VELOXVFX LLC, ED HADDADIN

Proposal and Comment Information

Title: Permitted Payment Stablecoin Issuer Customer Identification Program, R-1885

Comment ID: FR-2026-0005-01-C06

Submitter Information

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Organization Type: Company

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VeloxVFX LLC respectfully submits the attached supplemental comment under Board Docket R-1885 and RIN 7100-AH18.

This filing supplements—and does not replace—the unified interagency comment submitted on June 24, 2026 and publicly posted as FINCEN-2026-0101-0002.

The supplement provides Federal Reserve-specific clarification concerning relationship-status representation, direct-redemption interactions, verification-procedure-status evidence, secondary-market risk visibility, reliance accountability, examination readability, and preservation of agency and institutional authority.

The submission is informational, architecture-oriented, and non-executing. It does not request agency adoption, endorsement, procurement, implementation, licensing, operational integration, or reliance.

Supplemental Public Comment

Permitted Payment Stablecoin Issuer Customer Identification Program

Agency	Board of Governors of the Federal Reserve System
Docket / RIN	R-1885 / 7100-AH18
Federal Register	91 FR 37234; Document No. 2026-12460
Comment Deadline	August 21, 2026
Submitting Entity	VeloxVFX LLC
Date	August 16, 2026
Website	https://www.veloxvfx.com

Re: Federal Reserve-specific supplemental clarification concerning relationship-state classification, verification-state continuity, supervisory readability, and institutional-boundary preservation.

I. Purpose and Relationship to the Existing Record

VeloxVFX LLC respectfully submits this concise supplemental comment in response to the joint proposed rule concerning Customer Identification Program requirements for permitted payment stablecoin issuers. This filing is directed to the Board under Docket R-1885 and RIN 7100-AH18.

This submission should be read together with VeloxVFX LLC's June 24, 2026 unified interagency comment filed under primary Docket FINCEN-2026-0101 and identifying Federal Reserve Docket R-1885. The earlier submission addressed the proposal's eight principal questions in detail. This supplement does not replace or repeat that submission. Its narrower purpose is to clarify the Federal Reserve-facing significance of lifecycle-separated relationship, verification, reliance, exception, and evidence states for institutions subject to the Board's jurisdiction.

II. Executive Position

The proposed rule appropriately centers the CIP obligation on a formal relationship between a permitted payment stablecoin issuer and a customer. For supervisory clarity, the final rule or related guidance may benefit from requiring covered PPSIs to maintain reviewable evidence showing when a formal relationship begins, what authorized activity it covers, which verification procedures apply, whether reliance is used, what exceptions arise, and when the relationship ends.

A payment stablecoin's possession, association with a wallet address, interaction with a smart contract, or movement through a secondary-market transaction should not, standing alone, be treated as conclusive evidence that a direct customer or account relationship exists with the issuer. The legally relevant relationship should remain determined under the final rule and applicable law by the responsible institution and, where appropriate, the competent regulator.

III. Federal Reserve-Specific Clarification

For a permitted payment stablecoin issuer supervised by the Board, lifecycle-separated records may improve the readability of records available for authorized examination without changing the allocation of legal authority. A covered PPSI could preserve distinct records for:

- relationship initiation, scope, modification, suspension, and termination;
- identity information received, documentary or non-documentary verification methods, results, and unresolved discrepancies;

- redemption-only interactions and whether they establish, modify, or remain outside a formal customer relationship;
- reliance arrangements, including the performing institution, contractual scope, certification period, procedures performed, and exceptions;
- digital-identity credential source, validity period, revocation status, assurance attributes, and method of verification;
- human review, escalation, remediation, validation, and closure; and
- record-retention periods and the event from which each period is measured.

These records would be informational evidence generated and maintained by covered PPSIs. They would not themselves identify a customer, approve an account, conduct CIP or AML/CFT procedures, make a sanctions determination, direct a suspicious activity report, block or release assets, or exercise supervisory authority.

