

## **Banking and Finance Law Daily Wrap Up, BANK SECRECY ACT—ABA urges FinCEN to strengthen GENIUS Act stablecoin issuer CIP proposal, (Aug. 24, 2026)**

Banking and Finance Law Daily Wrap Up

By Patricia K. Ruiz, J.D.

The ABA requested that digital exchanges be covered by CIP requirements and says issuers should be able to turn away customers who refuse or provide fraudulent CIP information.

The American Bankers Association (ABA) [urged](#) the Financial Crimes Enforcement Network (FinCEN) and federal banking agencies to strengthen proposed customer identification program (CIP) standards for permitted payment stablecoin issuers before finalization so the rule fits issuers' business models and treats financial institutions evenly. The proposal is intended to implement the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act) by treating permitted payment stablecoin issuers as financial institutions under the Bank Secrecy Act and requiring effective CIPs. The ABA said it supports that requirement, but wants revisions on formal customer relationships, primary- and secondary-market risk, and uniform customer-data collection.

**Proposal.** FinCEN, the Office of the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA) issued the notice of proposed rulemaking (NPRM) on June 22, 2026. In a [comment letter](#) to the agencies, the ABA said it supports requiring stablecoin issuers to implement CIPs like banks and many other financial institutions, while noting that banks and other financial institutions already maintain formal CIPs and many digital asset service providers do not. It said it supports “the responsible development of payment stablecoin markets” and has “a significant interest” in making the GENIUS Act framework “clear, workable, and appropriately calibrated.”

**Three changes.** ABA's first requested change would remove the “formal relationship” limit. ABA said that banking concept, drawn from the 2003 bank CIP rule to exclude de minimis transactions, does not fit stablecoin issuer operations and could leave significant primary-market activity outside the rule. The association recommended that the final rule say a customer seeking to buy or redeem a payment stablecoin directly from the issuing stablecoin issuer must first open an account with that issuer, which would trigger CIP requirements. For redemptions, ABA argued that a customer who acquired a stablecoin from a third party would not already have an issuer account, but direct redemption from the issuer is a GENIUS Act activity that should trigger CIP regardless of how the customer acquired the stablecoin.

ABA tied the account-opening clarification to illicit finance controls. It said direct account opening would let issuers reject customers who decline to provide CIP information, provide obviously fraudulent information, or otherwise fail onboarding standards. ABA agreed the proposed issuer rule is aimed at primary-market activity, but said secondary-market actors, including exchanges and other virtual asset service providers, should collect and retain their customers' identifying information. Many, but not all, of those actors are regulated as money services businesses under FinCEN's existing rules, and money services businesses are not required to maintain formal CIPs. ABA said digital exchanges should have CIP requirements so customers cannot easily avoid issuer identification requirements.

On data collection, ABA objected to a proposed “date of formation” requirement for legal entity customers. It said the data point departs from existing CIP rules; Congress did not include it, no existing CIP rule includes it, and the NPRM did not explain why it was needed. ABA did not take a position on the utility of mandating date-of-formation collection, but warned that any new minimum requirement could impair stablecoin issuers' ability to rely on CIP performed by

another financial institution. The association said uniformity matters for banks because its members are central to the payment stablecoin ecosystem, including as reserve-asset custodians and issuer affiliates.

Companies: American Bankers Association

RegulatoryActivity: BankingOperations BankSecrecyAct FederalReserveSystem FinTech

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