

July 18, 2025

Sebastian R. Astrada  
Director for Licensing  
Midsize, Trust, Credit Card, and Novel Banks  
Office of the Comptroller of the Currency  
400 7th St., SW  
Washington, DC 20219

**RE: ICBA LETTER IN OPPOSITION TO WISE NATIONAL TRUST CHARTER APPLICATION 2025-CHARTER-342106)**

Dear Director Astrada,

The Independent Community Bankers of America<sup>1</sup> opposes Wise's application for a national trust bank charter. Wise is an international financial services company headquartered in London, UK, offering cross-border payment services. Wise is seeking a national trust bank charter for its planned subsidiary, Wise National Trust (WNT), in order to apply for access to a Federal Reserve Master Account to facilitate its cross-border payments business.

Facilitating cross-border payments is too far removed from the primary purpose of a national trust bank charter, which is to provide custodial services. Additionally, Wise US's failures related to its Bank Secrecy Act, Anti-Money Laundering, and Countering the Financing of Terrorism Program weigh heavily against the applicant's ability to meet key criteria for maintaining a safe and sound banking system, ensuring compliance with laws and regulations, and the management of the proposed institution.<sup>2</sup> The applicant also fails to show that it would satisfy factors related to serving the convenience and needs of the community.<sup>3</sup> ICBA urges the OCC to carefully consider the implications this application poses to the longstanding principle of separating banking and commerce. For these reasons, ICBA strongly opposes this application and urges the OCC to reject it.

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<sup>1</sup> The Independent Community Bankers of America® has one mission: to create and promote an environment where community banks flourish. We power the potential of the nation's community banks through effective advocacy, education, and innovation. As local and trusted sources of credit, America's community banks leverage their relationship-based business model and innovative offerings to channel deposits into the neighborhoods they serve, creating jobs, fostering economic prosperity, and fueling their customers' financial goals and dreams. For more information, visit ICBA's website at <https://www.icba.org/>.

<sup>2</sup> 12 C.F.R. 5.20(f); 5.26(e)(2)(iii)(C), (F).

<sup>3</sup> 12 C.F.R. 5.20(f)(1), 5.26(e)(2)(iii)(E).

## Business Model Falls Outside the Scope of the Trust Bank Charter

According to their application, WNT “will offer multicurrency accounts, payment processing, and fiduciary services to its direct customers and to global Wise affiliates, which will serve to securely and compliantly improve the speed and cost of traditional fiat money transfers and related services for customers.”<sup>4</sup> Multicurrency accounts allow customers “to send, spend, hold and receive different currencies. Features of the [account] include access to local account details in 10 countries, a debit card to spend in 200 countries and the use of the mid-market exchange rate for cross-currency transfers.”<sup>5</sup> Finally, according to the application, “WNT will also seek membership with the Federal Reserve Bank of Dallas to obtain a Master Account and, as a result, establish a direct connection to the Federal Reserve payments systems.”<sup>6</sup>

These activities are outside the scope of traditionally understood trust powers. The OCC is permitted to issue national trust bank charters to national banks whose powers are “limited to those of a trust company and activities related thereto.”<sup>7</sup> These trust powers have historically been limited to “the right to act as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, or in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State in which the national bank is located.”<sup>8</sup> They have not been permitted to receive “deposits of current funds subject to check or the deposit of checks, drafts, bills of exchange, or other items for collection or exchange purposes.”<sup>9</sup>

WNT’s business model does not appear to be primarily focused on providing the custodial and fiduciary services that the national trust bank has historically been limited to. Instead, WNT is attempting to turn the ancillary powers of national trust banks, such as issuing debit cards or processing payments, into the charter’s primary purpose. In our view, this is an impermissible broadening of the scope of national trust bank powers, contrary to their statutory purpose – it is a case of the exception swallowing the rule. For this reason, WNT’s application should be denied by the OCC.

## Lack of Statutorily Required Rulemaking to Expand Trust Powers

In 2021, the OCC’s Chief Counsel’s Office published Interpretive Letter #1176, which made significant policy changes regarding the eligibility requirements to receive a national trust

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<sup>4</sup> Application to the Office of the Comptroller of the Currency by the Organizers of the proposed Wise National Trust, a Nondepository Trust Company (June 16, 2025), available at: <https://foia-pal.occ.gov/app/ReadingRoom.aspx>.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> 12 U.S.C. 27(a).

<sup>8</sup> 12 U.S.C. 92a(a).

