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Proposal and Comment Information

Title: Proposed Revisions to the Federal Reserve Policy on Payment System Risk and the Guidelines for Account and Services Requests, OP-1878

Comment ID: FR-2026-0013-01-C75

Submitter Information

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Organization Type: Company

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Submitted Date: 07/27/2026

Please see attached for Adyen's Comment Letter on Payment System Risk and the Guidelines for Account and Services Requests [OP-1878].

July 27, 2026

Via Electronic Submission

Benjamin W. McDonough, Secretary

Board of Governors of the Federal Reserve System

20th Street and Constitution Avenue NW

Washington, DC 20551

Re: Proposed Revisions to the Federal Reserve Policy on Payment System Risk and the Guidelines for Account and Services Requests (*Docket No. OP-1878*)

Adyen N.V. (Adyen) appreciates the opportunity to submit comments to the Board of Governors of the Federal Reserve System (Board) on the proposed revisions to the Federal Reserve Policy on Payment System Risk (PSR Policy) and to the Account Access Guidelines (Guidelines) to accommodate the provision of special-purpose Payment Accounts by the Federal Reserve Banks (Reserve Banks).[1]

Adyen commented on the Board's request for information on the Payment Account prototype, and we are grateful for the care with which the Board has considered the public input it received.[2] In that letter, we supported the prototype as proposed and urged three principles: sequencing, risk management, and alignment with clear policy objectives. The Proposal honors each. It preserves the narrowly scoped, payments-only construct. It pairs that construct with a standard, transparent set of risk-mitigating terms. And it reserves functional expansion for deliberate, public policy processes rather than incremental drift. We support adoption of the Proposal, and we offer refinements on the form and calibration of certain terms below.

In summary, we recommend that the Board:

1. Adopt the Payment Account and its standard terms substantially as proposed, including the prohibitions on intraday credit, the limitation to services with automated overdraft-rejection controls, and the prohibitions on acting as an OC 1 Correspondent or OC 1 Respondent (Sections I, III, and IV below);

2. Adopt the Closing Balance Limit as redesigned, including the $1 billion maximum, and codify the limit's core parameters in Regulation D alongside the zero-interest rule, so that the two mutually reinforcing guardrails share a common, binding home (Section II);

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[1] Proposed Revisions to the Federal Reserve Policy on Payment System Risk and the Guidelines for Account and Services Requests, 91 Fed. Reg. 30,627 (May 26, 2026) (the Proposal).

[2] Request for Information and Comment on Reserve Bank Payment Account Prototype, 90 Fed. Reg. 60,096 (Dec. 23, 2025) (the RFI); Comment of Adyen N.V., Docket No. OP-1877 (Feb. 6, 2026) (Adyen RFI Comment).

3. Clarify the intended outer bound of the provision permitting a Payment Account to settle transactions for which the holder acts as an intermediary bank (Section IV);

4. Adopt the proposed revisions to the Guidelines, including pairing indicative timeframes with Reserve Bank flexibility in consultation with the Board (Section V); and

5. Commit now to a formal post-implementation review of the Payment Account against a consistent set of evaluation criteria (Section VI).

Background

Adyen is a full-service financial technology platform that provides end-to-end payments and embedded banking products, enabling enterprises and small- and medium-sized businesses to access payment and financial solutions from a single provider. We hold banking licenses in the EU and UK, and operate an OCC-supervised bank branch in the United States. We also offer enterprise accounts and embedded lending within a unified risk and compliance framework, and generate rich data insights to help protect the integrity of the payments system.

In our experience, bank regulation has not been a barrier to innovation but rather a catalyst for it. Operating in the United States as a federally supervised financial institution since 2021 has enabled us to iterate quickly while grounding new ideas in disciplined risk management, operational resilience, and accountability. Our recommendations below reflect that experience and the same three principles that framed our comment on the RFI: sequencing, risk management, and alignment with clear policy objectives.

I. The Payment Account's Design and Standard Terms (Question 1)

We support the design of the Payment Account as updated from the RFI. A special-purpose account, available to legally eligible institutions and dedicated to clearing and settling the payments activity of the institution, its depositors, and its other customers, with a consistent set of ex ante risk-mitigating terms, remains a well-balanced way to support core payment activities consistent with safety and soundness.[3] The refinements the Board has made since the RFI respond directly to the operational concerns commenters raised while preserving the structural guardrails. We also reiterate a framing point from our RFI comment: the Payment Account should be understood as a complementary, incremental tool, not the primary engine of payments innovation. Many of the most consequential advances in payments continue to come from shared infrastructure, common technical standards, and system-level risk controls[4] rather than from changes to who may access central bank accounts.

