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Proposal and Comment Information

Title: Implementing the Federal Reserve Board's Responsibilities under the GENIUS Act, R-1899

Comment ID: FR-2026-0033-01-C30

Submitter Information

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Organization Type: Company

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I am the CEO of Thiess Invest GmbH, an advisory firm in Hamburg, Germany that works with crypto exchanges, DeFi protocols, and infrastructure providers on European market entry and MiCA readiness. For almost a decade, I have worked in growth, compliance, and regulatory strategy roles at exchanges and infrastructure firms, and I am a Fellow of the International Compliance Association. My comments are limited to redemption (proposed § 247.12) and risk management (proposed § 247.13), because these are the areas where Europe now has more than two years of practical experience under MiCA's e-money token rules. My full comment is attached as a PDF.

I support the two-business-day cap on timely redemption. MiCA requires redemption "at any time and at par value" but sets no maximum timeframe, and the European Banking Authority has described market practice of T+1, T+2, and T+4. However, a deadline only protects holders if it is clear when it starts, who can use it, and what happens under stress.

Summary of recommendations:

Questions 97, 98, and 101: keep two business days as the outer limit. Start the clock once the issuer has received the redemption order from an onboarded holder, and treat redemption as complete when the issuer has processed and initiated the outgoing payment, consistent with the OCC's final rule. Require each issuer to publish its onboarding timeframe, because onboarding causes most of the delay a customer actually feels.

Question 107 and Questions 102 to 105: state in the rule text that an issuer must redeem for any lawful holder who has completed onboarding, because most retail holders have no direct relationship with the issuer and depend on an exchange still being willing to buy during stress. Keep the one-coin minimum. Treat any condition for redemption, such as account opening or verification charges, as a fee for disclosure purposes, and prohibit fee increases while a Board extension or the § 247.11(f) shortfall procedures apply.

Questions 99, 100, and 109: I agree with not extending the timeframe automatically when redemptions spike, in line with the OCC's finding that such a gate could be pro-cyclical. However, any Board extension should be limited in time, announced publicly, and tied to a plan the issuer publishes for holders. In Europe, StablR, a licensed e-money token issuer, suspended redemption after unauthorized access on 24 May 2026 and was still suspended almost five months later with no restart date, because MiCA sets no maximum duration. I also recommend adopting the OCC and FDIC notice trigger when redemption requests exceed 10% of outstanding issuance in a 24-hour period.

Questions 118 and 123: require a short, ex ante redemption and wind-down plan in § 247.13, because § 247.11(f)(2) requires an issuer to begin liquidating and redeeming by 5:00 p.m. on a set day without requiring it to have planned how. The plan should include scenarios that begin outside banking hours, as the USDC and SVB event in March 2023 and the StablR incident both did. The OCC's final rule, in § 15.13(a)(9), already requires analyses of a range of redemption scenarios.

Questions 126, 127, and 129: add explicit requirements for multi-party authorization of mint and burn functions, per-transaction and daily minting limits, and continuous reconciliation of on-chain supply against reserve records, given the mint errors the proposal itself cites. Add an incident notification to the Board within hours, extended beyond customer information to any incident affecting minting, burning, or redemption.

Marcel Thiess, FICA Chief Executive Officer, Thiess Invest GmbH Hamburg, Germany

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3 November 2026

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

Re: Docket No. R-1899, RIN 7100-AH29, Implementing the Federal Reserve Board's Responsibilities under the GENIUS Act

Ladies and Gentlemen:

Thank you for the opportunity to comment on the proposed rule. I am the CEO of Thiess Invest GmbH, an advisory firm in Hamburg that works with crypto exchanges, DeFi protocols, and infrastructure providers on European market entry and MiCA readiness. For almost a decade, I have worked in growth, compliance, and regulatory strategy roles at exchanges and infrastructure firms, including leading Binance's business in Germany, Austria, and Switzerland and Amber Group's business in Germany, Austria, and the Netherlands. I am a Fellow of the International Compliance Association.