<sup>9</sup> 12 U.S.C. 92a(d).

charter.<sup>10</sup> Specifically, the Interpretive Letter concluded that national trust banks are permitted to engage in “fiduciary activities as defined by federal or state law, as well as other activities that are non-fiduciary in nature, such as non-fiduciary custody.”<sup>11</sup> This change eliminated the longstanding requirement that applicants for national bank trust charters engage exclusively in fiduciary activities.

This significant policy change was made without any statutory change. There is nothing in the existing statute to indicate that Congress intended national trust banks to have the power to offer non-fiduciary services as anything other than an ancillary part of their business or a courtesy to their customers. To expand the national trust charter to include non-fiduciary custody and other non-custodial services like facilitating cross border payments or issuing stablecoins is a major question, which requires a Congressional delegation of authority.

At a minimum, substantive interpretations of a statute, such as those contained in Interpretive Letter #1176, should be enacted only after a transparent public notice and comment rulemaking process. Before deciding on any new national trust bank applications, the OCC should engage in formal rulemaking, as required by the Administrative Procedure Act, to clarify the scope of the permitted non-fiduciary powers of national trusts. Consequently, despite this unprecedented legal interpretation vastly expanding chartering authority, WNT’s proposed business model exceeds the scope of activities permitted pursuant to a national trust charter.

### **Wise US Consent Order**

On July 9, 2025, the state financial regulators of the States of California, Minnesota, Nebraska, New York, Texas, and the Commonwealth of Massachusetts entered into a Consent Order with Wise US which required Wise US to pay a \$4.3 million fine.<sup>12</sup> Just last year, these six state financial regulators performed a regulatory multi-state examination where they identified numerous compliance violations of State and Federal law. Over a fourteen-month period, the state regulators identified the following compliance violations within Wise US’s Bank Secrecy Act/Money Laundering/Countering the Financing of Terrorism (BSA/AML/CFT) Program:

1. Failure to provide for an independent review of the AML Program on a frequency commensurate with services provided;
2. Deficiencies identified in Wise’s processes for investigating and reporting suspicious activity, including the failure to timely file suspicious activity reports (“SAR”);
3. Transaction monitoring data integrity issues;

<sup>10</sup> OCC, “OCC Chief Counsel’s Interpretation on National Trust Banks” Interpretive Letter #1176 (Jan 2021), available at: <https://www.occ.gov/topics/charters-and-licensing/interpretations-and-actions/2021/int1176.pdf>.

<sup>11</sup> *Id.*

<sup>12</sup> See New York Department of Financial Supervision, “Multi-State Examination Issues Consent Order to Wise US Inc.” (July 9, 2025), available at: <https://www.dfs.ny.gov/system/files/documents/2025/07/ea20250709-co-mse-wise-us-inc.pdf>.

4. Failure to timely correct past deficiencies detected in prior examinations and independent audits;
5. Violations related to the Consumer Financial Protection Bureau’s Remittance Transfer Rule.”<sup>13</sup>

The Consent Order requires Wise US to take several steps including reviewing and adjusting its AML/CFT monitoring systems and procedures to detect suspicious activity in a timely manner and instituting a more robust program to ensure customer information is accurate, complete, valid, and properly reflected in regulatory reporting as required under the FinCEN regulations.

When reviewing a charter application, the OCC is required to consider factors related to maintaining a safe and sound banking system, familiarity with and compliance with laws and regulations, and the competence of management.<sup>14</sup> The serious BSA/AML/CFT violations cited in the Consent Order, identified only a short time prior to WNT’s application, should weigh heavily against a conclusion that the applicant satisfies these factors and preclude Wise from obtaining a national trust bank charter. At the very least, the OCC should perform its own detailed investigation into the applicant’s operations to determine whether WNT has sufficiently remediated these problems.

### **WNT Fails to Meet the Convenience and Needs of the Community**

When reviewing a charter application, the OCC is required to consider factors related to providing fair access to financial services by helping to meet the credit needs of its entire community and meeting the needs of the community to be served.<sup>15</sup> As discussed below, the applicant does not adequately demonstrate that it satisfies these factors.

WNT’s proposed multicurrency accounts are described in the application as a “stored value” account that will allow customers to spend money from the account by using a debit card in over 200 countries. This appears to be a functional deposit account, despite the traditional prohibition on deposit taking for national trust banks.

What is even more concerning about “stored value” accounts like those that WNT proposes to offer is the extent to which they will compete with traditional deposit accounts without becoming subject to the Community Reinvestment Act (CRA). The CRA requires banks to reinvest a portion of their deposits into low- and moderate- income areas, and to lend to small businesses and small farms in the communities they serve. National trust banks offering “stored value” accounts are not required to serve underserved areas. If the OCC allows grant’s WNT’s application it, and other national trust banks like it, will become full-fledged competitors to

<sup>13</sup> *Id.*

<sup>14</sup> 12 C.F.R. 5.20(f)(1), (2); 5.26(e)(2)(iii)(C), (F).

