

and its implementing regulations, including the authority under section 311 to make such a finding and to impose special measures, has been delegated to FinCEN.⁶

II. Finding and Notice of Proposed Rulemaking

On October 23, 2023, FinCEN published a proposed rule that, if finalized, would impose recordkeeping and reporting obligations on covered financial institutions to report certain information when they know, suspect, or have reason to suspect a CVC transaction involves the use of CVC mixing within or involving a jurisdiction outside of the United States.⁷ Under the proposed rule, FinCEN defined the term “CVC Mixing” as activity that entailed the facilitation of CVC transactions in a manner that obfuscates the source, destination, or amount involved in one or more transactions regardless of the type of protocol or service used, such as: (1) pooling or aggregating CVC from multiple persons, wallets, addresses, or accounts; (2) using programmatic or algorithmic code to coordinate, manage, or manipulate the structure of a transaction; (3) splitting CVC for transmittal and transmitting the CVC through a series of independent transactions; (4) creating and using single-use wallets, addresses, or accounts, and sending CVC through such wallets, addresses, or accounts through a series of independent transactions; (5) exchanging between types of CVC or other digital assets; or (6) facilitating user-initiated delays in transactional activity.⁸ Additionally, FinCEN proposed a definition for services called “CVC Mixers” as “any person, group, service, code, tool, or function that facilitates CVC mixing.”⁹ The proposed rule would have required covered financial institutions to file a report with FinCEN containing certain information related to CVC Mixing transactions, such as the amount of CVC transferred, CVC type, CVC mixer used, CVC wallet address associated with customers, relevant transaction hashes, date of transactions, IP addresses, and a description of activity through a narrative. The proposed rule would have also required covered financial

institutions to keep records of customers associated with covered transactions to include the customer’s full identity, date of birth, address, email address, or unique identifying numbers.

As stated in the July 2025 report by the President’s Working Group on Digital Asset Markets established by Executive Order 14178 (E.O. 14178), *Strengthening American Leadership in Digital Financial Technology*, “the Trump Administration supports the ability of lawful users of digital assets to privately transact on a public blockchain.”¹⁰ The report also acknowledged that although illicit actors “use mixers to obfuscate and launder funds . . . lawful users of digital assets may leverage mixers to enable financial privacy when transacting through public blockchains.”¹¹ The report recommended that Treasury should consider next steps regarding its proposed rulemaking concerning CVC mixing.¹²

FinCEN is withdrawing its finding that international CVC Mixing is a class of transactions of primary laundering concern, and the proposed rule, published on October 23, 2023, seeking to impose special measure one regarding international CVC Mixing. While FinCEN maintains that illicit actors continue to use mixers and other tools and methods to hinder law enforcement investigations, this withdrawal is informed by the concerns from commentators that the expansive definition of CVC mixing in the proposed rule could have a chilling effect on legitimate activity and place a large reporting burden on covered financial institutions. However, FinCEN will continue to monitor activity involving CVC mixers for indicia of money laundering, terrorist financing, or other illicit finance activity, and may take appropriate steps in the future to mitigate any such activity.

Jimmy L. Kirby,

Deputy Director, Financial Crimes Enforcement Network.

[FR Doc. 2026–20429 Filed 10–5–26; 8:45 am]

BILLING CODE 4810–02–P

DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

31 CFR Parts 1010, 1020, and 1022

RIN 1506–AB47

Requirements for Certain Transactions Involving Convertible Virtual Currency or Digital Assets; Withdrawal

AGENCY: Financial Crimes Enforcement Network (FinCEN), Treasury.

ACTION: Proposed rule; withdrawal.

SUMMARY: FinCEN is withdrawing a notice of proposed rulemaking (NPRM) that proposed requiring banks and money service businesses (MSBs) to submit reports, keep records, and verify the identity of customers in relation to transactions involving convertible virtual currency (CVC) or digital assets with legal tender status (LTDA) held in unhosted wallets or in wallets hosted in a jurisdiction identified by FinCEN. FinCEN will not take any further action on this NPRM.

DATES: FinCEN is withdrawing the proposed rule published at 85 FR 83840 (December 23, 2020), as of October 6, 2026.

FOR FURTHER INFORMATION CONTACT: The FinCEN Regulatory Support Section by submitting an inquiry at www.fincen.gov/contact.

SUPPLEMENTARY INFORMATION: On December 23, 2020, FinCEN published an NPRM that proposed adopting recordkeeping, verification, and reporting requirements for certain deposits, withdrawals, exchanges, or other payments or transfers of CVC or LTDA by, through, or to a bank or MSB that involve an unhosted or otherwise covered wallet.¹ Under the proposal, the term “unhosted wallet” described “when a financial institution is not required to conduct transactions from the wallet.”² FinCEN proposed defining otherwise covered wallets as those wallets that are held at a financial institution that is not subject to the Bank Secrecy Act and is located in a foreign jurisdiction identified by FinCEN.³ The NPRM proposed requiring banks and MSBs to file a report with FinCEN containing certain information related to a customer’s CVC or LTDA transaction and counterparty, and to verify the identity of their customer, if a counterparty to the transaction is using an unhosted or

and includes other authorities reflected in notes thereto. Regulations implementing the BSA appear at 31 CFR Chapter X.

⁶ See Treasury Order 180–01 (Jan. 14, 2020).

⁷ FinCEN, *Proposal of Special Measure Regarding Convertible Virtual Currency Mixing, as a Class of Transactions of Primary Money Laundering Concern*, 88 FR 72701 (Oct. 23, 2023).