My comments are limited to redemption (proposed § 247.12) and risk management (proposed § 247.13), because these are the areas where Europe now has more than two years of practical experience that may be useful to the Board. The e-money token rules of the Markets in Crypto-Assets Regulation (MiCA) have applied since 30 June 2024. My perspective comes from the exchange and service-provider side of that market, which is where most retail holders actually buy, hold, and sell their stablecoins. I do not comment on reserve composition, capital, or the yield provisions.

I support the Board's proposal to cap timely redemption at two business days. This is a stricter standard than MiCA, which requires redemption "at any time and at par value" but sets no maximum timeframe. However, a deadline only protects holders if it is clear when it starts, who can use it, and what happens when an issuer is under pressure, and my comments below address each of these points.

Questions 97, 98, and 101: the redemption timeframe

The Board should keep two business days as the outer limit, because it gives holders a standard they can rely on, which MiCA has not done so far. In its September 2026 response to the European Commission's MiCA review, the European Banking Authority described emerging market practices "within the EU and globally" of T+1, T+2, and T+4, and Circle's MiCA redemption policy allows retail redemption in "not more than 5 business days, unless discrepancies are identified." The European System of Central Banks raised the same point in its own response.

However, the proposal does not say when the two days start or when a redemption is complete. I would recommend that the clock start once the issuer has received the redemption order from a holder who has completed onboarding, and that a redemption count as complete when the issuer has processed and initiated the outgoing payment. This matches the OCC's final rule of 23 October 2026, and one standard across the federal regulators would save issuers and exchanges from running two processes for the same product.

If onboarding stops the clock, onboarding needs its own limit. The OCC conditions its approach on onboarding that is designed not to cause undue delay. I would go one step further and require each issuer to publish its onboarding timeframe and the documents it requests, because in my experience onboarding causes most of the delay a customer actually feels. I have worked on exchange onboarding where only around half of applicants were approved at first, so without a published timeline, a two-day standard can stretch well beyond two days for a retail holder.

Question 107 and Questions 102 to 105: who can redeem, and at what cost

The Board should state in the rule text that an issuer must redeem for any lawful holder who has completed onboarding, because most retail holders have no direct relationship with the issuer. Question 107 itself notes that many issuers "may limit direct interaction with retail stablecoin holders." This matches what I have seen at exchanges, where retail users trade and hold stablecoins on the platform, and the platform or a market maker behind it is the only party that redeems with the issuer. That arrangement works in normal markets. However, in a stress event, the retail holder depends on the exchange still being willing and able to buy, so the OCC's formulation that an issuer must redeem "from any holder, subject to applicable law" is the better standard. I would also support the option raised in Question 107 for the Board to require direct redemption where intermediaries are not adequately facilitating monetization.

I support the one-coin minimum in proposed § 247.12(a)(5). The ESCB argued in the MiCA review that "no minimum redemption amounts should apply," and offshore practice shows why this matters, as Tether's published terms set a minimum redemption of $100,000.

On fees, the EBA warned in the same review against "'through the back door' fees," for example requiring a holder to open a wallet with the issuer in order to redeem. I would recommend that the Board treat any condition the issuer sets for redemption, such as account opening, minimum balances, or verification charges, as a fee for disclosure purposes, and that third-party fees be disclosed where the third party sits in the issuer's own redemption process (Question 103). I would also recommend that redemption fees may not be increased while a Board extension or the shortfall procedures in proposed § 247.11(f) apply, because a fee increase during stress works like a gate.

Questions 99, 100, and 109: redemption under stress

I agree with the Board's decision not to extend the redemption timeframe automatically when redemptions spike (Question 100), because an automatic gate tells holders that the safest move is to redeem before the threshold is reached. The OCC reached the same conclusion in its final rule, noting that such a gate "could prove pro-cyclical and trigger or exacerbate runs." Federal Reserve staff came to a similar view in their December 2025 note on SVB and USDC, finding that "the suspension of redemption on the primary market cannot arrest a run, as temporarily closing a bank would." I also consider the safe harbors in proposed § 247.12(d) appropriately scoped, including the exclusion of

delays caused only by a high volume of requests (Question 99).

