CIRCLE INTERNET GROUP, INC.

Proposal and Comment Information

Title: Regulation A: Extensions of Credit by Federal Reserve Banks, R-1892

Comment ID: FR-2026-0014-02-C14

Submitter Information

Organization Name: Circle Internet Group, Inc.

Organization Type: Company

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Circle Internet Group, Inc. appreciates the opportunity to comment on the Board's Reg A rulemaking as part of its proposed Payment Account. We have responded to Reg D and PSR portions of the proposal separately.

Circle Internet Group, Inc.
One World Trade Center
New York, NY 10007

July 27, 2026

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

Re: Docket No. R-1892; RIN 7100-AH24; Regulation A: Extensions of Credit by Federal Reserve Banks

Circle appreciates the opportunity to comment on the Board of Governors of the Federal Reserve System's proposed amendments to Regulation A to specify that a holder of a special-purpose Payment Account would not be eligible for discount-window credit from a Federal Reserve Bank. Circle supports the Board's broader effort, through the companion PSR Policy and Regulation D proposals, to create a standardized, prefunded, lower-risk account structure through which legally eligible institutions can clear and settle payment activity directly with the Reserve Banks.

EXECUTIVE SUMMARY

- Circle supports finalizing the Regulation A amendments as proposed. The lack of discount-window access is central to the Payment Account design which offers a standardized, prefunded, no-credit settlement channel with lower residual risk. Adding access to credit would require Reserve Banks to perform the credit, collateral, supervisory, and resolution analysis that the Payment Account framework is designed to avoid.

- **The Board should retain existing Regulation A eligibility criteria while keeping the Payment Account's no-credit limitation clear.** Regulation A should continue to govern ordinary primary, secondary, and seasonal credit eligibility for institutions that otherwise qualify. As noted in Circle's PSR Policy response, this should not impede the Board from separately updating the wider Account Access Guidelines to reflect Congress' creation of a new class of federal prudentially-supervised institutions — permitted payment stablecoin issuers ("PPSIs").

- **The Board should avoid immediate charter- or institution-type carveouts for discount-window access.** Categorical carveouts would weaken the standardized account design, invite boundary-drawing disputes, and create incentives for firms to optimize corporate form around central-bank credit access rather than sound supervision and resilient operations. In tandem, the final rule should prevent affiliate or parent-bank arbitrage related to stablecoin issuance. A bank-subsidiary PPSI or other affiliated payments institution should not obtain the economic equivalent of unavailable Reserve Bank credit through a parent insured depository institution's Master Account, intraday credit capacity, discount-window access, affiliated Excess Balance Account ("EBA") arrangement, deposit-token structure, guarantee, asset purchase, rebate, preferential credit line, preferential transfer pricing, or other non-arm's-length support.

Circle offers the following responses, grouped thematically, to the questions posed by the Board.

I. The no-credit baseline is appropriate for the Payment Account. (Question 1)

Circle agrees that the proposed restriction appropriately reflects the risks and benefits of discount-window access for Payment Account holders. The principal benefit of the proposed Regulation A amendment is clarity: the Payment Account provides access to specified payment services on prefunded terms and does not provide Reserve Bank credit. That clarity justifies a streamlined account-access pathway and affirms that a Payment Account is not equivalent to a Master Account relationship.

Permitting ordinary discount-window credit would materially change the account's risk profile. Reserve Banks would need to evaluate borrower financial condition, collateral eligibility and valuation, supervisory standing, legal powers, operational capacity, and insolvency consequences before lending. Those are appropriate considerations for primary, secondary, or seasonal credit under the ordinary Regulation A framework; however, we agree they are not consistent with an account type whose risk controls are premised on avoiding Reserve Bank credit exposure in the first instance.

II. Existing Regulation A eligibility criteria should be retained (Question 2)

Circle agrees that the Board should retain the existing Regulation A eligibility criteria. The Regulation A criteria are appropriately narrow, preserving the longstanding primary, secondary, and seasonal credit framework for institutions that otherwise qualify, while making clear that electing the new Payment Account does not itself carry discount-window eligibility. That approach avoids turning this rulemaking into a broader redesign of the discount-window framework.

As noted in our response to the PSR Policy request, the Board should update the wider Account Access Guidelines to reflect the new class of PPSIs as federal bank-supervised institutions.

III. The Board should avoid immediate carveouts (Question 3)

Circle recommends against immediate institution-type carveouts for discount-window access. Charter type, insured status, parent-company status, or similar labels are imperfect proxies for the risks that matter in this context. A categorical carveout could treat similarly situated Payment Account holders differently, create incentives to structure around central-bank credit access or holding company status, and force the Reserve Banks to maintain a classification framework that may not map to actual liquidity, operational, or supervisory risk.

Circle also recommends that the Board clarify that a Payment Account holder should not obtain, directly or indirectly, the economic equivalent of discount-window credit or intraday Reserve Bank credit that the Payment Account terms withhold. This clarification is particularly important for bank-subsidiary PPSIs and other affiliated payments institutions. Such entities should not be able to use parent insured depository institution or affiliated Master-Account access to secure guarantees, asset purchases, overdraft support, preferential credit lines, affiliated EBA arrangements, deposit-token conversion paths, rebates, or preferential transfer pricing that effectively transfers Reserve Bank credit support to the Payment Account holder. Such arrangements would undermine the no-credit baseline, blur statutory PPSI-level ringfencing, and create unequal treatment between bank-affiliated and nonbank Payment Account holders. The Board should reinforce an arm's-length principle for any permitted affiliate arrangements.