

WISE US, ANEEB SHEIKH

Proposal and Comment Information

Title: Collection of Checks and Other Items by Federal Reserve Banks and Funds Transfers Through the Fedwire Funds Service and the FedNow Service, R-1891

Comment ID: FR-2026-0011-01-C33

Submitter Information

Organization Name: Wise US

Organization Type: Company

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Submitted Date: 06/09/2026

Wise appreciates the opportunity to submit this comment letter in strong support of the Board of Governors of the Federal Reserve System's ("Federal Reserve" or "Board") proposal to allow the use of intermediaries to transfer funds through the FedNow Service. Launched in 2011, Wise is a global payments company building the best way to move and manage the world's money. Approximately 19 million people and businesses use Wise, which processed over \$243 billion in cross-border transactions in FY26, saving customers around \$3.3 billion. Today, Wise's average payments costs sit at 0.52% and 75% of all Wise payments are instant, delivered in less than 20 seconds, with 96% delivered in 24 hours. Wise has been able to provide these benefits to customers by directly participating in payments infrastructure around the world, including the UK, Australia, Brazil, Hungary, Singapore, the Philippines and Japan. In May, 2026, Wise dual-listed on the NASDAQ Stock Exchange under the ticker: WSE.

The Board's proposal to align the FedNow Service with the Fedwire Funds Service, by enabling participants to leverage an intermediary for the international portion of a cross-border transaction and use the FedNow Service for the domestic portion, is a meaningful step to making cross-border transactions more efficient. It aligns strongly with the G20 Cross-Border Payments Roadmap, launched in 2020, to make cross-border payments faster, cheaper, and more transparent. As a global leader in cross-border and domestic payments serving millions of individuals and businesses, Wise applauds the Board for this critical step toward modernizing U.S. financial infrastructure to meet the demands of a 24/7 digital economy.

June 9, 2026

Mr. Benjamin W. McDonough
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Filed via Electronic Submission

Wise Comment Letter re: Proposal to Allow Use of Intermediaries to Transfer Funds Through the FedNow Service (Docket No. R-1891; RIN 7100-AH23)

Introduction

Wise appreciates the opportunity to submit this comment letter in strong support of the Board of Governors of the Federal Reserve System's ("Federal Reserve" or "Board") proposal to allow the use of intermediaries to transfer funds through the FedNow Service. Launched in 2011, Wise is a global payments company building the best way to move and manage the world's money. Approximately 19 million people and businesses use Wise, which processed over \$243 billion in cross-border transactions in FY26, saving customers around \$3.3 billion.¹ Today, Wise's average payments costs sit at 0.52%² and 75% of all Wise payments are instant, delivered in less than 20 seconds, with 96% delivered in 24 hours. Wise has been able to provide these benefits to customers by directly participating in payments infrastructure around the world, including the UK, Australia, Brazil, Hungary, Singapore, the Philippines and Japan. In May, 2026, Wise dual-listed on the NASDAQ Stock Exchange under the ticker: WSE.

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The structural problem

Although FedNow has grown significantly since its launch in 2023, settling more than 8 million payments in 2025 and connecting over 1,500 financial institutions across all 50 states, the confinement of the FedNow Service to purely domestic payments since launch has not only created an artificial disparity with Fedwire but also slowed down progress in making cross-border transactions more efficient. Whereas Fedwire allows for intermediaries to settle the international portion of a cross-border transaction, FedNow does not. For American consumers and businesses sending or receiving money across borders, the practical consequence of this policy choice is that the fastest domestic settlement rail is unavailable for the international transactions they rely on every day. Instead, the domestic leg of cross-border payments must settle either via ACH, which is significantly slower than FedNow, or Fedwire,

¹ Wise plc, *Wise Debuts U.S. Listing on Nasdaq* (May 2026), <https://newsroom.wise.com/en-NAM/265506-wise-debuts-us-listing-on-nasdaq/>.

² *ibid*

which is markedly more expensive than FedNow. In both cases, the costs and delays of a cross-border payment are ultimately borne by the individuals and businesses at the end of the transaction.

