holder discipline while preventing avoidable payment delays.

For eligible institutions that are PPSIs (or affiliated with a PPSI) and high-volume fiat accountholders, percentage-based limits will be more fit-for-purpose than fixed caps. As an illustrative benchmark for PPSIs, a proposed limit of 10 percent of circulating payment stablecoin supply is generally appropriate to meet gross redemption flows, particularly given that most settlement is expected to continue via operational deposits at settlement banks. Reflecting this need for flexibility, Circle — with roughly \$70 billion in circulating supply — has facilitated over \$1 trillion in fiat mint/redeem settlement over the past eight years, underscoring the potential for meaningful scaling of fiat settlement. A percentage-based framework would accommodate this ability to scale while maintaining strong prefunding discipline.

Finally, overnight balances should be sufficient to support open-of-business liquidity, consistent with the prototype's design. Without this flexibility, the operational burden of fully zeroing accounts daily could negate their utility in both normal and stress conditions and needlessly elevate operational risk. Allowing tightly bounded overnight carryover holdings consistent with a size- or volume-calibrated cap, and enabling temporary threshold increases when settlement demands spike or settlement banks reduce capacity, will support resilient, consumer-safe payments while maintaining the prototype's core risk controls.

6. What are the benefits and drawbacks of paying no interest on overnight balances in a Payment Account?

Limiting the overnight holdings in a Payment Account to unremunerated balances generally supports the core objectives by discouraging “parking” excess balances and reinforces that the Payment Account is a special-purpose, settlement-only utility. We recognize the policy intent to ensure monetary policy neutrality, limit the footprint on Reserve Bank balance sheets, and align the U.S. approach with peer central banks that offer or have proposed to offer limited, non-remunerated access for payments settlement.

However, the absence of remuneration can also introduce behavior that varies with the rate environment and that warrants further consideration of tailored access to additional account services. In low-rate periods, for example, activity may migrate toward Payment Accounts, while in high-rate periods it may recede. Those dynamics may or may not align with policymakers' objectives, and warrant monitoring and clear guidance. If the prototype includes only unremunerated balances, the Board should also clarify that this also applies during a zero or negative-rate environment for consistency.

There are additional important considerations for the payment stablecoin sector, particularly as it grows and moves towards systemic scale. Under the GENIUS Act, PPSIs are incentivized to hold reserve assets underpinning the stablecoin in the safest, most liquid forms of assets. The GENIUS Act explicitly allows both bank and nonbank PPSIs — subject to existing account eligibility criteria — under Section 4(a)(1)(A)(i) to back their payment stablecoin with money held in a Reserve Bank. Settlement is only one facet of liquidity and reserve management, and we encourage the Board to consider transparent, risk-tiered pathways for federally supervised PPSIs to receive additional

account services that would support robust reserve asset management and strengthen resilience across interest-rate cycles in support of the GENIUS framework. Looking forward, we encourage the Board to continue evaluating, within existing statutory eligibility criteria and the Account Access Guidelines, whether certain payments firms may be appropriate candidates for remunerated overnight holdings.

7. How might the Federal Reserve condition access to a Payment Account on the applicant having an acceptable AML, Bank Secrecy Act (BSA) and Countering the Financing of Terrorism (CFT) compliance program and, more generally, how can the Federal Reserve best constrain AML/BSA/CFT risks associated with a Payment Account?

Currently, balkanization of payment activity under the supervision of an array of state money transmission authorities, including funds held or settled by nonmember banks, creates the potential for divergences in the application and supervision of BSA requirements involving a subset of eligible entities. Granting account access to such eligible payment institutions — subject to the pre-funded, risk-controlled prototype construct — would increase the share of U.S. payments activity that settles within the perimeter of federal oversight. At a systemic level, this would incentivize greater uniformity in the national payment system centered on federal AML/CFT supervisory demands; reduce opportunities for illicit actors across the U.S. financial sector; and create clearer supervisory lines of sight across critical payment flows that together will support market integrity and systemic stability.

Specifically, to condition access effectively, the Board could require non-federally supervised applicants to maintain a mature, risk-based BSA program, led by a designated and accountable BSA officer, with independent testing, enterprise sanctions compliance, and documented model governance for monitoring and screening. These conditions could be embedded in account access agreements, reinforced through periodic attestations, and supported by coordinated supervisory information-sharing.

Regardless of tier or charter, every participant should be a U.S.-regulated entity subject to the BSA and under the ongoing supervision of a competent federal or state financial services regulator, aligning Payment Account access with the expectations already applied to member banks. Any widening of the eligibility criteria under Tier 3 — for example to foreign or BSA-supervised entities — would add systemic risk to both the Federal Reserve System and national payments sector. Foreign-domiciled payment firms should only access Payment Accounts through a U.S.-regulated entity that is fully subject to BSA/AML obligations and available to U.S. supervisory examination. This approach could eliminate gaps in AML/CFT oversight and promote inter-district consistency without expanding legal eligibility or diluting the prototype's payments-only purpose.

8. Are there additional features or limits that the Board should consider in the design of the Payment Account prototype?

We support further consideration into the following priority areas that we have identified previously:

- 1) Provide Payment Account holders access to FedACH, subject to automated overdraft and rejection controls, which would migrate batch activity into the same standardized, payments-only channel without exposing Reserve Banks to credit risk;

- 2) Provide PPSIs access to Fedwire Securities transfer against payment (a.k.a. delivery versus payment); and
- 3) Allow for sufficient overnight balances to support open-of-business liquidity.

Additionally, the Board should consider permitting multiple Payment Accounts per legal entity for operational segregation to strengthen operational resilience (for example, to separate FedNow from Fedwire flows). The Fed already permits multiple-account structures in some contexts; for example, the Fedwire Securities Service permits users to maintain multiple securities accounts.³ Although the Board generally disfavors more than one Master Account as articulated in OC-1 § 2.1, the rationale for that policy is that “The Reserve Banks generally maintain no more than one debtor-creditor relationship with a Financial Institution.” In the case of a Payment Account, the holder would not have access to the discount window or intraday credit/daytime overdraft, so there would not be concerns about establishing multiple credit relationships. Multiple Account access would support fault isolation, facilitate incident response, and enable clearer reconciliation and reporting, all while keeping the applicant’s overall footprint within the same risk limits and controls.

More broadly, we support Reserve Bank discretion to impose additional restrictions and controls on a case-by-case basis, provided that there remains a national baseline of eligible services. However, in granting discretion, any supplemental conditionality should preserve ready access to daily liquidity and avoid introducing new bottlenecks — such as lower daily caps or constraints on sub-account settlement services — that could impede settlement in stress or push liquidity demands back onto banks. Such Reserve Bank-specific constraints could create meaningful divergences across Reserve Bank regions during stress periods as well as create inconsistent expectations for applicants nationwide.

Finally, to enhance transparency and inter-district consistency, the Board should publish a standardized application checklist, clearly define start-to-finish timeline triggers for the 90-day review clock (including transparent pause/clock-stop rules), and release periodic summary statistics on approvals, denials, and typical timelines. These measures would reduce procedural uncertainty, align expectations across Reserve Banks, and direct private-sector investment toward compliant, consumer-protective models that advance the prototype’s objectives.

³ See OC-7, § 4.3.1 (“A Participant may have one or more Securities Accounts at its Administrative Reserve Bank, subject to the approval of and terms required by the Administrative Reserve Bank.”)