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Proposal and Comment Information

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

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Submitter Information

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Organization Type: Organization

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DDCP Foundation, Inc., a Wyoming nonprofit corporation, respectfully submits the attached comment letter on the joint proposed rule, Permitted Payment Stablecoin Issuer Customer Identification Program (Docket R-1885, RIN 7100-AH18). The Foundation supports the primary market limitation of the account and customer definitions and the definitional exclusions at proposed 31 CFR 1033.100(c), and requests that the primary market boundary be applied consistently to the Recordkeeping Rule and Travel Rule transmittal provisions at proposed 31 CFR 1033.400 and 1033.410, and that reliance under proposed 31 CFR 1033.220(a)(6) be available for primary market counterparties subject to comparable customer identification obligations under an equivalent supervisory regime. Because this is a joint rulemaking, the same letter is being submitted to the comment records of all five co-issuing agencies. The complete comment is set out in the attached letter.

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COMMENT LETTER

Financial Crimes Enforcement Network; Office of the Comptroller of the Currency;
Board of Governors of the Federal Reserve System; Federal Deposit Insurance Corporation;
National Credit Union Administration

Permitted Payment Stablecoin Issuer Customer Identification Program

FinCEN:	RIN 1506-AB74 · Docket FINCEN-2026-0101
OCC:	RIN 1557-AF53 · Docket OCC-2026-0331
Board:	RIN 7100-AH18 · Docket R-1885
FDIC:	RIN 3064-AG28
NCUA:	RIN 3133-AG09 · Docket NCUA-2026-0793

August 20, 2026
Comment Period Closes: August 21, 2026

I. Introduction

DDCP Foundation, Inc. (the "Foundation"), a Wyoming nonprofit corporation, respectfully submits this comment on the joint notice of proposed rulemaking captioned above (the "proposed rule" or "CIP NPRM"), issued by the Financial Crimes Enforcement Network ("FinCEN") together with the Office of the Comptroller of the Currency (the "OCC"), the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the National Credit Union Administration (collectively with FinCEN, the "Agencies"). This comment is submitted in parallel to the FinCEN, OCC, Board, FDIC, and NCUA comment channels for the same proposed rule.

Three entities are relevant to this comment. The Foundation, the submitter, fosters and stewards the development and maintenance of the protocol infrastructure on which the DDCP protocol operates. DDUSD, LLC (in formation) is the prospective permitted payment stablecoin issuer ("PPSI") that intends to issue a U.S. dollar-denominated payment stablecoin on the DDCP protocol and to seek a license from the OCC; it is the entity that will bear the customer identification program ("CIP") obligations addressed in this comment. The DDCP Reserve Management Foundation (the "RMF," in formation) will manage reserves on behalf of DDUSD, LLC. The classification of each entity under the GENIUS Act is set out in Section VII.

The Foundation has filed comments addressing the broader compliance framework applicable to DDUSD, LLC in related proceedings, including the FinCEN and Office of Foreign Assets Control proposed rule on PPSI anti-money laundering, countering the financing of terrorism, and sanctions compliance program requirements (Docket FINCEN-2026-0100, RIN 1506-AB73, Comment ID FINCEN-2026-0100-0076) and the OCC rulemaking record on GENIUS Act implementation (Docket OCC-2025-0372). This comment does not restate those filings; it cross-references them where the rulemakings intersect.

The Foundation supports the proposed rule's core determination that a PPSI's CIP obligation attaches to direct relationships in the primary market and does not extend to activity where a payment stablecoin user's only interaction is with a protocol or its constituent smart contracts. That determination is well founded as a matter of statutory interpretation and as a matter of technical reality, and it is the organizing principle of the comments that follow. The Foundation supports the definitional exclusions and the primary-market boundary as proposed, and makes two requests for modification consistent with that boundary. First, and most important, the Foundation requests that the primary-market boundary be applied consistently across part 1033 — including the Recordkeeping Rule and Travel Rule transmittal provisions — so that secondary market peer-to-peer transfers are treated coherently across the CIP, suspicious activity report, and recordkeeping obligations (Section III). Second, the Foundation requests that the reliance provision at proposed § 1033.220(a)(6) be available for primary market counterparties subject to comparable customer-identification obligations under an equivalent supervisory regime, including non-U.S. and State-regulated counterparties (Section V). The Foundation addresses, in order: the definitions of "account" and "customer" and the primary market boundary (Section II); the consistent application of that boundary across part 1033 (Section III); the definitions of "digital asset service provider" and "distributed ledger protocol" (Section IV); the reliance provision (Section V); the specific Requests for Comment (Section VI); and the resulting classification of each entity under the GENIUS Act (Section VII), before stating the confirmations respectfully requested (Section VIII).