Running the domestic settlement through ACH or Fedwire is problematic for several reasons. Since ACH is deferred settlement, the float on the transaction creates additional costs. On the other hand, Fedwire provides faster settlement but is significantly more expensive than ACH and FedNow, charging per transaction as well as additional fees priced in by the intermediary bank. FedNow's speed advantage over ACH and cost advantage over Fedwire makes it the ideal payment rail for domestic real-time settlement, especially for the domestic leg of cross-border payments. The Board's proposal to enable the use of intermediaries for FedNow creates the structural conditions for lower domestic settlement costs on cross-border transactions and those savings will ultimately benefit consumers and small businesses.

Recommendations

To strengthen this proposal, Wise makes the following recommendations:

- 1) Wise strongly supports the Board's goal of enabling cross-border payment flows through FedNow and asks the Board to address how it will ensure broad participation and mitigate the operational risks that arise if FedNow participation in one-leg-out payments is not universal. Under a voluntary framework, sending institutions and their fintech partners have no reliable mechanism to determine whether a given receiving institution has opted into one-leg-out payments before initiating a payment. In cross-border transactions, this creates a significant failure risk. For example, if the international portion of the payment has already completed, the FX rate is locked, and the funds are in motion, the rejection of the domestic leg by a non-participating receiving institution would result in FX exposure, operational churn for both intermediaries and recipients, and direct consumer harm that could erode trust in the reliability of the FedNow ecosystem.

Wise recommends that the Board add a dedicated flag indicating which financial institutions are ready to enable this new feature to the Federal Reserve's directory of FedNow Service participants and service providers, which already publishes a list of participating financial institutions that are live on the service; financial institutions serving as settlement agents and liquidity providers; and certified service providers that have completed testing certification to support payment processing for participants. This will allow sending institutions and their partners to verify receiving institution capability before initiating a cross-border payment order. This is a straightforward step that would materially improve the impact of this rule from day one.

- 2) Wise recommends the Board confirm that the \$10 million per-transaction limit, that was raised effective November 2025 in response to growing commercial demand, will apply consistently for one-leg-out payments on the FedNow Service. Cross-border payments routinely include business-to-business payments and other use cases where individual transaction values exceed \$1 million. Imposing a lower limit on one-leg-out transactions would artificially constrain the benefits this rule is designed to enable. Preserving the \$10 million limit across all FedNow payment types, including cross-border, ensures that the efficiency gains of this rule are available to the full range of businesses and institutions that depend on cross-border dollar flows.

- 3) Wise requests that the Board confirm that per-transaction fees for one-leg-out payments will remain consistent with existing FedNow pricing. If one-leg-out transactions are subject to a premium fee on the basis that they involve a cross-border component, the cost advantage over Fedwire narrows significantly and the incentive for participants to route domestic cross-border legs through FedNow rather than existing rails would be reduced. Wise urges the Board to maintain existing FedNow pricing uniformly across all payment order types including one-leg-out payments.
- 4) As the Board develops the operational specifications for cross-border payment orders under this rule, Wise urges the Board to confirm that beneficiary address requirements are satisfied by country and town name. This is consistent with the revised FATF Recommendation 16, which explicitly concluded that requiring a full beneficiary postal address creates friction and raises data protection concerns without material compliance benefit.³ Confirming these standards in the finalized rule will reduce implementation complexity and align FedNow's cross-border messaging requirements with established international norms.

Conclusion

The Board's proposed amendments to Regulation J are well-grounded, operationally sound, and directionally consistent with the Federal Reserve's mandate to promote a safe and sound payment system. Wise strongly supports the rule and urges the Board to finalize it without delay. This proposal is a strong step toward achieving the G20 and FSB 2027 targets for faster, cheaper, and more transparent cross-border payments. As Chair of the G20 for 2026, now is the moment for the United States to continue innovating and modernizing its payments system. We welcome the opportunity to provide further information or meet with Federal Reserve staff to elaborate on our response.

Sincerely,
Aneeb Sheikh, Public Policy Manager, North America, Wise

³ Financial Action Task Force, *Explanatory Note for Revised Recommendation 16* (2023), <https://www.fatf-gafi.org/content/dam/fatf-gafi/recommendations/Explanatory%20note%20for%20revised%20R.16.pdf.coredownload.pdf>.