However, the Board's discretion to extend the timeframe should have a defined end, and Europe shows why. MiCA allows redemption to be suspended under an issuer's recovery plan but sets no maximum duration. StablR, an e-money token issuer authorized in Malta, detected unauthorized access on Sunday, 24 May 2026, and "immediately suspended all token minting and redemption." According to its notice of 19 October, as reported by the European Funds Recovery Initiative, redemption was still suspended almost five months later, with no restart date. Exchanges and market makers price a stablecoin based on when they expect to be paid, and an open-ended suspension leaves them with no basis for that price.

I would therefore recommend that any Board extension be limited in time, announced publicly, and tied to a plan the issuer publishes for holders. I would also recommend that the Board adopt the notice trigger used by the OCC in its final rule and proposed by the FDIC, under which an issuer notifies its regulator within 24 hours when redemption requests exceed 10% of the outstanding issuance of a stablecoin in a single 24-hour period. This gives the Board early warning without creating a gate.

Questions 118 and 123: planning for redemption at scale

Proposed § 247.11(f)(2) requires an issuer with a reserve shortfall to begin liquidating reserve assets and redeeming outstanding stablecoins by 5:00 p.m. on the business day after its remediation plan is due. However, the proposal does not require the issuer to plan in advance how it would do this. I would recommend a short, ex ante redemption and wind-down plan as part of § 247.13. MiCA requires both a recovery plan and a redemption plan from e-money token issuers (Articles 46, 47, and 55), with EBA guidelines on each, and the EBA has said these requirements should be kept as they are because they "have not yet been tested." Of course, a plan on paper does not guarantee an orderly outcome. What it means is that the issuer, its custodians, and its banks have agreed in advance who sells which assets, who pays whom, and how holders are informed, before the 5:00 p.m. deadline arrives.

The plan should include redemption scenarios that begin outside banking hours (Question 118), because a stablecoin trades around the clock while Fedwire and ACH do not settle on weekends. Circle disclosed its exposure to SVB late on Friday, 10 March 2023, and Federal Reserve staff found that issuance and redemption were "constrained by working hours of the U.S. banking systems." The StablR incident also began on a Sunday. For the same reason, I would ask the Board to reconsider its conclusion in Question 123 that separate liquidity risk management requirements add little value, since the OCC's final rule, in § 15.13(a)(9), requires issuers to conduct "analyses that consider a range of redemption scenarios" under normal and stressed conditions and to demonstrate that they can monetize reserve assets to meet redemptions.

Questions 126, 127, and 129: minting, keys, and incident reporting

The risk I would address most explicitly in § 247.13(b) is the issuance of stablecoins without matching reserves, whether through error or through the compromise of minting keys. The proposal itself cites both kinds of error, Tether's accidental mint of $5 billion in 2019 and the $300 trillion minted by PayPal's partner Paxos in a "technical error" in October 2025. The StablR incident shows the same risk at a licensed issuer, as StablR disclosed that its supply was "not fully backed at the 1:1 ratio required under MiCAR" after the unauthorized access. I would recommend explicit requirements for multi-party authorization of mint and burn functions, limits on the amount that can be minted per transaction and

per day, and continuous reconciliation of on-chain supply on every blockchain against reserve records, with escalation whenever the two differ. The same reconciliation should apply when an issuer moves stablecoins between blockchains to meet redemption requests (Question 127).

I also support adding the notification requirement the OCC proposed in § 15.13(b)(7) (Question 126), and I would extend it beyond unauthorized access to customer information to any incident that affects minting, burning, or redemption. In the EU, a major ICT-related incident at an issuer must be reported to its supervisor within hours under the Digital Operational Resilience Act, and StablR said in its first disclosure that it would notify the Malta Financial Services Authority on that basis. Notification to the Board within hours, together with a public notice to holders whenever redemption is affected, would give exchanges the information they need to decide whether to halt trading in the affected stablecoin.

The two-business-day standard already gives holders more certainty than they have in Europe today. Defining when the clock starts, writing universal redemption into the rule text, limiting any extension in time, and requiring issuers to plan for a mass redemption would make that standard hold in the situations it was written for. I would be glad to discuss any of these points with Board staff.

Respectfully submitted,

Marcel Thiess, FICA
Chief Executive Officer, Thiess Invest GmbH