⁸ *Id.*

⁹ *Id.*

¹⁰ See White House, *Strengthening American Leadership in Digital Financial Technology*, p. 100 (July 2025), <https://www.whitehouse.gov/wp-content/uploads/2025/07/Digital-Assets-Report-EO14178.pdf>; see also Executive Order 14178, 90 FR 8647 (Jan. 31, 2025).

¹¹ *Id.* at p. 107.

¹² *Id.*

¹ FinCEN, *Requirements for Certain Transactions Involving Convertible Virtual Currency or Digital Assets*, 85 FR 83840 (Dec. 23, 2020).

² *Id.* at 83843.

³ *Id.*

otherwise covered wallet and the transaction is greater than \$10,000, or multiple transactions that aggregate to greater than \$10,000 in 24 hours. The NPRM also proposed requiring banks and MSBs to keep records of a customer's CVC or LTDA transaction and counterparty, including verifying the identity of their customer, if a counterparty is using an unhosted or otherwise covered wallet and the transaction is greater than \$3,000.

As stated in the report issued by the President's Working Group on Digital Asset Markets established by Executive Order 14178, "Strengthening American Leadership in Digital Financial Technology," FinCEN is withdrawing the NPRM as part of the Trump Administration's ongoing efforts to ensure digital asset regulations are fit-for-purpose.⁴ FinCEN will take no further action on this NPRM.

Jimmy L. Kirby,

Deputy Director, Financial Crimes Enforcement Network.

[FR Doc. 2026-20430 Filed 10-5-26; 8:45 am]

BILLING CODE 4810-02-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket Number USCG-2026-1057]

RIN 1625-AA00

Safety Zone; Red Bull Flugtag, Intercoastal Waterway, Biscayne Bay, Miami, FL

AGENCY: Coast Guard, Department of Homeland Security.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard is proposing to establish a temporary safety zone for certain navigable waters on the Intercoastal Waterway portion of Biscayne Bay in Miami, FL. The safety zone is needed to protect spectators, vessels, and the marine environment from potential hazards associated with event proceedings. This proposed rulemaking would prohibit persons and vessels from being in the safety zone unless specifically authorized by the Captain of the Port, Sector Miami. We invite your comments on this proposed rulemaking.

⁴ See White House, *Strengthening American Leadership in Digital Financial Technology*, p. 100 (July 2025), <https://www.whitehouse.gov/wp-content/uploads/2025/07/Digital-Assets-Report-EO14178.pdf>; see also Exec. Order 14178, 90 FR 8647 (Jan. 31, 2025).

DATES: Comments and related material must be received by the Coast Guard on or before October 21, 2026.

ADDRESSES: To submit comments and view available documents, go to <https://www.regulations.gov> and search for USCG-2026-1057.

FOR FURTHER INFORMATION CONTACT: If you have questions about this proposed rule, contact MST2 Elliot Cortes, Sector Miami Waterways Management Division, U.S. Coast Guard; telephone 786-295-9051, or email SectorMiamiWaterways@uscg.mil.

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

CFR Code of Federal Regulations
COTP Captain of the Port
DHS Department of Homeland Security
FR Federal Register
NPRM Notice of proposed rulemaking
§ Section
U.S.C. United States Code

II. Background and Authority

On May 21, 2026, Red Bull North America notified the Coast Guard that they will be hosting a homemade flying machine contest. Thirty teams will build crafts that cannot use stored energy for flight. They will launch off a 22 feet deck built above the water to see how far they can fly on the intercoastal waters of Biscayne Bay, Miami, FL on October 31st from 10 a.m. to 5 p.m. Hazards from the flying machines breaking apart mid-flight or debris drifting unpredictably threaten persons, vessels, and the marine environment. The Captain of the Port Sector Miami (COTP) has determined that potential hazards associated with event are a safety concern for anyone within 200 feet. Therefore, the COTP is proposing this rule under the authority in 46 U.S.C. 70034, which is needed to protect spectators, vessels, and the marine environment in the navigable waters within the safety zone.

III. Discussion of the Rule

This proposed rule would establish a safety zone from 10 a.m. until 5 p.m. on October 31, 2026. The safety zone would cover all navigable waters within 200 feet of the event stage. No vessel or person would be permitted to enter the safety zone without obtaining permission from the COTP or their designated representative. The regulatory text we are proposing appears at the end of this document.

IV. Regulatory Analyses

We developed this proposed rule after considering numerous statutes and Executive orders related to rulemaking. Below we summarize our analyses

based on a number of these statutes and Executive orders.

A. Impact on Small Entities

The Regulatory Flexibility Act of 1980, 5 U.S.C. 601-612, as amended, requires Federal agencies to consider the potential impact of regulations on small entities during rulemaking. The term "small entities" comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000. Section 605 of the RFA allows an agency to certify a rule, in lieu of preparing an analysis, if the rulemaking is not expected to have a significant economic impact on a substantial number of small entities. The Coast Guard certifies under 5 U.S.C. 605(b) that this proposed rule would not have a significant economic impact on a substantial number of small entities for the following reasons.

Vessel traffic will be able to safely transit around this regulated area. This regulation will only impact a small area for a few hours. The enforcement period is during a time when vessel traffic is higher than normal. In addition, the Coast Guard will issue a Broadcast Notice to Mariners via VHF FM marine channel 16, which will allow small entities to adjust their transit plans.

If you think that your business, organization, or governmental jurisdiction qualifies as a small entity and that this proposed rule would have a significant economic impact on it, please submit a comment (see **ADDRESSES**) explaining why you think it qualifies and how and to what degree this proposed rule would economically affect it.

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104-121), if this proposed rule will affect your small business, organization, or governmental jurisdiction and you have questions, contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section. Small businesses may send comments to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards by calling 1-888-REG-FAIR (1-888-734-3247).

B. Collection of Information

This proposed rule will not call for a new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520).