The Proposal's disciplined scope is consistent with that understanding. Maintaining a narrowly scoped, consistently applied feature set is not a limit on innovation. It ensures

[3] Proposal, 91 Fed. Reg. at 30,636; *see also* proposed PSR Policy Part IV.A, *id.* at 30,645–46.
[4] Recent examples include the Board's adoption of the ISO 20022 message format for the Fedwire Funds Service and the Payee Name Verification capability for FedACH.

the payments system remains transparent, manageable with observable risks, and aligned with the Federal Reserve's operational and policy objectives.

II. The Closing Balance Limit: Calibration, Interactions, and Form (Questions 2 and 4)

Calibration

We support the redesigned balance limit. The RFI contemplated an overnight balance limit set at the lesser of $500 million or 10 percent of total assets. The Proposal replaces that formula with an individual Closing Balance Limit, not to exceed $1 billion, set by the Reserve Bank based on its analysis of the holder's payment flows, taking into consideration periods when external liquidity may be limited, such as weekends and holidays.[5] Calibrating each institution's limit to its observed and forecast payment flows aligns the guardrail with the account's purpose, while the uniform $1 billion ceiling preserves the systemic protection that motivated the limit in the first place.

In response to Question 4.a, we believe $1 billion is an appropriate maximum. The Board's distributional analysis provides empirical grounding, and a uniform upper bound mitigates the financial stability and monetary policy implementation risks that uncapped balances could pose.[6] We likewise support:

- the measurement of the limit solely at the close of the Federal Reserve's business day with no intraday cap, which reflects the account's in-flight payments purpose;
- the expectation that Temporary Closing Amounts be granted only rarely, with Board consultation for exceedances above $1 billion or persisting for two consecutive business days; and
- the escalating compliance program, which ensures proportionate consequences without penalizing isolated footfaults.[7]

Interactions with zero interest (Questions 2.b and 4.b)

The Board has correctly identified that the Closing Balance Limit and the zero-interest rule serve a similar function and interact in important ways.[8] In our view they operate as a single integrated guardrail with two regimes. In normal conditions, the zero-interest rule removes any yield incentive to accumulate balances, so holders keep accounts at the minimum needed to fund payment activity. In stressed conditions, when safety rather than yield drives balance accumulation, the Closing Balance Limit becomes the binding constraint. If Payment Account holders could hold larger balances for longer periods and were incentivized to do so by receiving interest, Payment Accounts would begin to function like general-purpose Master Accounts without the corresponding oversight and ability to manage flows during stress periods.

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[5] Proposal, 91 Fed. Reg. at 30,632, 30,639–40; proposed PSR Policy Part IV.B.2.a, *id.* at 30,646–47.
[6] Proposal, 91 Fed. Reg. at 30,640 & app. I (finding that $1 billion would be equal to or greater than approximately 97 percent of account closing balances over the past five years).
[7] Proposed PSR Policy Part IV.B.2.a, 91 Fed. Reg. at 30,646–47.
[8] Proposal, 91 Fed. Reg. at 30,640, 30,642.

III. Reserve Bank Credit and Financial Services (Proposed PSR Policy Part II.F.5 and Part IV.B.2.c–d)

We support the prohibition on intraday credit and the corresponding revision to Part II.F of the PSR Policy, under which Reserve Banks would monitor Payment Account activity in real time and reject transactions that would create an overdraft.[9] A fully prefunded account is central to the low residual risk profile that justifies the streamlined review. It also spares the Reserve Banks the exposure monitoring and collateral management burdens that otherwise accompany credit extension to institutions with novel and diverse business models.

For the same reason, we support limiting Payment Accounts to services for which the Reserve Banks have automated solutions to reject transactions that would cause a negative balance, necessitating the exclusion of FedACH.[10] The Board's analysis of ACH's deferred settlement, batch processing, and returns-and-reversals mechanics confirms that there is today no way to grant Payment Accounts ACH access without either taking credit risk or degrading the network for other participants.

We commend the Board's stated expectation that any future expansion of the Payment Account service suite, should the Reserve Banks' system controls evolve, would proceed through public comment. We encourage the Board to apply this deliberate, sequenced approach to any material change to the Payment Account's standard terms, not only to service expansion.

IV. Account Usage Restrictions (Question 3)

We support the prohibitions on a Payment Account holder acting as either an OC 1 Correspondent or an OC 1 Respondent.[11] Our RFI comment urged that a Payment Account holder be limited to clearing and settling its own payment activity, and the OC 1 prohibitions carry that principle into the proposed text. Settlement of other institutions' Federal Reserve service activity involves exactly the nested, harder-to-observe exposures that the Payment Account's simplified risk profile is designed to exclude.