<sup>15</sup> 12 C.F.R. 5.20(f)(1)(ii); 5.26(e)(2)(iii)(E); 5.20(h)(5).

traditional banks siphoning deposits out of the banking system and reducing the availability of credit in low- and moderate-income areas, and for small businesses and farms.

Because WNT would be chartered and supervised by the OCC – and even allowed to call itself a bank – consumers may reasonably believe that they are protected by FDIC insurance. This would not be the case. While national trust banks are required to keep customer funds segregated from their own assets in a way that is bankruptcy remote, this would not protect customer funds in the case of malfeasance.

### **Separation of Banking and Commerce**

ICBA has a long history of opposing less regulated novel charters that purport to offer banking services without corresponding oversight – including the industrial loan company (ILC) charter – that would allow commercial parent companies to blur the line between banking and commerce by owning a bank. Like ILCs, a non-FDIC insured national trust bank, which does not accept demand deposits or make loans, is exempt from the definition of “bank” in the Bank Holding Company Act (BHCA).<sup>16</sup>

Because of this exemption, a commercial company is potentially permitted to own a national trust bank.<sup>17</sup> This regulatory loophole raises profound concerns about the integrity of the financial system and the potential for consumer harm if WNT’s application is granted. As national trust bank charters are increasingly permitted to facilitate cross-border payments or issue stablecoin and other cryptocurrencies, the national trust bank charter becomes a more attractive avenue for Big Tech and other commercial firms to enter the business of banking without becoming subject to the supervisory and consumer compliance requirements associated with a full bank charter.

The approval of WNT’s national trust bank charter could introduce significant systemic risks to the financial system by encouraging the proliferation of novel, lightly regulated entities that operate outside the traditional banking framework. Granting a trust charter to a fintech company like Wise, whose primary business model centers on cross-border payments rather than fiduciary services, may incentivize other non-bank entities to seek similar charters, creating a fragmented regulatory landscape. This fragmentation could undermine the OCC’s

<sup>16</sup> See 12 U.S.C. 1841(c)(1).

<sup>17</sup> See Max Bonici, Stephen T. Gannon, and Kristal Rovira, Davis, Wright Tremaine LLP, “National Trust Banks – Revisited for Crypto and Payments” (November 22, 2024), available at: <https://www.dwt.com/blogs/financialservices-law-advisor/2024/11/why-fintechs-should-consider-national-trust-banks> [“Provided a national trust bank doesn't meet the definition of “bank” under the Bank Holding Company Act (BHCA), a company that owns a national trust bank is not a bank holding company subject to the Federal Reserve’s comprehensive regulation and supervision. That essentially means a commercial entity can own a national trust bank without the Federal Reserve’s involvement for a bank or the FDIC’s involvement for an ILC. National trust banks that do obtain FDIC deposit insurance can comply with additional conditions to avoid meeting the definition of “bank” under the BHCA.”]

ability to effectively supervise a growing number of institutions with diverse and complex business models.

## Conclusion

The applicant has not demonstrated that it can satisfy all the factors the OCC is required to consider when reviewing its charter application. The applicant has demonstrated issues related to maintaining a safe and sound banking system, familiarity with and compliance with laws and regulations, and the competence of management.<sup>18</sup> Wise US's recent history of BSA/AML/CFT compliance violations demonstrate that it is unsuited to expand its cross-border payments business through a national charter. Additionally, the applicant fails to show that it would satisfy factors related to providing fair access to financial services by helping to meet the credit needs of its entire community and the needs of the community to be served.<sup>19</sup>

The proposed business plan also falls outside the bounds of the national trust bank charter. Approving WNT's charter application would inappropriately turn the national trust bank charter into a tool to facilitate cross-border payments and to siphon deposits out of traditional banks.

For these reasons, ICBA urges the OCC to reject WNT's application. Additionally, if the OCC intends to entertain such charter applications, a formal rulemaking would be needed to address the expanded powers of national trust banks.

Please contact me at [Mickey.Marshall@icba.org](mailto:Mickey.Marshall@icba.org) if you have any questions about the positions stated in this letter.

Sincerely,



Mickey Marshall  
Vice President and Regulatory Counsel

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<sup>18</sup> 12 C.F.R. 5.20(f)(1), (2); 5.26(e)(2)(iii)(C), (F).

<sup>19</sup> 12 C.F.R. 5.20(f)(1)(ii); 5.26(e)(2)(iii)(E); 5.20(h)(5).