II. The Definitions of "Account" and "Customer" and the Primary Market Boundary (Proposed § 1033.100(a) and (b))

The Foundation supports proposed § 1033.100(a) and § 1033.100(b), including the "formal relationship" foundation of the "account" definition and the primary-market limitation of the "customer" definition. The proposed rule provides that an "account" is a formal relationship between a PPSI and a customer, and expressly provides at § 1033.100(a)(2)(i) that the term does not include activity that does not directly involve the PPSI as a party to the transaction other than via a smart contract, and at § 1033.100(a)(2)(iv) that ownership or control of a PPSI's payment stablecoins alone, without other indicators of a formal relationship, does not constitute an account. Correspondingly, proposed § 1033.100(b)(2)(iv) provides that a person acquiring or redeeming a payment stablecoin by a means other than directly from or directly to the PPSI is not a customer. The Foundation respectfully submits that these provisions accurately implement section 4(a)(5) of the GENIUS Act and 31 U.S.C. 5318(l), which frame the CIP obligation in terms of the identity of the customer in connection with the opening of an account.

The Foundation submits that the Agencies' own reasoning supplies the strongest basis for this boundary. As the proposed rule explains, interaction with a protocol's smart contract does not result in a PPSI acquiring the information needed to verify an identity, and a CIP obligation triggered by any transfer would impose on issuers a global obligation to collect and verify identifying information for every user — an obligation the Agencies themselves assess would be nearly impossible to implement and could potentially cripple the industry. The Foundation agrees with that assessment. The formal-relationship concept is the appropriate foundation for the account definition; it is consistent with the definitions used for banks, brokers or dealers, mutual funds, and futures commission merchants and introducing brokers in commodities, and it produces an administrable and technically sound boundary for payment stablecoin issuers. In this comment the Foundation uses the term "Financial Intermediary layer entities" to describe exchanges, custodial wallet providers, and other entities holding direct account relationships with end users; those entities, not the protocol, are the point at which end-user identity is established.

DDUSD, LLC will conduct its primary market issuance and redemption through counterparties with which it maintains formal relationships, and will apply its CIP at the point at which the formal relationship is established. A holder interacting directly with DDUSD, LLC becomes a customer within the meaning of the proposed rule at that point; secondary market holders, who have no formal relationship with DDUSD, LLC, are not customers and their token accounts are not "accounts" under the proposed definitions. Consistent with the definition of primary market activity in the Foundation's filed FinCEN/OFAC comment, a person who has no prior relationship with DDUSD, LLC and seeks to redeem directly with the issuer establishes a formal relationship — and thereby becomes a customer — at the point of that direct interaction. The Foundation respectfully requests that the Agencies confirm that such direct redemption is governed by the existing CIP in this manner and requires no expansion of the rule to secondary market activity, because the formation of the direct redemption relationship is itself the account-opening event that the CIP already governs.

III. Consistent Application of the Primary Market Boundary Across Part 1033

The primary-market boundary the proposed rule draws for the CIP obligation is the same boundary that should govern the obligations in part 1033 that, like the CIP obligation, turn on the issuer's relationship to the underlying transaction. The Foundation respectfully requests that, in finalizing part 1033, the Agencies apply the primary-market boundary consistently to the Recordkeeping

Rule and Travel Rule transmittal provisions at proposed §§ 1033.400 and 1033.410, so that a payment stablecoin transfer in which the holder's only interaction is with the protocol — a secondary market peer-to-peer transfer between self-custody token accounts — does not make DDUSD, LLC the transmittor's financial institution for that transfer.

The Agencies have already drawn this line elsewhere in part 1033. In the companion rulemaking (FINCEN-2026-0100), proposed § 1033.320(g) provides that a transaction is not "conducted or attempted by, at, or through" a PPSI solely because a transfer by third parties results in an interaction with the issuer's smart contract, excluding secondary market transfers from the PPSI's suspicious activity report obligation. That provision reflects, for the suspicious activity report context, the identical primary-market boundary the CIP NPRM draws for the account and customer definitions: a smart-contract interaction alone does not create the direct relationship on which these obligations attach. The Foundation has supported § 1033.320(g) on the record of the companion rulemaking (FINCEN-2026-0100-0076, Section IV.C).