In response to Question 3, we do not believe a Payment Account holder should be permitted to access the FedNow Service as an OC 1 Respondent. Maintaining simultaneous statuses subject to different reviews and ongoing monitoring would blur the clean boundary between the two account types that is essential to the construct's integrity. An institution that needs what an OC 1 relationship provides has two clear paths: remain an OC 1 Respondent without a Payment Account, or request a Master Account and accept the corresponding review.

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[9] Proposal, 91 Fed. Reg. at 30,637–38, 30,645.

[10] Proposal, 91 Fed. Reg. at 30,630–31, 30,638; proposed PSR Policy Part IV.B.2.d, *id.* at 30,647 (the services with such controls are currently the Fedwire Funds Service, the FedNow Service, the National Settlement Service, and the Fedwire Securities Service for transfers free of payment).

[11] Proposal, 91 Fed. Reg. at 30,638–39; proposed PSR Policy Part IV.B.2.e, *id.* at 30,647.

V. The Guidelines: Review Framework, Timelines, Tiering, and Governance (Questions 6 and 7)

We support the proposed revisions to the Guidelines, which add the Payment Account as a second account option and preserve the tiered review framework while leaving the six risk-based principles unchanged.[12]

In response to Question 6, we do not believe changes to the tiering framework are needed. The tiers reflect real differences in the supervisory information available to Reserve Banks. The Payment Account's standard terms, not a relaxation of due diligence, are what justify its more streamlined review.

In response to Question 7, we support the proposed timing expectations and the Reserve Bank flexibility to take more time in consultation with the Board.[13] Indicative timelines with a consultation mechanism strike the right balance between predictability for requesters and rigor for reviews.

Finally, we support the Board's determinations that Payment Accounts and Master Accounts are distinct account types, that an institution may generally hold only one account, that Reserve Banks will not recognize third-party interests in either account type, and that a Master Account request from a Payment Account holder would receive a full review under the Guidelines.[14] Each of these choices keeps the Payment Account clearly differentiated from a Master Account and forecloses evolution through incremental accretion rather than deliberate decision. Institutions seeking broader functionality retain a clear path: requesting a Master Account and accepting the corresponding supervisory and regulatory framework.

We also appreciate the Board's confirmation that federal law dictates the entities eligible to maintain a Reserve Bank account, and that the Proposal works no change to legal eligibility.[15] Any expansion of legal eligibility for Federal Reserve account access should be addressed by Congress through legislation, informed by the same principles of sequencing, risk management, and alignment with clear policy objectives.

VI. The Board Should Commit Now to Post-Implementation Review

One element of our RFI comment is not yet reflected in the Proposal, and we renew it here: the Board should commit now to a formal review of the Payment Account after a defined period of operation. Informed by data and public input, the review would assess whether the account has met its stated payments objectives before any expansion in features or access is considered. The review should apply the following criteria:

- *Risk*: how the Payment Account affects credit, liquidity, operational, cyber, and illicit-finance exposures at the Reserve Banks and across the payment system;

[12] Proposal, 91 Fed. Reg. at 30,641–42, 30,647–51.
[13] Proposal, 91 Fed. Reg. at 30,641–42; proposed Guidelines § 4, *id.* at 30,651–52.
[14] Proposal, 91 Fed. Reg. at 30,635, 30,637, 30,646.
[15] Proposal, 91 Fed. Reg. at 30,629.

- *Cost*: whether the account meaningfully reduces costs in the payments ecosystem, particularly costs associated with reliance on intermediaries, or otherwise alters industry cost structures;
- *Neutrality*: whether access decisions promote consistent treatment of similarly situated institutions without placing the Federal Reserve in the position of favoring particular business models; and
- *Alternatives*: whether existing options (correspondent arrangements or a charter and Master Account) remain appropriate for the needs the account serves.

Central bank money is a critical component of the financial system, but it is not an end in itself. A larger role for central bank accounts does not automatically translate into payments innovation or better outcomes. An upfront review commitment, paired with the transparency and public-comment discipline the Board has already embraced in this Proposal, would put the Federal Reserve in the strongest position to decide whether the Payment Account should remain narrowly tailored, be adjusted, or give way to other alternatives that support private-sector-driven innovation.

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Adyen appreciates the Board's consideration of our comments. If you have any questions or would like to discuss our comments further, please contact Heidi Kalsen at heidi.kalsen@adyen.com.

Respectfully submitted,

Heidi Kalsen

Head of Regulatory, NORAM

Adyen