

# Banking and Payment Rails Explainer



Why a legal economy needs a normal financial infrastructure.

Commerce + Finance • Audience: Public / Staff / Partner • Draft v2.1 • whole-plant framework

**What this resource does:** *Explains why cannabis legalization remains incomplete without standard financial regulations and how a whole-plant approach should normalize bank and payment access.*

## Why this matters

Cash-only or cash-heavy markets don't indicate freedom; they reveal legal contradictions. A legitimate cannabis economy should offer access to banking, lending, payroll, electronic payments, cards, tax payments, and standard compliance for businesses operating legally under federal law.

## Current baseline

- FinCEN still issues specific guidance for marijuana-related businesses under current federal law.
- FinCEN also provides separate guidance for hemp-related businesses, highlighting the different treatment within federal policy.
- The outcome is that plant-source distinctions continue to influence financial treatment even when businesses appear similar to consumers or state regulators.

## What full implementation should accomplish

- Retire cannabis-specific financial treatment that depends on ongoing federal illegality.
- Allow ordinary bank supervision and risk-based AML treatment for lawful Cannabis businesses.
- Normalize payment-processor, merchant-acquirer, and card access for compliant businesses.
- Support lending, insurance, and ordinary business services rather than forcing Cannabis into specialty workaround markets.
- Make sure hemp, adult-use, and medical businesses are treated coherently once the federal legal contradiction is gone.

## Policy design questions

- What federal agencies need to coordinate to phase out legacy cannabis-only banking workarounds?
- How should merchant categorization, tax remittance, and transaction monitoring operate in a typical Cannabis economy?
- How can access to finance be combined with repair and social-equity tools rather than being dominated solely by the most capitalized players?

## Bottom line

WRCL should include banking and cards in the full implementation, not treat them as optional extras that might come later.

## Selected source basis

**FinCEN: BSA expectations regarding marijuana-related businesses** — Current special Cannabis banking guidance baseline. <https://www.fincen.gov/resources/statutes-regulations/guidance/bsa-expectations-regarding-marijuana-related-businesses>

**FinCEN hemp guidance** — Current federal banking guidance specific to hemp-related businesses.

[https://www.fincen.gov/system/files/2020-06/FinCEN\\_Hemp\\_Guidance\\_508\\_FINAL.pdf](https://www.fincen.gov/system/files/2020-06/FinCEN_Hemp_Guidance_508_FINAL.pdf)

**About the Alcohol and Tobacco Tax and Trade Bureau** — Current TTB mission and tax/trade enforcement role.

<https://www.ttb.gov/about-ttb>