Applying the same boundary to the transmittal provisions is necessary for coherence. DDUSD, LLC will comply with the Recordkeeping Rule and Travel Rule for primary market transactions, for which it holds direct counterparty relationships and can collect, retain, and transmit the required originator and beneficiary information. For secondary market peer-to-peer transfers between self-custody token accounts, DDUSD, LLC is not a party to the transfer beyond the protocol and does not hold, and cannot obtain, the originator and beneficiary identifying information the rule requires — name, address, and account number — for parties with which it has no relationship. Token account addresses are not names. Treating such transfers as transmittal orders for which DDUSD, LLC is the transmittor's financial institution would reintroduce, through the Recordkeeping Rule and Travel Rule, precisely the global obligation the Agencies have concluded is unworkable in the CIP context and have excluded in the suspicious activity report context. The Foundation respectfully requests that the final rule adopt any conforming amendment to the transmittal provisions necessary to achieve this consistency and confirm that DDUSD, LLC is the transmittor's financial institution only for primary market activity, consistent with the CIP primary-market boundary and with proposed § 1033.320(g).

Part 1033 does not draw a single boundary, and the Foundation does not ask that it should. The proposed regulations extend certain obligations to secondary market activity and withhold others. The obligations proposed at § 1033.240 — the technical capabilities, policies and procedures to block, freeze and reject impermissible transactions, and the technical capability to comply with the terms of a lawful order — are proposed to reach secondary market activity. The anti-money laundering program monitoring obligation, the suspicious activity reporting obligation, and the collection of beneficial ownership information for legal entity customers are not. The Agencies have explained that the two obligations extended to the secondary market — the sanctions capability and the lawful-order capability — are those imposed on permitted payment stablecoin issuers directly by the GENIUS Act.

The Foundation respectfully submits that this difference is principled, and that it supports rather than undermines the request made in this Section. The obligations proposed at § 1033.240 are capability obligations. They ask what a permitted payment stablecoin issuer must be able to do, and the answer does not depend on the issuer's relationship to any particular transfer. The Recordkeeping Rule and the Travel Rule are different in kind. They attach only where the issuer is the transmittor's financial institution with respect to a transmittal order, which is a question about the issuer's position in that transmittal rather than about its capabilities. Where an issuer is not a party to a transfer and generates no record of it, the obligation has no subject matter to which it can attach. The customer identification program obligation is of the same character, which is why the Agencies have limited it to the primary market. The suspicious activity report exclusion proposed at § 1033.320(g) rests on the same reasoning — that a transaction is not conducted by, at, or through a permitted payment stablecoin issuer merely because a transfer by third parties results in an interaction with that issuer's smart contract.

The Foundation accordingly does not ask that one boundary govern every obligation in part 1033. It asks that obligations of the same character be treated alike, and that the transmittal provisions proposed at §§ 1033.400 and 1033.410 — which turn on the issuer's position in a transmittal in the same way the customer identification program and suspicious activity reporting obligations do — follow the boundary the Agencies have drawn for those obligations rather than the boundary drawn for the capability obligations proposed at § 1033.240.

IV. The Definitions of "Digital Asset Service Provider" and "Distributed Ledger Protocol" (Proposed § 1033.100(c))

The Foundation supports proposed § 1033.100(c) and respectfully requests that the Agencies retain it in the final rule. Proposed § 1033.100(c)(2) excludes from the definition of "digital asset service provider," among other things, a distributed ledger protocol; the development, operation, or business of developing distributed ledger protocols or self-custodial software interfaces; an immutable and self-custodial software interface; the validation of transactions or operation of a distributed ledger; and participation in a liquidity pool or similar mechanism for the provisioning of liquidity for peer-to-peer transactions. These exclusions appropriately implement GENIUS Act section 2(7)(B) — including the exclusion of a distributed ledger protocol under section 2(7)(B)(i) and the development or operation of such a protocol under section 2(7)(B)(ii) — and distinguish protocol-layer software and infrastructure activity from the intermediary activity that the CIP obligation is designed to reach.

The DDCP protocol is publicly available and accessible executable software deployed to a public distributed ledger. The DDCP protocol, and the self-custodial software interfaces through which users hold and transfer tokens, fall within the exclusions enumerated in proposed § 1033.100(c)(2).

