



USE CASE - CONSUMER PROTECTION

# Crypto Payment Compliance

1CAD Protocol — MiCA Consumer Protection & Digital Asset Recourse Framework

International Digital Asset Association (IDAA) · 1cad.us · May 2026

## EXECUTIVE SUMMARY

When crypto payment providers retain user assets, issue misleading disclosures, or falsely cite "blockchain irreversibility" to deny recourse, EU consumers have no institutional mechanism for recovery. Under MiCA (EU Regulation 2023/1114), providers serving EU residents must meet financial-grade consumer protection standards. **1CAD provides the compliance infrastructure and case documentation framework to close this gap.**

## DOCUMENTED VIOLATIONS — FOUNDING CASE IDAA-2026-001

### ACTIVE Wrongful Retention of Digital Assets — Tangem Pay / Paera LLC

#### Misleading Disclosure

- 01** App displayed "Send funds using only Polygon network" without specifying USDC only. POL is the native Polygon token. The disclosure was ambiguous and materially contributed to the loss.

#### False Technical Pretext

- 02** Provider cited "blockchain irreversibility" to deny return. The 400 POL remain in the provider's own controlled wallet. Return requires only a new outgoing transaction.

#### Wrongful Asset Retention

- 03** 400 POL confirmed on Scorechain analytics as present on receiver wallet. Funds not lost — actively retained by Paera LLC / Third National (NMLS #2612780).

#### MiCA Non-Compliance

- 04** Complainant is an EU resident (Spain). Provider has not demonstrated MiCA authorisation for EU resident services. Potential violation of EU Regulation 2023/1114.

## 1CAD RESPONSE ARCHITECTURE

LAYER	CHALLENGE	1CAD RESPONSE
Evidence	No institutional-grade evidence framework for consumer asset loss cases.	Five-document compliance package: AML Report, Proof of Intent, Transaction Certificate, Corporate Resolution, Attestation Certificate.
Regulatory	No recourse mechanism for EU consumers against non-MiCA-compliant providers.	IDAA files formal regulatory complaints with OCIF (Puerto Rico), CFPB, FinCEN, ESMA, Banco de España.

<b>Legal</b>	Providers use technical language to mislead consumers and deny liability.	IDAA documents false technical pretexts and provides court-ready evidence packages to legal counsel.
<b>Precedent</b>	No public registry of consumer protection violations in the digital asset space.	IDAA maintains a public case registry — creating industry accountability and regulatory awareness.

#### THE 1CAD COMPLIANCE PACKAGE

<b>01</b>	<b>Events Attestation Report</b> Technical verification of blockchain transaction with AML analysis. Confirms funds reached receiver wallet. Scorechain-powered.
<b>02</b>	<b>Wallet Control Certificate</b> ECDSA cryptographic proof of wallet ownership. Published on PolygonScan. Proves transaction was voluntary and authorised.
<b>03</b>	<b>AML Compliance Summary</b> Full Scorechain risk assessment for both wallets. Confirms 410 POL on receiver wallet. Flags wrongful retention.
<b>04</b>	<b>Corporate Resolution</b> EXCH Consulting LLC official resolution authorising the compliance package for regulatory submission.
<b>05</b>	<b>1CAD Attestation Certificate</b> Legal-standard summary document. Vault archived. QR-verifiable. Suitable for OCIF, ESMA, CFPB submission.

#### VALUE PROPOSITION

FOR EU CONSUMERS	FOR REGULATORS	FOR THE INDUSTRY
— Regulatory-grade evidence package for asset recovery.	— Structured, evidence-based case documentation.	— Consumer protection standard for digital asset payments.
— Formal regulatory complaint filing on your behalf.	— MiCA compliance gap identification.	— Incentive for providers to adopt 1CAD proactively.
— Public case registry entry.	— Precedent-building for enforcement action.	— Reduced systemic risk across the sector.

#### CORPORATE MEMBERSHIP

Digital asset payment providers, crypto card issuers, and payment infrastructure companies are invited to join IDAA as **Founding Corporate Members** — adopting the 1CAD standard proactively to demonstrate MiCA consumer protection compliance before regulatory enforcement arrives. **Corporate Membership: EUR 10,000 per year** · 1CAD Accredited Partner status · MiCA compliance advisory · Case registry participation Contact: [compliance@idaa.uk](mailto:compliance@idaa.uk) · [1cad.us](https://1cad.us)