IV. Focused Responses to the Proposal

1. Secondary-market activity

The final rule should not impose a blanket CIP obligation solely because a person holds, receives, transfers, or interacts with a payment stablecoin in the secondary market. A CIP obligation should depend on a legally cognizable relationship or other circumstance specified by the final rule. Secondary-market indicators may inform risk awareness or review, but informational visibility should remain distinct from creation of a customer relationship.

This distinction should not reduce illicit-finance visibility. Secondary-market risk indicators should remain available to support risk-based monitoring, investigation, escalation, and lawful action by responsible institutions under applicable law.

2-4. Account, customer, formal relationship, and redemption

The terms "account" and "customer" should remain anchored to a formal relationship. Guidance could identify nonexclusive evidence such as an accepted agreement, authorized account creation, issuer-recognized credentials, direct issuance or redemption access, defined services, and recorded opening or termination events. A redemption request should be represented separately from an ongoing account relationship so that a limited interaction does not automatically establish broader institutional responsibility.

5-6. Digital identity and verifiable credentials

The final framework should remain technology-neutral. A digital credential may serve as one component of a risk-based verification process when the covered PPSI can evaluate provenance, validity, revocation, assurance level, integrity, and exceptions. The rule should avoid converting possession of a credential into an automatic legal conclusion and should encourage data minimization consistent with applicable recordkeeping requirements.

7. Reliance

Reliance should remain attributable and reviewable. Records should identify the institution relied upon, the precise procedures performed, the governing contract, annual certification status, effective dates, limitations, exceptions, and escalation path. Reliance does not transfer the PPSI's legal responsibility for its own CIP compliance.

8. Innovation and operational clarity

Innovation is best supported by technology-neutral requirements that define required outcomes and evidence while allowing covered PPSIs to select appropriate systems. Lifecycle-separated records can reduce ambiguity, preserve institutional responsibility, and support consistent authorized review without prescribing one vendor, platform, architecture, credential type, or technical implementation.

V. Agency and Institutional Boundaries

The joint nature of the proposal promotes consistency but does not merge the agencies' statutory responsibilities. FinCEN retains the authority assigned to it under the Bank Secrecy Act and applicable delegations. The Board retains the supervisory and regulatory authority assigned to it for institutions within its jurisdiction. Other participating agencies and regulated institutions retain their respective legal responsibilities.

Lifecycle-separated architecture may organize and preserve evidence for authorized review. It does not make legally operative classifications, conduct CIP or AML/CFT procedures, perform identity verification, determine sanctions status, file regulatory reports, supervise institutions, conduct examinations, enforce law, custody assets, process payments, transmit money, or execute or settle transactions.

VI. Public Benefit

Clear relationship-state and verification-state records may help protect the public by reducing both under-identification and overextension of institutional relationships. They may improve the ability of covered PPSIs and authorized reviewers to understand what relationship existed, when it existed, what verification occurred, which party remained responsible, what exceptions required attention, and how the matter was resolved.

VII. Conclusion

VeloxVFX LLC respectfully supports a clear, risk-based, technology-neutral CIP framework for permitted payment stablecoin issuers. The final framework should preserve the distinction between technical activity and legally operative relationships, support reviewable evidence across the customer lifecycle, and maintain the independent authority and responsibility of each agency and covered institution.

This submission is provided solely for informational, educational, architecture-oriented, and public-record purposes. It does not request or imply adoption, endorsement, approval, procurement, implementation, operational integration, supervisory reliance, licensing, certification, or any official relationship with VeloxVFX LLC.

References

- Joint Proposed Rule, Permitted Payment Stablecoin Issuer Customer Identification Program, 91 FR 37234 (June 22, 2026), Federal Register Document No. 2026-12460.
- VeloxVFX LLC, Unified Interagency Public Comment, primary Docket FINCEN-2026-0101, submitted June 24, 2026 and received June 25, 2026; related Federal Reserve Docket R-1885 / RIN 7100-AH18.
- Board of Governors of the Federal Reserve System, Proposal Details and Public Comment Portal, Docket R-1885: https://www.federalreserve.gov/apps/proposals/FR-2026-0005-01/details.

Respectfully submitted,

VeloxVFX LLC
Lifecycle-Separated Interoperability Architecture
https://www.veloxvfx.com