The Foundation particularly supports the Agencies' decision, in proposed § 1033.100(c)(3), to define "distributed ledger protocol" by incorporating the GENIUS Act section 2(9) formulation —

"publicly available and accessible executable software deployed to a distributed ledger, including smart contracts or networks of smart contracts." This definition supplies a clear and administrable line: the operative characteristics are that the software is executable, is deployed to a distributed ledger, and is publicly available and accessible. That formulation appropriately keys the exclusion to the character of the software and its deployment rather than to the identity or corporate form of any party associated with its development. The Foundation respectfully requests that the Agencies retain this definition, and the exclusions that depend on it, without narrowing in the final rule.

V. Reliance on Another Financial Institution (Proposed § 1033.220(a)(6))

The Foundation supports proposed § 1033.220(a)(6), which permits a PPSI to rely, under specified conditions, on another financial institution's performance of a CIP procedure, and requests one refinement to its scope. The reliance framework is consistent with the corresponding provisions for other financial institutions under the Bank Secrecy Act and appropriately preserves the PPSI's ultimate responsibility for its own compliance. DDUSD, LLC's compliance model locates end-user identity verification at the Financial Intermediary layer — exchanges, custodial wallet providers, and other entities holding direct account relationships with end users — and relies, where applicable, on the reliance framework proposed here.

As proposed, reliance is available only where the other financial institution is regulated by a Federal functional regulator, as that term is defined at 31 CFR 1010.100(r). A substantial share of the Financial Intermediary layer entities with which a PPSI transacts in the primary market — including State-licensed money services businesses and non-U.S. exchanges subject to robust customer-identification requirements in their home jurisdictions — are not regulated by a Federal functional regulator, and reliance on their CIP performance would therefore be unavailable even where those entities in fact perform robust customer identification. The Foundation notes that the proposed rule acknowledges a related disparity between issuers overseen by a primary Federal payment stablecoin regulator and those overseen by a State payment stablecoin regulator.

The Foundation respectfully requests that the Agencies extend the availability of reliance under proposed § 1033.220(a)(6) to primary market counterparties subject to comparable customer-identification obligations under an equivalent supervisory regime — including State-regulated money services businesses subject to equivalent State requirements and non-U.S. financial institutions subject to comparable anti-money laundering and customer-identification supervision — while preserving the PPSI's ultimate responsibility for its own CIP compliance. This refinement would align the reliance provision with the practical structure of the payment stablecoin market, in which primary market counterparties are frequently State-regulated or non-U.S. entities, and would avoid duplicative identity-verification effort that produces no corresponding illicit-finance benefit.

VI. Responses to Specific Requests for Comment

The Foundation responds to the Requests for Comment set out in Section VI of the proposed rule as follows.

Request 1 (extension of CIP to secondary market activity). The Foundation respectfully submits that no CIP requirement should be extended to secondary market activity, for the reasons stated in Sections II and III of this comment. The Agencies' own assessment — that a transfer-triggered obligation would be nearly impossible to implement and could potentially cripple the industry — is well founded, and the primary market boundary drawn in the proposed rule is the appropriate one; that boundary should govern part 1033 consistently, as set out in Section III.

Request 2 (refinement of the definitions of account, customer, or digital asset service provider). The Foundation addresses this request in Sections II and IV, and respectfully requests that the Agencies retain the digital asset service provider exclusions at proposed § 1033.100(c)(2) and the definition of "distributed ledger protocol" at proposed § 1033.100(c)(3) without narrowing.

Request 3 (retention of "formal relationship" in the account definition). The Foundation supports retention of the "formal relationship" concept, as stated in Section II. It is consistent with the account definitions applicable to other covered financial institutions and provides an administrable and technically sound foundation for the PPSI account definition.

Request 4 (redeem-only relationships). The Foundation addresses this request in Section II. A person whose only desired relationship with a PPSI is to redeem a payment stablecoin establishes a formal relationship at the point of direct redemption, which is itself the account-opening event that the CIP governs; no separate expansion of the rule is required.

Requests 5 and 6 (digital identity solutions and verifiable credentials). The Foundation takes no position on whether the regulatory text should explicitly address digital identity solutions or verifiable credentials, or on the benefits and risks of such tools. The Foundation has no DDCP-specific position on these questions at this time and supports the Agencies' proposed approach of preserving flexibility in the means of identity verification.

Request 7 (likelihood of reliance on another institution's CIP). The Foundation addresses this request in Section V. Reliance is likely to be useful to PPSIs in the primary market; its usefulness is materially constrained by the Federal-functional-regulator limitation, because primary market counterparties are frequently State-regulated or non-U.S. entities. The Foundation requests that reliance be extended to such counterparties where they are subject to comparable customer-identification obligations under an equivalent supervisory regime, as set out in Section V.

Request 8 (changes conducive to industry innovation). The Foundation respectfully submits that the single most valuable feature of the proposed rule for responsible industry innovation is the clarity of the primary market boundary and the definitional exclusions for distributed ledger protocols and self-custodial software interfaces. Preserving those provisions unchanged, and applying the primary-market boundary consistently across part 1033 as set out in Section III, will allow protocol infrastructure to develop without the definitional uncertainty that would attend a broader or inconsistent reading.

VII. Classification of the Entities Under the GENIUS Act

Applying the definitions discussed above, the regulatory status of each of the three entities is as follows. The Foundation is not a digital asset service provider: under GENIUS Act section 2(7)(B)(ii), and as reflected in proposed § 1033.100(c)(2), the development and operation of a distributed ledger protocol and self-custodial software interfaces are excluded activities, and the Foundation's protocol-stewardship activity falls within that exclusion. Independently, the Foundation is not a PPSI under GENIUS Act section 2(23), because it does not issue a payment stablecoin. These are two independent statutory conclusions; the second does not follow from the first.

DDUSD, LLC (in formation) is the sole entity in the DDCP structure that will be a PPSI, and it will bear the CIP obligations set out in the proposed rule. DDUSD, LLC intends to seek approval from the OCC to issue a payment stablecoin and, upon approval, expects to be a Federal qualified payment stablecoin issuer within the meaning of the GENIUS Act. DDUSD, LLC will assume the full CIP obligation as a PPSI; no exclusion applicable to protocol-layer activity relieves it of that obligation.

The RMF (in formation) will manage reserves on behalf of DDUSD, LLC. The RMF is not a PPSI, because it does not issue a payment stablecoin, and DDUSD, LLC retains responsibility for the outsourced activity. The RMF accordingly bears no obligation under proposed part 1033.

VIII. Conclusion and Confirmations Requested

DDCP Foundation, Inc. submits this comment as protocol steward. The Foundation's related filings in Docket FINCEN-2026-0100 and Docket OCC-2025-0372 develop the broader compliance framework and are cross-referenced here by docket number. The Foundation respectfully requests that FinCEN and the Agencies confirm, or provide, the following.

1. That the primary-market boundary be applied consistently across part 1033, so that DDUSD, LLC is the transmittor's financial institution under the Recordkeeping Rule and Travel Rule (proposed §§ 1033.400 and 1033.410) only for primary market activity — consistent with the CIP primary-market boundary and with the suspicious activity report exclusion at proposed § 1033.320(g) — and that the final rule adopt any conforming amendment to the transmittal provisions necessary to achieve that consistency.

2. That the primary-market limitation of the "account" and "customer" definitions at proposed § 1033.100(a) and (b), including the exclusions at § 1033.100(a)(2)(i), § 1033.100(a)(2)(iv), and § 1033.100(b)(2)(iv), is retained, so that secondary market activity in which the holder's only interaction is with the protocol does not give rise to a CIP obligation.

3. That a person whose only relationship with a PPSI is direct redemption is treated as establishing a formal relationship, and therefore an account, at the point of that direct interaction, such that direct redemption is governed by the existing CIP and requires no expansion of the rule to secondary market activity.

4. That the exclusions from the definition of "digital asset service provider" at proposed § 1033.100(c)(2), and the definition of "distributed ledger protocol" at proposed § 1033.100(c)(3), are retained in the final rule without narrowing.

5. That reliance under proposed § 1033.220(a)(6) be available for primary market counterparties subject to comparable customer-identification obligations under an equivalent supervisory regime, including State-regulated money services businesses and non-U.S. financial institutions subject to comparable supervision, while preserving the PPSI's ultimate responsibility for its own CIP compliance.

DDUSD, LLC intends to engage further with OCC licensing staff through the pre-application process on the matters addressed in this comment and in the Foundation's related filings. The Foundation appreciates the Agencies' consideration of these comments.

Respectfully submitted,

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